

Modern Slavery Statement - for the financial year ending on 31 December 2022

Introduction

This statement is produced by Oriflame Holding Ltd on behalf of itself, its affiliates and subsidiaries (**Oriflame**). Oriflame is committed to respecting human rights throughout our operations, in our supply chain and in the communities in which we operate. Oriflame's approach to human rights predates the UK's Modern Slavery Act 2015 and is based on the UN Guiding Principles on Business and Human Rights. Oriflame recognises that companies have a responsibility to respect human rights and to oppose all forms of slavery and human trafficking.

About Oriflame

Founded in 1967, Oriflame is an international social selling beauty company present in more than 60 markets with around 4,700 full-time equivalent employees. Our corporate office is based in Switzerland. Oriflame is proud of its Swedish heritage, as it plays a vital role in what makes the company unique and has helped to define how the company operates. Our wide portfolio of products is marketed and distributed by approximately 2 million Members generating annual sales of around €1.0 billion in 2022. Our portfolio of products spans six categories: Skin Care, Colour Cosmetics, Fragrance, Personal & Hair Care, Accessories and Nutritional products.

More than 70% of the product volumes are manufactured at our in-house manufacturing sites in Poland, Russia, India, and China. In 2022, we sourced 238 million units, including finished goods, from more than 50 global and regional suppliers. Our main sourcing markets in 2022 were Poland, India, China, Russia and the United Kingdom.

Oriflame's Sustainability Report includes the highlights of the company's sustainability performance and commitments. It also explains our actions to tackle human rights and supply chain management. The latest report can be found at or [investor website](#).

Our policies addressing modern slavery.

Oriflame's approach to human rights is based on the UN Guiding Principles on Business and Human Rights and applies to all entities within Oriflame. Below are our commitments and policies which hold relevance in relation to Modern Slavery:

- Our commitment to respecting human rights throughout our own operations, in our supply chain and the communities we operate is summarised in an internal Human Rights Commitment approved by the Group Management and is incorporated in our Group-level policies. It details the human rights principles by which we operate as a business and sets specific commitments on how we approach and respect human rights in our operations, including concerns on modern slavery and human trafficking.
- We maintain a Code of Conduct that sets clear principles on how we operate at Oriflame. This document is applicable to all Oriflame employees and is supported by several internal policies. The Code of Conduct establishes our zero-tolerance policies to all human rights violations, including any form of active or passive corruption, harassment and discrimination. The Code of Conduct and supporting policies are available to all employees, in several languages. This content is also explained to all employees in ongoing classroom and e-learning courses and it is based on the Eight

Fundamental ILO Conventions. We will roll out an updated training programme in 2023 after classroom training was severely impacted and put on hold during the Covid-19 pandemic.

- All Oriflame employees always have the right to join or not join unions as well as the right to collective bargaining.
- Oriflame is committed to the freedom of association, at all stages of its value chain. Forced labour, child labour and modern slavery are clearly and strictly prohibited within Oriflame. Our Supplier Code of Conduct carries over these requirements to our external supply chain. It is based on principles contained in Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), the International Covenant on Economic, Social and Cultural Rights (1966), the Eight Fundamental ILO Conventions and other relevant international human rights and labour standards.

Oriflame's suppliers are required to comply with the requirements of Oriflame's Supplier Code of Conduct which forms part of the contractual agreements between Oriflame and its Suppliers. The requirements include, but are not limited to:

- Compliance with applicable regulations related to conditions of employment and work, including but not limited to wages and benefits.
- Suppliers shall not participate or benefit from any form of child labour (as defined in the ILO Convention 138) or any form of forced labour, including but not limited bonded labour, forced prison labour, slavery, servitude, or human trafficking.
- Workers' rights to form and join unions or other associations for collective bargaining must not be interfered with.
- Suppliers shall not withhold any personnel's salary, benefits, property, or documents.
- Suppliers shall provide a clean and sanitary environment conforming to the needs and number of workers.
- Suppliers must not require any personal expenditure by any of their employees for the implementation of any occupational health and safety measures.

In 2022, Oriflame issued a major update to its Supplier Code of Conduct. The standards it sets are aligned with the current best industry practices and reflect Oriflame's commitment to a sustainable supply chain. Compliance with the principles set by the Oriflame Supplier Code of Conduct is a requirement in all Oriflame contracts with suppliers, and compliance is verified by audits. More information about our policies can be found on our [corporate website](#).

Due diligence

Oriflame is conscious that it sources several products, packaging and raw from geographies that are classified as high risk from a human rights and corruption perspective according to the Transparency International Corruption Perception Index. Major risk-countries for Oriflame are Russia, Indonesia, India, China, and Malaysia.

In 2019, we rolled out the Oriflame Responsible Sourcing Programme to improve our sustainability performance across our whole value chain. The programme, which is primarily aimed at our direct suppliers, starts at onboarding and continues through the entire business relationship.

The foundation of the programme is the Oriflame Supplier Code of Conduct, which outlines our basic requirements regarding working conditions, health and safety, human rights, and environmental impact. The Supplier Code of Conduct applies primarily to all our first-tier direct suppliers, though we expect our

suppliers to implement this Code of Conduct upstream in their own value chain. [The Supplier Code of Conduct](#) is complemented by more detailed “Sustainability Minimum Requirements” that provide practical advice and recommendations to suppliers to achieve the objectives set out in the Supplier Code of Conduct.

