




# Vigilance Plan

Appendix  
to the Management Report  
from the Board of Directors  
to the General Meeting

**May 23<sup>rd</sup>, 2023**



To whom it may concern,

In accordance with the articles of French Law number 2017-399 of March 27, 2017 relating to the duty of vigilance of parent companies and contracting companies (herein after the “Law”), we hereby present to you the vigilance plan and implementation report of the company Laboratoires de Biologie Végétale Yves Rocher and its subsidiaries (hereinafter “Groupe Rocher” or “Group”).

LABORATOIRES DE BIOLOGIE VEGETALE YVES ROCHER

Public Limited Company with capital of 4.396.350,15 euros

Registered Office: La Croix des Archers - 56200 La Gacilly - France

Trade and Companies Register No. 876 580 077 Vannes - France

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## FOREWORD

This 2022 edition of the Vigilance Plan gives me the opportunity first of all to thank all the employees and partners at Groupe Rocher who, day after day, make our transformation possible in order to bring our mission to life on a daily basis: to reconnect people to nature.

Indeed, thanks to the commitment of each and every one of them, the Group has pursued an unprecedented transformation effort this year.

To take two examples of significant progress:

- On the one hand, faced with the challenges of increasing scarcity of materials, the fragility and complexity of supply chains, the acceleration of new consumer trends and stricter regulations, the Group has formalized a sustainable procurement policy that will enable it to adopt a holistic and sustainable approach in the years to come;
- On the other hand, as part of an effort to adapt to and mitigate the effects of climate change, and limit the impact of significant increases in energy costs, the Group is controlling its energy consumption. Energy conservation measures in addition to existing energy saving plans have been defined and implemented at all of the Group's industrial, logistics, service and retail sites.

All of these efforts, combined across our entire value chain, have enabled us to implement major projects. An extremely successful landing: the annual objectives we had set ourselves to achieve B Corp certification are, to date, beyond the planned trajectory.

What counts today, and above all what will count more and more for tomorrow, is that the company is asserting its legitimacy and supporting a different way of looking at the economy. This uniqueness, which is expected by all stakeholders, including our customers who are first and foremost citizens, is being built through our brands, through their even more clearly stated CSR commitments, and of course in a dynamic that serves the Group's *raison d'être*.

In 2022, academic publications confirmed once again the growing disconnection of modern societies from nature. Promoting and providing experiences of nature, training in the challenges of nature and acting in favor of nature are emerging as fundamental ambitions for the Groupe Rocher communities and will guide us in the years to come.

**Bris Rocher**  
CEO, Groupe Rocher

# INTRODUCTION

The continuous improvement of its economic, social and environmental impact is at the heart of Groupe Rocher's operations. CSR actions<sup>1</sup>, presented in the Non-Financial Performance Reporting (NFPR) appended to the management report and in the mission report, are conducted in synergy with the vigilance plan, steered by the Group in its capacity as parent company.

In accordance with Article L. 225-102-4 of the French Commercial Code, the vigilance plan includes the Group's measures to prevent serious violations of human rights and fundamental freedoms, the health and safety of individuals and the environment, resulting from the activities of the company, its subsidiaries and its Suppliers<sup>2</sup>. It includes the identification and mapping of the Group's main risks in this area, as well as a system for mitigating and preventing serious risks. It also includes a mechanism for alerting and collecting reports, as well as a framework for monitoring and evaluating the effectiveness of the system.

This document presents the plan currently in place and reports on its implementation in 2022. It formalizes the overall vision of the actions deployed by the Group at its various sites, subsidiaries and with its Suppliers.

Groupe Rocher has long been acting as a socially and environmentally responsible company towards its customers, its employees, its Suppliers, and all other relevant stakeholders. With regard to the duty of vigilance, Groupe Rocher considers that the obligations of the Law are fully integrated into its ethical commitments and is committed to ensuring compliance with these legal obligations in its operations and in its value chain.

## The group's areas of vigilance

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

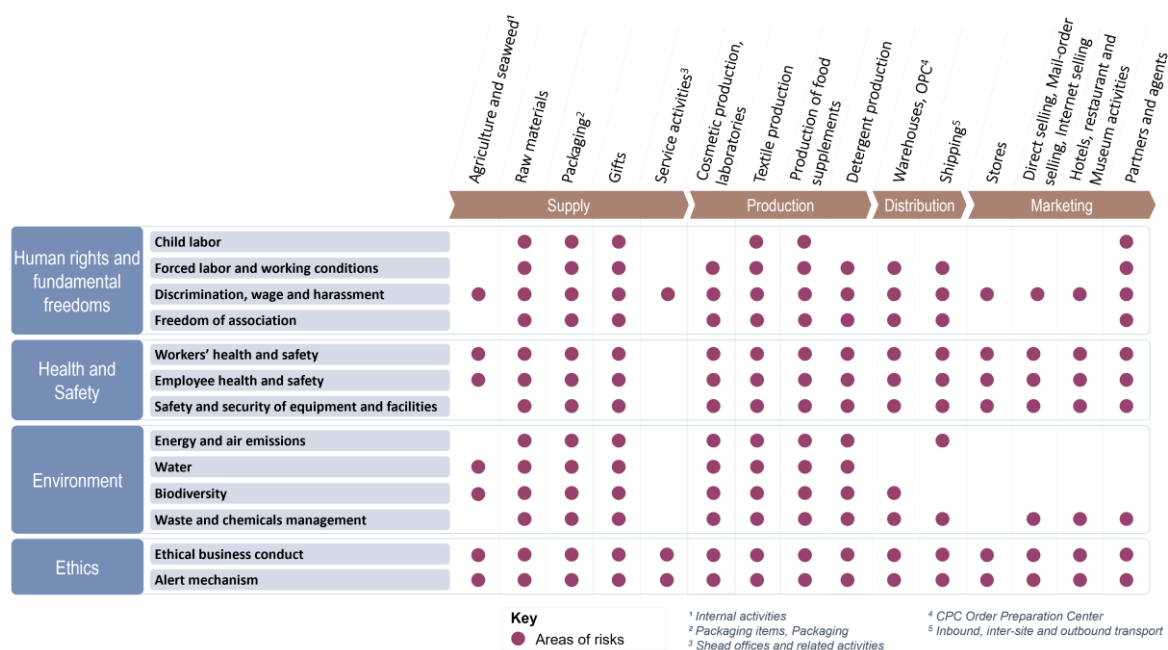
- Human rights and fundamental freedoms: child labor, forced labor and working conditions, discrimination and harassment of any kind, fair remuneration, freedom of association including unions and collective bargaining;
- Health and safety of people: workers' health and benefits, employee health and safety, safety of equipment and facilities;
- Environment: fight against climate change, water consumption and pollution, protection of terrestrial and marine ecosystems and their biodiversity, waste and chemicals management;
- Ethics: promotion of ethical practices in the conduct of business, alert simplicity.

These categories of risks associated with the duty of vigilance, observed by following the key stages of the value chain, - whether the activities are carried out internally or by Suppliers, - may be summarized in a global matrix of the Group's areas of vigilance. This overview presents the potential risks before taking into account the impact of prevention and mitigation measures put in place to reduce them, and will be subject to regular revisions:

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<sup>1</sup> CSR: Corporate Social Responsibility

<sup>2</sup> As a preliminary point, in this document, the term "Supplier" refers to suppliers, service providers and first-tier subcontractors with whom the Group has an established business relationship.



In view of the mitigating measures and preventive actions implemented within the Group, it appears that, independently of the risks intrinsic to each country, if the risks of serious violations of human rights and fundamental freedoms, the health and safety of individuals and the environment exist, they relate primarily to value chain activities carried out externally, i.e. mainly in the Group's supply chain and subcontractors.

## Scope of deployment of the plan

We have deployed the vigilance measures detailed in this plan throughout most of the Groupe Rocher value chain:

- All internal production, storage and order preparation activities, as well as the La Gacilly businesses, already integrated into the approach, have been enriched in 2022 with the group's internal commercial activities for all subsidiaries and countries, consisting mainly of the operation of own stores;
- First-tier supplier panels at different stages of the value chain, which are eligible for the Group's procurement procedures, have been integrated into the approach;
- For the supply chains most at risk, specific vigilance measures for the risks identified by sector are deployed at all levels of the value chain, as described in sections 1 and 3 of this plan.

The year 2022 has enabled us to capitalize on the centralized and coordinated management of the approach: the collaboration established between the expert referents and coordinators of the duty of vigilance at group level and the implementation referents appointed within the subsidiaries, enables the subsidiaries to take ownership of the approach and gain autonomy in the implementation of the process. The Group works based on a common methodological foundation, and regular communication with the relevant contacts enables effective coordination and support.

As stated in the NFPR, it should be noted that in 2022 the group was directly impacted by the conflict between Russia and Ukraine, due to the fact that its brands operate commercially in these areas.

The Group and the Yves Rocher brand have joined forces and implemented initiatives to support the Ukrainian subsidiary on several levels, including financial and psychological support for employees, as well as donations.

The group has also set up a unit dedicated to the analysis of international sanctions and Russian counter-sanctions, in order to ensure their respect within the group. While maintaining its activities, the group has suspended its investments as well as any local media presence.

Throughout 2022, the group monitored the situation closely, in order to adjust the measures taken according to the evolving context. This vigilance will continue in 2023, to ensure the safety of the group's personnel and to take the necessary measures if the conditions for the continuation of activities are no longer met.

The LBVYR Company was summoned on March 23, 2022 before the Judicial Court of Paris by the French associations Sherpa and ActionAid France, the Turkish trade union Petrol-Is as well as 34 former employees of its Turkish subsidiary, the company KOSAN KOZMETIK Sanayi, on the basis of French law no. 2017-399 of March 27, 2017 relating to the duty of vigilance of parent companies and contractors, on the grounds that it has not complied with its obligations under the provisions of the said law. The procedure is ongoing.

The main objectives for 2023 under the vigilance plan will be to:

- Continue to consolidate the deployment of all stages of the vigilance compliance process for all of the Group's internal activities, as part of the continuous improvement of the practices in place within the Group;
- Continue to deploy across the value chain, strengthening our risk management systems beyond the first tier of Suppliers in the most high-risk sectors, as described in sections 1 and 3 of this plan.

# 1. IDENTIFICATION OF RISKS

## Group approach

The Group faces a range of internal and external risks, which is why the mapping of the Group's major risks is regularly updated by the Risk Management Department with the Group's departments and subsidiaries. During its preparation, all types of risk are analyzed, including financial, operational, human, health and safety, environmental, information technology, and legal and regulatory risks.

Groupe Rocher publishes its non-financial performance statement annually in accordance with Articles L.225-102-1 and R.225-105-1 of the Commercial Code (NFPR). This document explains the main CSR risks and opportunities for the Group, as well as how they were identified.

## Summary of risks identification actions

In addition to the mapping of the Group's major risks, which was updated in 2022 for the anti-corruption section, a number of other risks identification and analysis actions are carried out throughout the year by certain Group departments and renewed regularly.

The following is a summary of these initiatives in the area of duty of vigilance:

	Group activities		Suppliers' activities
Human rights and fundamental freedoms		<ul style="list-style-type: none"> <li>- Remuneration surveys and salary reviews</li> </ul>	
Health and safety of people	<ul style="list-style-type: none"> <li>- Mapping of major risks, analysis of the main non-financial risks</li> <li>- Duty of vigilance risk assessment of internal activities</li> <li>- Corruption risk mapping</li> <li>- "Tell Us" survey of all Group employees to measure well-being at work</li> <li>- Survey of the Group's global HR network to identify the processes in place locally in order to mitigate the risks related to the Group's 10 Principles of Social Responsibility</li> <li>- CSR materiality matrix (see NFPR)</li> </ul>	<ul style="list-style-type: none"> <li>- Analysis of workstation risks</li> <li>- Analysis of risks related to product quality</li> <li>- ISO 9001 certification for the three industrial sites in Brittany</li> <li>- ISO 45001 certifications for the 5 industrial and logistics sites in Brittany and the 2 industrial and logistics sites in Turkey</li> </ul>	<ul style="list-style-type: none"> <li>- Risk assessment by procurement category with regard to the duty of vigilance for panel Suppliers</li> <li>- Duty of vigilance risk assessment integrated into the Supplier approval process</li> <li>- Risk management beyond the first tier for the most risky sectors</li> </ul>
Environment		<ul style="list-style-type: none"> <li>- Identification of the main environmental risks at production and distribution sites</li> <li>- ISO 14001 certifications for the 5 industrial and logistics sites in Brittany and the 2 industrial and logistics sites in Turkey</li> </ul>	



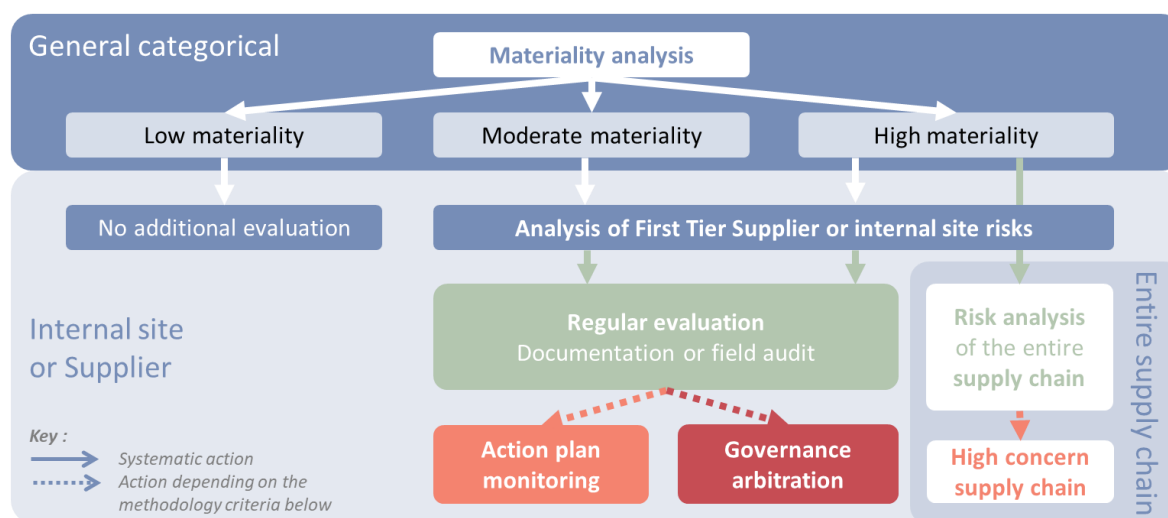
## Operational mapping of duty of vigilance risks

### Presentation of the methodology

In order to identify as accurately as possible the risks associated with human rights, fundamental freedoms, human health and safety, and the environment, the Group has defined and deployed a specific approach covering each of the activities in its value chain.

The approach is divided into two distinct phases: the general categorical analysis, and then the risk analysis at the Supplier and internal site level, as illustrated in the following diagram<sup>3</sup>:

### Risk analysis



### General categorical risk analysis

Firstly, the group analyzed the nature of the activities in its value chain in order to classify them into different categories. These different categories of activities were then rated and divided into three levels of materiality: low, moderate and high, on the basis of which the appropriate risk management strategy is then deployed.

For the moderate and high materiality categories of activities, a risk analysis is carried out at the level of first-tier Suppliers and internal sites, followed by a risk assessment and mitigation process appropriate to the nature of the risks identified.

In addition, for procurement, for high materiality categories of activities, a risk analysis is performed on the entire supply chain in order to determine and implement the appropriate risk mitigation process.

Low materiality procurement categories are not subject to additional risk assessment.