Oriflame direct suppliers are also required to undertake the EcoVadis assessment. This evidence-based assessment is a detailed review of the supplier’s sustainability performance and is adapted to different business categories, industry types and jurisdictions. It is also aligned with global standards such as the UN Global Compact. Suppliers who do not meet our minimum target score are subject to a corrective action plan and a renewed EcoVadis assessment within 1 year.

During 2022, we strengthened our efforts to increase supplier and spend coverage and have decided to include all direct spend areas in our statistics from now on. As per 31st December 2022 we had approximately 91% of the global direct external spend covered with a valid EcoVadis scorecard.

Sustainability audits are carried out either by Oriflame’s own supplier quality and sustainability experts or by partner agencies. Audits are prioritised based on a risk assessment or EcoVadis score for high-risk direct suppliers. These audits check the actual performance of the audited suppliers against the Oriflame Supplier Code of Conduct and Sustainability Minimum Requirements. We conduct audits both for new suppliers and existing suppliers. Since the beginning of the Covid-19 pandemic, we have been conducting remote audits in addition to our physical audits. In 2022, 73% of supplier Sustainability audits were performed on-site. When deviations are identified, a corrective action plan is agreed upon with the supplier and put into place. The supplier is required to complete the corrective actions within an agreed timeline (generally three months). If the supplier fails to suitably improve, their business relationship with Oriflame is terminated. During 2022, no relationships with suppliers were terminated for this reason.

Contentious raw materials, including mica, have supply chains with systemic human rights challenges. We take additional due-diligence actions for these commodities.

Sourcing natural mica responsibly:

Oriflame predominantly use natural mica as a pearlescent pigment in cosmetics. Much of our natural mica is sourced from India, where there can be a higher risk of child labour and unsafe working conditions.

Oriflame joined the Responsible Mica Initiative (RMI) in 2017 and we have continued our proactive engagement since. As part of this engagement, Oriflame has participated in a supply chain mapping project to better understand the origin of the mica we use. Three processing plants in our supply chain committed to adopt the RMI’s responsible workplace standards. As a participating member in the RMI, Oriflame contributes to a programme to improve the access to quality education, health services, as well as improved economic conditions for children and adults in the mica collection areas in Bihar and Jharkhand. RMI is also involved in an engagement programme with key stakeholders to implement changes needed to the applicable legal framework to create a sustainable mica industry in these states.

More information on Oriflame's actions can be found in our Sustainability Report 2022.

We take a strong stance on social and ethical issues and are committed to act in case of any non-compliance in our own or our suppliers’ operations. We are committed to conduct a human rights risk assessment for all new markets as part of our due diligence process. In 2022 we entered the two new markets, Ghana and Germany, and we have thereby initiated a human rights risk assessment of these markets. The assessment will be finalised in 2023.

Effectiveness of control measures

During the 2022 suppliers Sustainability audits, the main areas where compliance was weakest were identified as:

- Workplace safety;
- Conditions of employment and work;
- Legal compliance.

No zero-tolerance finding was recorded in any audit in 2022. We have not found any evidence of child labour in our audits, nor have we faced any cases of forced labour.

In 2018, we launched our Annual Compliance Pledge initiative. The Pledge requires a confirmation of individual compliance with the rules and values of our Code of Conduct in the past year – including in relation to human trafficking and modern slavery. In 2022, all Oriflame’s senior management holding a director title or above (761 managers) have completed a Compliance Pledge.

Oriflame implemented a compliance-breach reporting mechanism in 2007, guaranteeing confidentiality to anyone reporting suspicions of misconduct in good faith. In 2021, we significantly strengthened our channels and processes for persons to report suspected misconducts, while protecting them against any form of retaliation. All allegations of breaches of the Oriflame Code of Conduct – including related to human rights matters are reviewed by the Corporate Committee (CEO, Deputy CEO and CFO). This committee requests investigations to be undertaken wherever necessary. In 2022, the Corporate Committee oversaw fewer than 10 cases. No such cases were related to human trafficking or modern slavery.

Training on human rights

The Code of Conduct e-learning course, available to all employees, was undertaken by a further 317 Oriflame employees during 2022.

Next Steps

Oriflame will continue to assess human rights risks and impacts of our business activities and carry out due diligence as appropriate to the size, nature, context of the operations and the severity of the risks of adverse impacts. We track our performance and communicate on our progress regularly in the Sustainability Report and in this Statement.

In 2023, we will enrol in UN Global Compact’s Business Accelerator programme on Human Rights to reassess our due diligence progress to assure compliance with the coming EU directive on Human Rights Due Diligence. While finalising our human rights risk assessments in relation to our market entries in Ghana and Germany, we will also outline a standardised process for our risk assessment on human rights. The purpose of this process will be to both facilitate and safeguard our assessments when entering new markets in the future.

This statement is based on the financial year ended December 2022. This statement is made pursuant to the requirements of the section 54(1) of the UK Modern Slavery Act 2015 and the Modern Slavery Act 2015 (transparency in Supply Chains) Regulations 2015.

The Board of Directors of Oriflame Holding Ltd has overall responsibility for the oversight of the compliance with the Modern Slavery Act 2015 and has appointed the Vice President, Sustainability to be responsible for human rights and ESG matters generally within Oriflame.

Approved by the Board of Directors of Oriflame Holding Ltd, on 20th April 2023

A handwritten signature in black ink, appearing to be 'AJ', written in a cursive style.

Alexander af Jochnick
Chairman of the Board of Oriflame Holding Ltd