In 2022, this risk-based approach, based on activity categories, was the subject of a procedure that will be rolled out in 2023.

### Risk analysis at the level of the first-tier supplier and the internal site

For all internal sites and for procurement categories with moderate and high materiality, the categorical analysis is supplemented by a more detailed analysis assigning a “vigilance” coefficient to Suppliers and internal sites. This is calculated based on a risk analysis comprising three criteria: **Activity Risk**, **Country Risk** and **Revenue Risk**.

<sup>3</sup> Then detailed in this and subsequent chapters.

Each risk criterion is associated with a rating system, which makes it possible to evaluate the risks in both social and environmental terms.

Each Supplier and internal site is evaluated according to these three criteria and given a vigilance coefficient that makes it possible to determine the overall intensity of the risk, and then to define evaluation methods and take appropriate mitigation and monitoring measures.

### **Activity Risk**

Groupe Rocher has established an internal method for rating the activities of its first tier Suppliers and internal sites, developed with the expertise of members of the Mission & Impact, Compliance and Procurement teams.

This methodology is based on the following criteria to evaluate each activity:

- Environmental impacts,
- Social risks,
- Health and safety of workers and people,
- Level of technicality of the activity,
- Depth of the supply chain.

### **Country Risk**

Groupe Rocher relies on the independent external organization EcoVadis, recognized for its expertise in terms of CSR, to assess this risk. The areas taken into account in the Country Risk assessment by EcoVadis are the following: environment, health, social, human rights, governance, political stability and competitiveness.

### **Revenue Risk**

The importance of the risk also depends on the amount of revenue for internal sites, or the volume of purchases for Suppliers: it is categorized into several thresholds and this criterion is reviewed annually.

### **Vigilance coefficient**

The combination of the three coefficients defined above makes it possible to obtain a vigilance coefficient for each Supplier and internal site of the Group, which feeds into the operational risk mapping of the vigilance plan.

### **Risk analysis of the entire supply chain**

In the case of procurement, for high materiality categories of activity, the Group carries out an in-depth risk analysis of its Suppliers concerning the entire supply chain in question. For this purpose, the supply chain is broken down into its component parts and a risk analysis is performed at each stage, in order to identify the areas of risk to be covered subsequently.

The realization and/or review of these analyzes can be done in collaboration with NGOs<sup>4</sup> or appropriate external stakeholders.

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<sup>4</sup> NGO: Non-Governmental Organizations

## Processes and information systems supporting the deployment of the methodology

### Supplier approval process

In order to integrate the management of risks related to the duty of vigilance from the start of a commercial relationship with a Supplier, the Group has directly incorporated the identification, evaluation and possible implementation of remediation actions into the approval process for its Suppliers.

This process details and frames the various stages of the approval process, the data to be collected, and specifies the cases and tools for exemptions as well as the arbitration bodies. It enables a risk assessment to be carried out, that takes into account a large number of parameters inherent to the Supplier's activity, location, certifications and performance history.

This process, which is the subject of a specific procedure, is also integrated into the new procedure for compliance with the duty of vigilance initiated by the Group in 2022. Since its creation, 148 group employees have been trained to the Supplier approval process, including the Procurement, Quality and Mission & Impact teams, responsible for listing new Suppliers.

### Information system

The implementation of the approval process and the extension of the approach to the different entities of the Group have made it possible to validate the basis of the approach through the following key elements:

- In order to guarantee the quality of execution throughout the world, the process has been made as clear and simple to apply as possible;
- The definition, management and monitoring of certifications and action plans are carried out in a collaborative and interactive approach with Suppliers or internal sites, the process in place facilitates the contribution of both internal and external stakeholders of the Group;
- As risk mapping generates a large amount of data, it must be easy to use in order to ensure that the process runs smoothly, that the system is effective and that the reports required to manage and monitor the system's performance are issued.

The Group has set up a specific information system to meet these challenges, which enables the automation of the approval process and the consolidation of all data relating to the risks and performance of each Supplier on the panel.

In 2023, this tool will also be used to update risk analysis for internal sites.

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

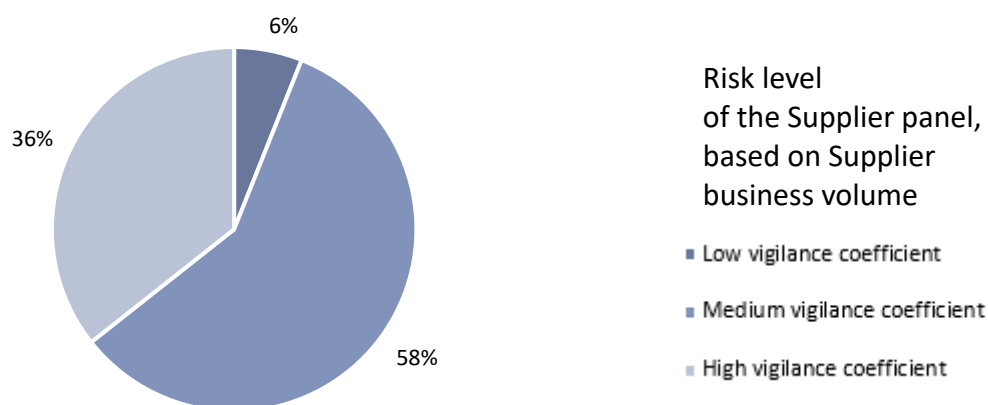
## Results of the risk mapping

### Inventory of the Supplier panel

The 2022 results of the risk analysis on the eligible panel<sup>5</sup> of first-tier Suppliers, i.e. more than 5,000 Suppliers, are presented in the graph below. The breakdown of the panel as presented below is monitored to ensure that the Group's exposure remains stable overall:

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<sup>5</sup> As specified in the methodology on page 9 of this document, high and moderate materiality procurement categories are included in this exercise.

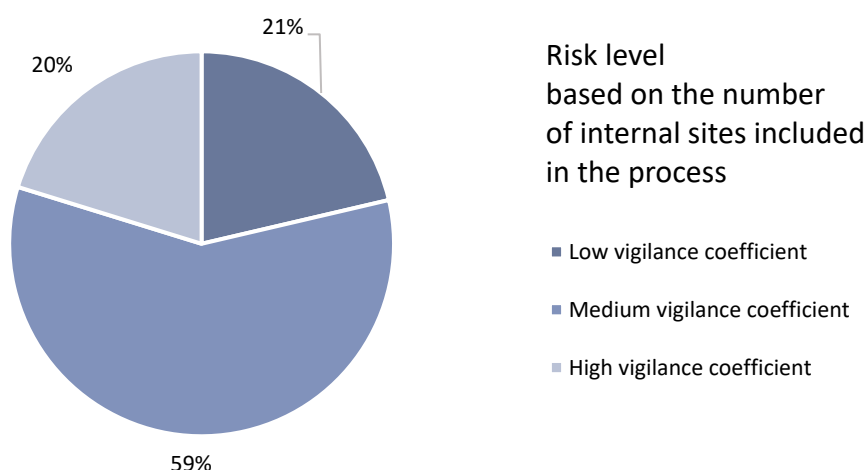


In 2022, the proportion of Suppliers with a low level of vigilance has decreased compared to 2021. This is due to the change in the scope of the analysis of first-tier Suppliers risks: the analysis is no longer performed on low materiality procurement categories, which in 2021 represented a significant proportion of Suppliers with a low vigilance coefficient.

### Mapping of internal activities

The methodology for determining the vigilance coefficient of internal sites, by combining activity, country and revenue risks, is identical to that used to map the Supplier panel. It is applied to all the activities and sites included in the plan's deployment perimeter, as described above in the Introduction.

The risk analysis of the panel of internal sites is as follows:



Thus, in 2022, following the completion of work on sites for commercial activities, in addition to those for production, warehousing, order preparation and hotels, which have already been integrated, the update of internal mapping has made it possible to identify new sites with a high level of vigilance, which will have to be audited in the field in 2023 and 2024, bringing the total number of audits to be carried out in the field for the Group's internal activities to 18.

The other sites identified as medium or low risk were reviewed through the renewal of the Group's 2021-2022 EcoVadis assessment.

## 2. REGULAR ASSESSMENT OF THE SITUATION

### Methodology for assessing first-tier Suppliers and internal sites

The evaluation policy for each Supplier and internal site is based on the vigilance coefficient, which is the result of the identification of risks specific to duty of vigilance. Depending on the value of this coefficient, i.e. the level of associated risk, an appropriate evaluation methodology is determined, ranging from documentary evaluation - for vigilance coefficients qualified as medium - to field audit - for vigilance coefficients qualified as high -.

Each evaluation - documentary evaluation or field audit - is renewed every three years, allowing the Group to monitor the compliance and improvement of its Supplier panel and its internal sites.

#### Documentary evaluations

The group selected the EcoVadis methodology to carry out the documentary evaluations, based on the following main advantages: a methodology to qualify a company's CSR practices, covering all the topics of the duty of vigilance, and benefiting from an international footprint corresponding to the geographical location of the group and its Suppliers. As such, the group has been a member of the "Responsible Beauty Initiative" since its creation in 2017, coordinated by EcoVadis, with the aim of promoting good CSR practices among Suppliers and facilitating the pooling of ratings of players in the beauty sector value chain.

#### Field audits

The SMETA methodology was chosen<sup>6</sup> for the field audits because it covers all the issues related to the duty of vigilance. In this respect, the Group is a member of the SEDEX initiative, which aims to share SMETA audit reports within a circle of members, consisting of Suppliers and principals.

Furthermore, aware of the existence and use of audit standards other than SMETA, depending on the category of activity and geographical area, and in a spirit of cooperation with its Suppliers and internal sites, the Group has defined a list of accepted field audits and certifications standards<sup>7</sup>. The benefit of this approach is twofold, since it allows, through a logic of equivalence:

- For Suppliers and internal sites to promote the social and environmental compliance procedures already in place, specific to their sector of activity and in line with the context in which they operate;
- For the Group to gain in efficiency and relevance in the implementation of the evaluation plan in the different territories and fields of activity.

Furthermore, given their key role in the Group's supply chain, and in order to assess the practices of its "distributor" type Suppliers in the most appropriate and relevant way possible, the Group has defined and deployed since 2021 a specific audit methodology, as well as strong support from internal teams to help these players improve their risk management on their own supply chain.

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<sup>6</sup> Sedex Members Ethical Trade Audit

<sup>7</sup> See details in the paragraph "Compliance Manual" on page 14, and Appendix 2 of this document

## Compliance score

Following the evaluations, a duty of vigilance compliance score is determined. This score is calculated according to the number of non-conformities observed and their level of criticality, based on the requirements defined by Groupe Rocher.

## The Compliance Manual: the Group's reference for audit standards

The Compliance Manual was drawn up in 2020 and formalizes the group's social and environmental requirements for field audits.

Although SMETA-type field audits are mainly used by the Group, the regular implementation of this tool with Suppliers, in different activities and geographical areas, has confirmed the need to define and formalize a broader reference framework to manage all the audits to be performed.

The reference framework currently in force allows:

- The provision of a document setting out the framework of the Group's social and environmental requirements, enabling the anchoring of robust fundamentals and a common language, and thus, the appropriation by the Group's internal teams as well as its Suppliers in an operational dimension;
- The management of equivalence of standards or certifications, in order to gain flexibility in the implementation of the evaluation system in different territories and fields of activity<sup>8</sup>;
- The definition and implementation of corrective action plans by Suppliers and internal teams based on formalized social and environmental requirements, and therefore on a concrete and standardized compliance target.

In 2022, this guide made it possible to speed up the completion of evaluations, thanks to the equivalence management system for audit and certification standards. It has been updated by the teams in charge of defining the methodology for compliance with the duty of vigilance, and will continue to evolve to take into account new evaluation systems.

## Evaluation methodology for high materiality supply chains

For high materiality procurement categories, following the identification of risks at each stage of the supply chain, the Group defines an evaluation, audit and/or certification strategy appropriate to the risks identified in each value chain analyzed.

An analysis of existing audit and certification standards is carried out and, if they provide sufficient assurance of risk coverage, they are retained as acceptable risk assessment and mitigation systems.

If no standard is qualified, the “high concern supply chain” process is deployed (see description in the following section).

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<sup>8</sup> See list of certifications and standards accepted by the Group in Appendix 2 of this document

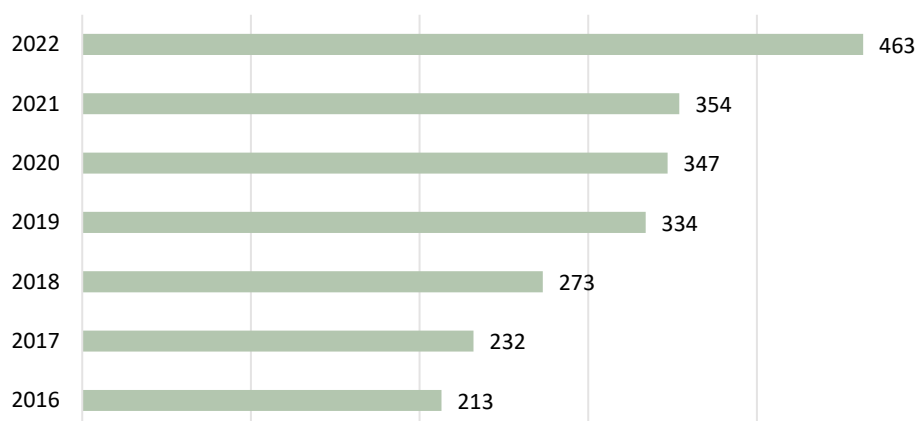
## Results of the Supplier panel evaluations

### Documentary evaluations: volume and performance of Suppliers assessed

Documentary evaluations are one of the pillars of our system: in 2022, 58% of the group's eligible procurement volume - after materiality analysis - is made with Suppliers subject to documentary evaluation. The number of Suppliers monitored in EcoVadis as well as their performance are therefore regularly monitored.

#### Results relating to the CSR performance of Suppliers evaluated by EcoVadis

Number of EcoVadis evaluations performed,  
including updates of existing evaluations



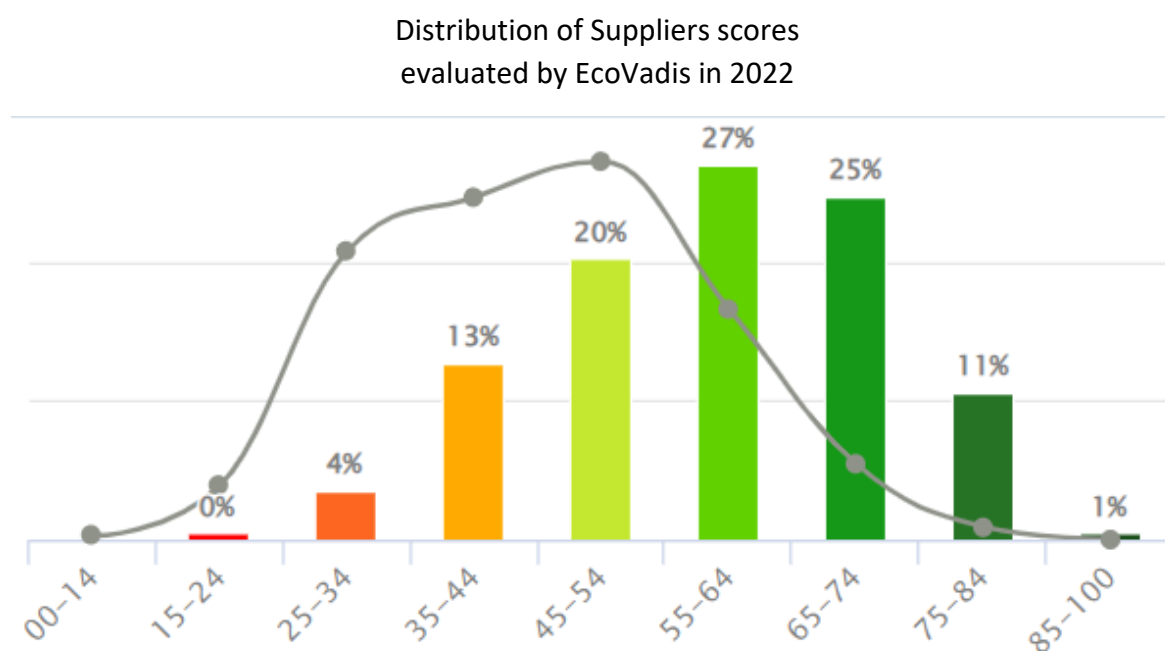
In 2022, the volume of EcoVadis evaluations has significantly increased compared to 2021. This trend reflects the reinforcement of the deployment of EcoVadis within the Group's network of Suppliers, thanks in particular to the increased awareness of the teams among Suppliers since the launch of the approach, which has borne fruit in 2022.

At the end of 2022, the group has 652 suppliers listed on EcoVadis. This figure is constantly increasing (520 Suppliers in the database at the end of 2021).

#### Above-average CSR performance by the Group's Suppliers

Groupe Rocher wants to be an actor of change and to be a source of inspiration in the management and support of its Suppliers. This commitment is reflected in an overall EcoVadis score for its Suppliers of 58.4, which is 13.6 points higher than the average for all Suppliers listed on EcoVadis.

## “Score distribution” graph



- The gray curve is the average of the companies evaluated by EcoVadis;
- The colored histograms represent the distribution of the results of the Suppliers with which the Group works.

The average score of the Suppliers evaluated for the Group has evolved favorably between 2020 and 2022, with an average score of 58.4 in 2022 versus 57.2 in 2020, reflecting the overall progress of the panel.

For Suppliers with a low score, action plans to improve this score are defined and implemented<sup>9</sup>, and then a new evaluation is carried out in order to validate this progress.

## Field audits: volume and performance of Suppliers assessed

This type of evaluation concerns 36% of the Group's eligible procurement volume, after materiality analysis. In line with the situation described in the risk mapping overview, certain geographical areas are particularly concerned (China, Mexico, Russia, etc.). The local entities have therefore mobilized, with the provision of specific resources and budgets.

As for the documentary part, a volumetric indicator is monitored in order to ensure the match between the forecasts and the deployment of the audits on the one hand, and also in order to foresee the necessary resources during the budgetary exercise.

## Results 2022

Following the audit plan defined in 2019 and covering the years 2020 to 2022, the Group has carried out and analyzed 182 field audits, more than half of which were completed in 2022, representing a 79% achievement of the initially defined objective. In 2021, this rate of achievement was 35%.

In 2023, following the risk analysis exercise carried out in 2022, the Group will continue to carry out field audits, with the aim of achieving its audit plan in full, subject to changes in the Suppliers panel.

<sup>9</sup> The implementation of post-evaluation operational action plans is presented on page 20.



## Results of internal entities evaluations

### Documentary evaluation

Previously assessed by EcoVadis in 2019, the Group scored 60, placing it in the top 15% of companies in its industry.

The 2021-2022 EcoVadis assessment of the Group showed a 5-point increase in the score to 65/100, placing the group in the top 10% of the best-rated companies.

This increase is mainly due to the improvement in the systems implemented within the Group - presented in this document - in terms of policies, actions deployed and results obtained, to meet the challenges of responsible procurement and ethics. The rating for these two pillars has risen by 30 and 20 points respectively, placing the group's practices among the best in the market.

The Group plans to renew its EcoVadis rating during 2023.

### Field audits

The five field audits of internal entities, identified in 2021 based on the operational mapping, have been deployed in 2022 as follows:

- The SMETA audit conducted in 2021 will be renewed in 2023 to confirm the status of the improvements;
- The two entities that have been audited twice in late 2020 (BSCI) and in 2022 (ISO) will be audited in 2023 according to the SMETA group standard;
- With regard to the two new SMETA audits identified by the update of the operational mapping in 2021:
  - The first one was carried out in 2022 in a pilot format;
  - This pilot identified the need to adapt the audit format for the second audit for the activities concerned; a second pilot will be prepared and conducted in 2023.

In addition, 13 new audits have been identified for the 2022 mapping exercise, based on the full scope of the Group's internal activities: they will be rolled out in 2023 and 2024, taking into account the feedback from the 2022 and 2023 pilot audits mentioned above.

### 3. RISK MITIGATION AND PREVENTION OF SERIOUS HARM

Groupe Rocher deploys risk mitigation measures adapted to the various situations arising from its activities. These measures are deployed at Group level and some are shared with its Suppliers and stakeholders.

If local laws or the internal rules of subsidiaries and Suppliers provide for stricter standards than the Group's rules, then those standards shall prevail. If the opposite is true, the Group's rules shall prevail.

#### Summary of the main global systems

	Group activities		Suppliers' activities
Human rights and fundamental freedoms	<ul style="list-style-type: none"> <li>- Group Code of Business Conduct</li> <li>- Practical guide to conflicts of interest</li> </ul>	<ul style="list-style-type: none"> <li>- Social dialog and company agreements, including Disability, Remote Working and Remuneration</li> <li>- 10 Principles of social responsibility and e-learning training</li> </ul>	<ul style="list-style-type: none"> <li>- Supplier Code of Conduct</li> <li>- Contractual clauses for Suppliers reminding them of the Group's commitments and ethical rules</li> <li>- Approval process<sup>10</sup></li> <li>- Information system for the management of social and environmental risks<sup>11</sup></li> <li>- Compliance Manual<sup>12</sup></li> <li>- Supporting and monitoring Suppliers in implementing the duty of vigilance (annual reviews, training, etc.)</li> <li>- The Group's commitment to associations aiming to improve social and/or environmental practices in supply chains identified as high risk</li> <li>- Implementation of specific remediation actions following the audits (details in the next section of this document)</li> </ul>
Health and safety of people	<ul style="list-style-type: none"> <li>- Practical anti-corruption guide</li> <li>- E-learning training "Code of Conduct", "Anti-corruption" and "Conflicts of interest"</li> <li>- E-learning training "Duty of vigilance"</li> </ul>	<ul style="list-style-type: none"> <li>- E-learning on "Travel &amp; journeys" for employees who travel regularly</li> <li>- QSE policy: product quality monitoring and staff health and safety monitoring (cosmetovigilance, crisis management system, monitoring of customer complaints, etc.)</li> </ul>	
Environment	<ul style="list-style-type: none"> <li>- Commitment to the Group's B Corp certification process</li> </ul>	<ul style="list-style-type: none"> <li>- Actions implemented as part of the Group's global environmental strategy</li> <li>- Management of the environmental impacts of all the Group's sites (water, energy and waste management)</li> </ul>	

<sup>10</sup> The approval process is presented on page 11 of this document

<sup>11</sup> The information system is presented on pages 11 of this document

<sup>12</sup> The Compliance Manual is presented on page 14 of this document

## Code of business conduct

Since 2019, Groupe Rocher has stepped up its employee awareness through e-learning training. Training on the Code of Business Conduct and the duty of vigilance, repeated in 2021 with the buyer population, was followed in 2022 by two training courses: one on corruption and the other on conflicts of interest, these training courses were deployed in 2022 to all Group employees

### Supplier Code of Conduct

In order to commit the Group's Suppliers to ethical and responsible practices, the Supplier Code of Conduct was formalized in 2021: it is derived from the Group's Code of Business Conduct and the requirements for Suppliers defined by the Group in its Compliance Manual<sup>13</sup>.

This Code of Conduct is submitted for signature by the Group's Suppliers to ensure that it is properly understood and taken into account. The Group's objective is to cover 80% of Supplier spend by 2025. The rollout initiated in 2022 has achieved a signature rate of 76%. It will continue in 2023.

## Implementation of post-audit operational action plans

Following the documentary evaluations or field audits carried out as part of the risk management approach specific to the duty of vigilance, a compliance score is determined, ranging from A for the best-rated Suppliers to D.

Based on this score and the types of non-compliances observed, an action plan is defined and implemented:

- Specifically for Suppliers: if one or more of the practices identified are considered unacceptable according to the requirements defined by the Group, the continuation of commercial relations is called into question. The situation is then examined, and alternatives are studied and validated by the Governance Committee<sup>14</sup>. In 2022, 20 Suppliers were arbitrated by this committee.
- If one or more practices are identified as critical, they must be resolved within an agreed time frame. In some cases, with regard to Suppliers, and depending on the stakes and the type(s) of non-compliance observed, remedial actions are proposed and validated by the Governance Committee;
- In case of identification of practices considered as major and/or minor, remedial actions are implemented within a reasonable time frame.

In these various cases, Groupe Rocher favors a collaborative approach with each Supplier: while the construction of the action plan remains the responsibility of the latter, the group can, at its request, provide support from a technical and/or methodological standpoint. The progress plan and the associated schedule are validated by both parties. Their implementation is then confirmed by a re-evaluation or a re-audit, if necessary.

With regard to internal sites, the subsidiaries and sites concerned are responsible for implementing their own action plans, while receiving technical and methodological support from the Group and regular monitoring. The improvements are then confirmed by a re-evaluation or a re-audit, if necessary.

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<sup>13</sup> The Compliance Manual is presented on page 14 of this document.

<sup>14</sup> Governance is presented on page 24 of this document

## High concern supply chains<sup>15</sup>

The challenges presented by the Law are as high as they are complex to master for a large proportion of the partners and, despite the efforts made, certain supply chains present particularly high risks. This is why Groupe Rocher has put in place a special process for some of them.

This process is based on the following approach:

- Firstly, a risk analysis of the different stages of the supply chain and implementation of a monitoring system;
- Secondly, a definition of risk management requirements specific to each sector. These requirements may relate to certifications, geographical, technical and/or technological alternatives;
- Thirdly, the implementation of the defined requirements for the brands concerned within the group;
- Lastly, reporting on compliance with the defined requirements.

At the same time, the Group attaches considerable importance to supporting the communities involved in these sectors, in a spirit of fair, sustainable and responsible development of practices. To this end, it contributes to the implementation of direct actions for the improvement of high concern supply chains through sectoral initiatives, whose objectives are, in particular, to:

- Strengthen the impact of actions in the field through collaboration with various stakeholders in the sector;
- Share tools, methods and resources to accelerate the transformation of practices,
- Jointly support actions on the ground with small producers/farmers through the presence and legitimacy of NGOs;
- Challenge the positions and actions of brands and companies with the opinion of an independent, non-governmental third-party organization in the social and environmental interests of all stakeholders;
- Align the expectations of principals so as to facilitate their implementation by stakeholders (Suppliers, institutions, etc.) and thus promote compliance with social and environmental practices in the value chain.

As an example, the Group is a member of the Responsible Mica Initiative since its inception in 2017, and thus involved in improving mica mining conditions in India. Through this partnership, in 2022, the Group has deployed a traceability tool to map the players in the mica supply chain.

The Group is also active in the palm sector, through a partnership with the Earthworm Foundation, with which it supports local programs for producers working in particularly exposed areas.

## Internal sites

The internal sites that have been audited in the field, in the light of the 2021 operational mapping, have implemented the following actions in 2022, with technical and methodological support from the Group:

- An appropriate action plan was drawn up by the subsidiary following the SMETA audit carried out in 2021: its phased deployment in 2022 has made it possible to implement permanent corrective actions to remedy the non-conformities identified. These improvements will be reassessed in 2023 by a new audit;
- The two entities that deployed action plans in 2021 following the two BSCI audits carried out at the end of 2020, each acquired several ISO certifications in 2022, including ISO 45001 and ISO 14001; the

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<sup>15</sup> High concern supply chains are presented in the Group's Non-Financial Performance Report in the section entitled "Choice and certification of raw materials",

improvements implemented on an ongoing basis by these two subsidiaries will be reassessed in 2023 through new audits;

- As a follow-up to the SMETA audit carried out in 2022 in pilot format, the subsidiary concerned has identified appropriate risk control and reduction actions to be deployed within the entity: operational implementation began in 2022, is regularly monitored and will continue during 2023.

## A systemic approach

To manage the risks specific to duty of vigilance, the Group's primary lever is concrete action with at risk or non-compliant internal sites and Suppliers, so as to rapidly change social and environmental practices in the value chain.

This is part of a broader movement, the methodological robustness of which is supported by the implementation of a global system. This is based on three axes:

- Tools and processes: the creation of the compliance manual<sup>16</sup>, the formalization of specific processes<sup>17</sup> and a dedicated internal control procedure, as well as the deployment and ongoing adaptation of a support information system. the development and deployment of a support information system<sup>18</sup>. These key success factors ensure that the system can be implemented in a simple and standardized way on an international scale;
- Governance and organization: an established governance<sup>19</sup> structure for decision-making and arbitration, an organization with solid expertise, and local relays<sup>20</sup> close to the field are in place, enabling a sustainable and coherent implementation of the system throughout the Group;
- Awareness raising, training and support for internal and external stakeholders: the implementation of such an approach cannot rely solely on a group of experts<sup>21</sup>. This is supported by many internal and external stakeholders, including Procurement teams, but also procurement managers and Suppliers. The Group has therefore developed tools to train the various players and also collaborates with external initiatives (e.g. the Responsible Beauty Initiative<sup>22</sup>) in order to mobilize and set its ecosystem in motion.

The Group has embarked on a fundamental shift by making the issue of duty of vigilance a central concern. While its action must be concrete and rapid at the Supplier level in the event of non-compliance, it is also intended to be global, long-term and inclusive via a systemic approach, guaranteeing continuous and sustainable improvement.

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<sup>16</sup> The Compliance Manual is presented on page 14 of this document

<sup>17</sup> Including the approval process, presented on page 11 of this document

<sup>18</sup> See details on page 11

<sup>19</sup> See details on page 24

<sup>20</sup> See details on page 25

<sup>21</sup> See details on page 25

<sup>22</sup> An example of an action carried out within the framework of this initiative is presented in the "Duty of vigilance" section of the Groupe Rocher Non-Financial Performance Report

## 4. ALERT MECHANISM

Because it is attentive to its business environment, Groupe Rocher has had an alert system or “ethics line” since 2012. A single e-mail address can be used to report serious breaches or violations of internal rules and procedures or the Law. It is accessible:

- To all group employees: internal, external or occasional;
- To stakeholders, including:
  - Customers, Suppliers, partners of the group,
  - as well as organizations, unions, local authorities etc.

Under the duty of vigilance, any employee or third party of the Group who is aware of or suspects in good faith an irregularity or infringement in the areas of human rights and fundamental freedoms, health and safety, the environment, or any act or behavior contrary to the Group's ethical rules, is encouraged to contact the ethics line by writing to:

[ethics@yrnet.com](mailto:ethics@yrnet.com)

This whistleblowing mechanism is disseminated through various media accessible on the Group's intranet site, in particular the Group's Code of Business Conduct, the Anti-Bribery Guide, the Guide to the 10 Principles of Social Responsibility and the Supplier Code of Conduct, and is regularly communicated to employees during e-learning training sessions<sup>23</sup>. The Code of Conduct is also available on the Group's website ([www.groupe-rocher.com](http://www.groupe-rocher.com)).

In addition to the Group's Code of Business Conduct, a specific document dedicated to the collection of alerts and reports was drawn up at the end of 2022 and will be communicated to all Group employees at the beginning of 2023. It is also available for on the Group's website.

For employees, reports can also be made through the hierarchy.

Some subsidiaries have their own ethical lines that complement the Group's general system. This is the case for the Arbonne and Flormar subsidiaries: any person wishing to issue an alert for these subsidiaries is free to activate the brand's system or the Group's system. The cases handled locally are reported at least twice a year to the Group's Chief Compliance Officer.

All reports are analyzed and investigated internally, under the supervision of the Group Chief Compliance Officer, who, depending on the main issue, reports to the relevant Deputy General Manager. Groupe Rocher is committed to ensuring that no punitive action will be taken against a person who has reported a breach in good faith.

In 2022, the ethics line was used 25 times, all via the Group's global system. Five of these were ethics-related issues and 20 were alerts related to human resources issues, compared with 11 in 2021. None of them constituted a violation of human rights or fundamental freedoms, nor did they have a significant impact on the Group's consolidated financial statements.

In the interest of efficiency and harmonization, the two complementary ethics lines of Arbonne and Flormar will be discontinued in 2023 in favor of a single Group ethics line.

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<sup>23</sup> The e-learning training is presented on pages 21 and 26 of this document

## 5. SYSTEM EFFECTIVENESS MONITORING

### Governance

Understanding duty of vigilance, and more broadly the issue of responsible and sustainable development, has been an integral part of the strategy deployed by the Group's various departments for many years. To this end, they are supported by General Management in the implementation of sustainable and ethical practices throughout the Group's value chain, both internally and with Suppliers.

Aware of the need to arbitrate on these issues at the appropriate level of responsibility, since 2017 the Group has set up a specific body, made up of Group decision-makers and business experts on the various areas concerned by the duty of vigilance: General Management, and the Legal, Procurement, Responsible Development, Risk Management and Quality & Sustainability departments.

The role of the Governance Committee is to validate the deployment of the approach and to supervise the results, as well as to ensure the necessary arbitrations. To do this, it meets:

- Three times a year: to monitor the performance of internal sites and Suppliers, to validate the methodological guidelines and determine priorities, and if necessary to arbitrate on non-compliant Suppliers,
- Exceptionally: to follow up on an audit in the field that has brought to light practices that are not compatible with Groupe Rocher requirements and that must be dealt with before the next regular committee.

In addition, an Operational Committee has been set up to monitor the implementation of the Group's duty of vigilance compliance plan, make operational decisions to ensure compliance, propose methodological changes to improve the Group's practices in this area, and produce summaries and regular reports for the Governance Committee.

The Operational Committee, made up of members representing the areas concerned by the duty of vigilance, meets at least three times a year and liaises with the various teams involved in deploying the process defined by the group:

- Expert referents and duty of vigilance coordinators appointed at Groupe Rocher level,
- Duty of vigilance implementation referents appointed within the subsidiaries,
- Local Management Committees,
- The teams contributing to the process.

In addition, the Governance Committee may be required to report annually to the Group's Audit Committee, which is an arm of the Board of Directors and includes two independent directors.

In 2022, the regular governance and Operational Committees each met three times as planned and made it possible to carry out the required arbitrations, without the need for an exceptional Governance Committee. The Governance Committee also presented the results of its work to the Audit Committee.

In particular, the Governance Committee played an arbitration role following a non-compliant field audit, in 2022, for a limited number of cases, the group faced arbitrations: the associated decisions were taken in accordance with the group's action plan policy<sup>24</sup>. These cases attest, on the one hand, to the system's ability to correctly identify Suppliers at risk, and on the other hand, to the relevance of the governance to make the necessary decisions.

For 2023, it is anticipated that the frequency of committees will continue as outlined above.

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<sup>24</sup> As presented in the section entitled "Implementation of post-evaluation operational action plans" on page 20

## Internal control and audit

For many years, Groupe Rocher has deployed a robust internal control system that applies to all its entities and subsidiaries. The body of internal control procedures available on the Group's intranet enables all employees to know the imperative operating rules for key cross-functional processes (Procurement, human resources, treasury, etc.). Since 2019, these procedures have included internal control points to be audited relating to the management of Suppliers in the context of the duty of vigilance.

In order to ensure proper implementation, the system is supplemented by internal control audits, prevention audits and/or external audits. The conclusions of these audits are shared within the Risk Committee chaired by the Deputy General Manager & General Secretary.

In 2022, the internal auditors were able to conduct 11 internal control audits - including 4 remote and 5 field data audits - with 8 audits completed in 2021. Furthermore, in addition to the regular post-audit action plan monitoring campaigns, the auditors also monitored and closed the 2021 "Sapin II" internal control self-assessment campaign, and carried out a GDPR<sup>25</sup> internal control self-assessment campaign.

The body of internal control procedures in force in 2022 is 14, including the "human resources" internal control procedure updated in 2021, incorporating the 10 principles of social responsibility, defined by the group with the aim of strengthening the visibility of these principles and affirming their mandatory nature. The audits carried out in 2022 were based on this latest version.

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

### A specific procedure

In 2022, a dedicated internal control procedure was drawn up to ensure compliance with the duty of vigilance, covering both internal activities and Suppliers. This procedure incorporates feedback from the Group's field audits and internal site action plans, observed good practices and regular feedback from the duty of vigilance referents. The procedure will be finalized in 2023 and will be rolled out across the Group from 2023 onwards.

## A committed ecosystem

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

### Team commitment

Changes in the Group's internal and external environment have given the vigilance plan a weight that now exceeds the legal framework. Moreover, through its status as a Company with a Mission, the Group is affirming its desire to keep social, societal and environmental aspects right at the heart of its concerns.

The Group's approach integrates and builds on this mandate, on the one hand by making tools available, as mentioned in the following paragraph, and on the other hand by supporting teams in the transformation of their way of working. This dimension is at the heart of the strategy that the Group has defined.

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<sup>25</sup> GDPR: General Data Protection Regulation



## **A network of experts and referents**

The management committees of each subsidiary are the guarantors of the duty of vigilance for their entity and ensure the provision of adequate local resources, with the support of Group management. The operational deployment of the vigilance plan in the subsidiaries relies on identified referents, whose missions are defined as follows:

- Expert referents: experts in the methodology implemented; as such, they define and improve it regularly on the basis of feedback from deployment, as well as changes in the context;
- Group-level referent coordinators: implement the duty of vigilance compliance process within the Group and coordinate it by supporting the implementation referents;
- Subsidiary implementation referents: implement the duty of vigilance compliance process within the subsidiary in which they operate.

The regular training of the teams allows them to benefit from referents who are experienced in the realities of the field, thus representing strong intermediaries. These referents have passed on the methodology and actions to all the Procurement teams, who are now in a position to ensure, with their support, the deployment of the methodology and actions with Suppliers and to explain the principles of the Group's vigilance plan.

An advanced training module has been developed for referents in the subsidiaries to enable them to acquire the skills and tools they need for their role as local relays. This module enables them to read and analyze a Supplier evaluation report, to implement the necessary action plans and, more generally, to embody the Group's positions.

Monthly meetings dedicated to the vigilance plan continued throughout 2022 in order to support the implementation of the policy at the level of the subsidiaries and thus enable each one to appropriate the methodology in order to gain in autonomy and maturity. These bodies also monitor the implementation of the policy and its compliance within the Group, in particular through monthly performance reporting for the monitoring of the supplier panel and through specific reporting for the internal entities evaluated.

## **Systematic awareness-raising among all teams**

The Group is also convinced that duty of vigilance is a central issue that must be addressed by all operational teams, particularly the Procurement and the Mission & Impact teams, in order to effectively monitor the Supplier panel. For this reason, it ensures that the challenges of risk management are well known and understood by all of these teams.

To this end, several tools have been defined:

- E-learning: to develop understanding of the duty of vigilance and knowledge of the law, the Mission & Impact and Risk Management teams have developed an interactive module aimed at various group functions, including the management of each subsidiary and all Procurement teams. This training is regularly used to train new team members through quizzes and scenarios. The objective is to give everyone the context and help them understand the stakes of this law;
- More comprehensive training meetings on the duty of vigilance are regularly organized in order to mobilize teams around these issues and to ensure that they are properly understood.

## The Supplier ecosystem

The Group is committed to a sustainable procurement model with the aim of developing long-term, responsible relationships with its Suppliers, which also echoes the notion of a “balanced relationship with Suppliers” defined in the Groupe Rocher<sup>26</sup> materiality matrix.

By consolidating knowledge of internal and external stakeholders, sharing and the desire for sustainability and social responsibility, the Group's procurement is a pivotal point for:

- Supporting the ambitions of brands and functions by guiding them towards informed choices, from the expression of need phase to the selection of suppliers;
- Securing the future through:
  - CSR innovation: by mobilizing the Supplier ecosystem to create consumer value while providing sustainable solutions,
  - Compliance and risk management: by managing the group's supply chain while building a respectful and ethical relationship;
- Delivering the best product-service solutions thanks to qualified and committed Suppliers, in order to develop positive societal and environmental impacts.

The sourcing and selection of Suppliers and the management of Supplier panels are important levers for Groupe Rocher's CSR commitments in the current context and in order to meet the challenges of increasing scarcity of materials, the fragility and complexity of supply chains, and the acceleration of consumer trends and regulations towards greater responsibility.

In line with the CSR commitments made by the Group, the Groupe Rocher Procurement Department in 2021 formalized a sustainable procurement policy and program called SOURCE. This will enable a holistic and sustainable approach to be taken in the years to come.

This policy is composed of 4 pillars, each supported by precise axes and specific actions to achieve the objectives within the defined timeframes:

- Promoting committed ecosystems, in particular by setting up CSR criteria for the selection of Suppliers and sharing best practices,
- Developing responsible supply chains, through the continued deployment of the duty of vigilance compliance process and the implementation of the Supplier Code of Conduct since 2021, which will continue in 2023,
- Growing CSR expertise within the Procurement teams and with the group's Suppliers,
- Integrating sustainability into our business models via purchasing based on the Group's policies on frugality, circularity and naturalness in product sourcing, raising awareness and encouraging the reduction of the use of virgin raw materials and the preservation of the environment.

The deployment of the responsible procurement policy is overseen by a dedicated Governance Committee made up of the Group's Procurement and Quality & CSR departments. Its objective is to monitor the progress of the implementation of projects relating to each of the pillars, but also to make decisions in consultation with all stakeholders. It met twice per month in 2022 and this frequency will continue in 2023.

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<sup>26</sup> The materiality matrix is presented in the Group's Non-Financial Performance Reporting (NFPR)



## A dynamic of continuous improvement

Because of the areas of vigilance identified in its value chain<sup>27</sup>, Groupe Rocher imposes a strong requirement to monitor its Suppliers, which is reflected in two main ways:

- The 2021-2022 EcoVadis rating for Responsible Procurement is 80 out of 100, placing Groupe Rocher among the companies with an advanced management system for these issues;
- 67% of the Group's Suppliers reassessed by EcoVadis in 2021 - i.e. 355 Suppliers - have improved their CSR performance.

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<sup>27</sup> See the paragraph "The Group's areas of vigilance" on page 6 of this document

# REPORT ON THE IMPLEMENTATION OF THE PLAN

In 2022, Groupe Rocher continued to implement the duty of vigilance in all its activities and in its relations with Suppliers.

The actions taken and monitoring indicators are published throughout the document. In order to facilitate the understanding of the implementation report, this information is summarized in the correspondence table below:

Correspondence table of the implementation report of the vigilance plan

Items of the Law <sup>28</sup>	Areas of implementation	Pages
<b>1 Risk mapping</b>	The group's areas of vigilance	6
	Scope of deployment	6-7
	Summary of risk identification actions at group level	8
	Results of the operational risk mapping of the duty of vigilance on the Supplier panel	11-12
	Result of the operational risk mapping of the duty of vigilance on internal sites	12
<b>2 Regular assessment of the Situation</b>	Assessment results for Suppliers:	
	- Volume and results of documentary evaluations	15-16
	- Volume and performance of field audits	16
	Results of internal site assessments:	
	- Volume and result of the documentary evaluation	17
<b>3 Risk mitigation and prevention of serious harm</b>	- Volume and performance of field audits	17
	Summary of the main global systems	18
	Post-evaluation operational action plans:	
	- Suppliers	19-20
<b>4 Alert mechanism</b>	- Internal sites	20-21
	Number and types of alerts received	22
<b>5 System effectiveness monitoring</b>	Governance	23
	Internal control	24
	Organizational base	24-26
	Improvement in the results of Supplier documentary evaluations	27

<sup>28</sup> Law No. 2017-399 of March 27, 2017 on the duty of vigilance of parent companies and contracting companies

## CONCLUSION

Within Groupe Rocher, duty of vigilance is an elaborate process, the solidity of which is based on a clear, shared and steadily improving organization, methods and operational implementation, in order to integrate the group's feedback for each pillar and to serve its CSR ambitions.

In 2022, the Group reached a new level in the deployment of its duty of vigilance management system:

- The mapping of internal risks includes all stages of the Group's value chain, following the integration of the Group's own commercial activities;
- The volume of supplier field audits has more than doubled, and the compliance manual is being fully exploited;
- The post-evaluation corrective action follow-up plan is in place, both for internal sites and for the Supplier panel, in a collaborative spirit;
- The governance bodies are permanently involved in the arbitration process in cases of non-compliance;
- Participation in sector initiatives is regular and active, and high concern supply chains are closely monitored.

Continuous improvement will persist in 2023, in order to further increase the efficiency of the Group's risk management system, in particular through:

- The finalization of the Group's internal control procedure dedicated to the duty of vigilance, linked to the procedures already in place within the Group, and its deployment within the subsidiaries, which will continue in 2024;
- The implementation of a three-year plan for conducting field audits of internal activities, including self-assessment campaigns based on the new procedure;
- Updating the Code of Business Conduct and its practical guides, including a guide dedicated to the "ethics line";
- Specifically for Suppliers, increasing the range of actions implemented following evaluations, in order to move from a process of correcting non-compliance to a more global process of improving the social and environmental practices of first-tier Suppliers;
- For the most high-risk sectors, extending the scope of risk management beyond the first rank of Suppliers, by implementing traceability, identification and risk mitigation actions.

In the service of its CSR mission and ambitions and concerned about the sustainability of its ecosystem, Groupe Rocher relies on the duty of vigilance to act within its subsidiaries and to collaborate with its stakeholders in the respect of ever better social and environmental practices.

## APPENDICES

## Appendix 1: Scope of Groupe Rocher

“Groupe Rocher” is understood to mean all the companies held directly or indirectly by the parent company Laboratoires de Biologie Végétale Yves Rocher, as presented in the Consolidated Financial Statements at Saturday, December 31, 2022.

The data includes the Group's nine brands in the cosmetics, textile-clothing and home improvement markets:



## Appendix 2: Certifications and auditing standards accepted by the Group

According to the Compliance Manual developed by Groupe Rocher in 2020 and regularly updated, the list of accepted certifications and audit standards is presented below.

### **Certifications and labels accepted by Groupe Rocher**

- EMAS,
- Fair for Life,
- Fair Trade USA,
- ISCC,
- ISO 14001,
- ISO 45001,
- OEKO-TEX Step,
- Rainforest Alliance,
- SA8000,
- UEBT Ethical Bio Trade Standard,
- WRAP.

### **Audit standards accepted by Groupe Rocher**

- Amfori BEPI,
- Amfori BSCI,
- Fair Labor Association,
- Fair Wear Foundation,
- Higg Index,
- ICS,
- RBA VAP,
- Sedex SMETA.



