

Aēsop



# Aesop 2023 Modern Slavery Statement

For Financial Year 2023 – 1 January 2023 – 31 December 2023



Aesop Hsin Chu, Taiwan



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# 1. Introduction

Aesop was established in Melbourne, Australia in 1987. Our objective has always been to formulate products of the finest quality. We explore widely to source plant-based and laboratory-made ingredients, using only those with a history of safety, efficacy and pleasure.

We aim to provide and receive nourishment through our products, stores, people, and conversations. We are committed to the journey of minimising negative impact from our business and continuing to increase our positive contributions to communities and the world around us.

As part of Aesop’s broader global Ethical Sourcing Programme, we continue to focus on identifying and mitigating modern slavery risk across our supply chain. Our executive team, led by our Chief Executive Officer (CEO) Michael O’Keeffe, is committed to ensuring our practices support an end to modern slavery.

This statement has been prepared in accordance with the Modern Slavery Act 2018 (Cth) (**The Modern Slavery Act**) by Emeis Holdings Pty Ltd and outlines the actions undertaken in the calendar year ending 31 December 2023 to identify, understand and minimise modern slavery risks in our global operations and supply chain. It also outlines key areas for future focus.

The following Aesop entities are reporting entities under the Modern Slavery Act:

- Emeis Holdings Pty Ltd ACN 097 023 544
- Emeis Cosmetics Pty Ltd ACN 007 409 001

This statement has been prepared in consultation with both entities and has been reviewed and approved by the board of directors of each entity.

# 2. Aesop Structure, Operations and Supply Chain

## Structure and Operations

Aesop provides customers with a range of products across skin, body and hair care, as well as fragrance and home accessories. Our products are available on the Aesop website, at Aesop signature stores in many major cities, department store counters, and in shared spaces (both in physical stores and online) around the world.

Aesop sources ingredients, packaging and other goods and services from reputable suppliers cross the globe. Our global Supply Chain supports the manufacture and sale of our products by all entities in Aesop’s direct corporate structure.

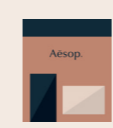


At the commencement of the 2023 reporting year, Aesop was owned by Natura &Co Holding SA (holding company for the Natura &Co group), a Brazilian incorporated company listed on the New York Stock Exchange and Brazil Stock Exchange (B3). On 30 August 2023, the Aesop group was acquired by L’Oréal SA.

### Globally, our own operations comprise the following:



Global head office located in London, United Kingdom. Global research, development and operations teams located in Melbourne, Australia. Regional offices in Australia, Japan, Korea, Hong Kong, the United States of America, Singapore, Switzerland and France. These offices support our online and retail operations through several Product and Store Design, Marketing, Finance, Supply Chain, Research and Development, Sustainability, Digital and IT teams.

### Aesop’s global retail network comprises (at year end 2023):

 <p>310 Signature stores</p>	 <p>80 Concession department counters</p>	 <p>27 Wholesale department counters 8 Wholesale Distributor Counters</p>
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**Aesop Supply Chains**

Aesop sources a range of products and services from around the world. We have over 125 Production Suppliers in our product supply chain, and many other Non-Production Suppliers. Most of our strategic suppliers and finished goods manufacturers are in Australia however the raw materials and components and packaging that go into our products are sourced from around the world.

Key Aesop supply chains include the following major categories:

**Production Suppliers** are suppliers who provide a good or service that is directly involved with or included in our products. For example, the providers of our essential oils are considered Production Suppliers.

**Non-Production Suppliers** are suppliers who are not suppliers within the product supply chain but who contribute to our business through other means, such as the provision of warehousing, logistics, cleaning, or consulting services.



Aesop Sydney, Australia

**Aesop supply chains include the following major categories:**

<b>Production Suppliers</b>	Managed by Global Supply Chain team	<b>Manufacturing</b>	Suppliers that manufacture and assemble Aesop products
		<b>Components and Packaging</b>	Manufacturers and/or distributors of packaging and components for Aesop products
		<b>Raw Materials</b>	Manufacturers and/or distributors of raw material ingredients used by our third-party manufacturers to make Aesop product formulas
		<b>Non-Sale Retail Items</b>	Suppliers of back of house and point of sale items
<b>Non-Production Suppliers</b>	Managed by Global and Regional Supply Chain teams	<b>Warehouse and Logistics</b>	Suppliers that coordinate the storage and distribution of Aesop products prior to customer delivery
	Decentralised and managed by appropriate teams across Aesop globally	<b>Other Non-Production Suppliers</b>	Goods and services that support head office and regional teams. Includes: software, cleaning, consulting, audit and legal services



### 3. Modern Slavery Risks

Aesop recognises that its operations and supply chain are exposed to risks of modern slavery, which may include human trafficking, forced labour, debt bondage, deceptive recruitment, and child labour. Aesop has developed an ethical sourcing programme to help assess the extent that we may cause, contribute to, or be directly linked to modern slavery through our operations or supply chain as those terms are defined by the [UN Guiding Principles on Business and Human Rights](#).

**Cause:** the risk that Aesop's own operations and/or actions may directly cause modern slavery.

**Contribute to:** the risk that Aesop's operations and/or actions in our supply chains may contribute to modern slavery.

**Directly linked:** the risk that Aesop operations, products or services may be connected to modern slavery through the activities of another entity in our supply chain.

For our internal operations, our Global Human Resources and Health and Safety team members manage a robust set of resources, training, policies, and procedures as well as grievance channels to significantly reduce the risk of modern slavery practices being "caused" directly in our own workforce.

Aesop is aware that despite the implementation of Aesop's ethical sourcing programme, there are inevitably still risks of contributing, or being directly linked, to modern slavery practices through our broader supply chain operations, particularly in relation to high-risk commodities, industry sectors and geographic locations. Aesop has assessed its most material modern slavery risks may occur in the higher-risk sectors of product manufacturing, warehousing, logistics and cleaning services as well as in high-risk raw materials including essential oils, palm oil, soy, paper/board, cotton and ethanol.

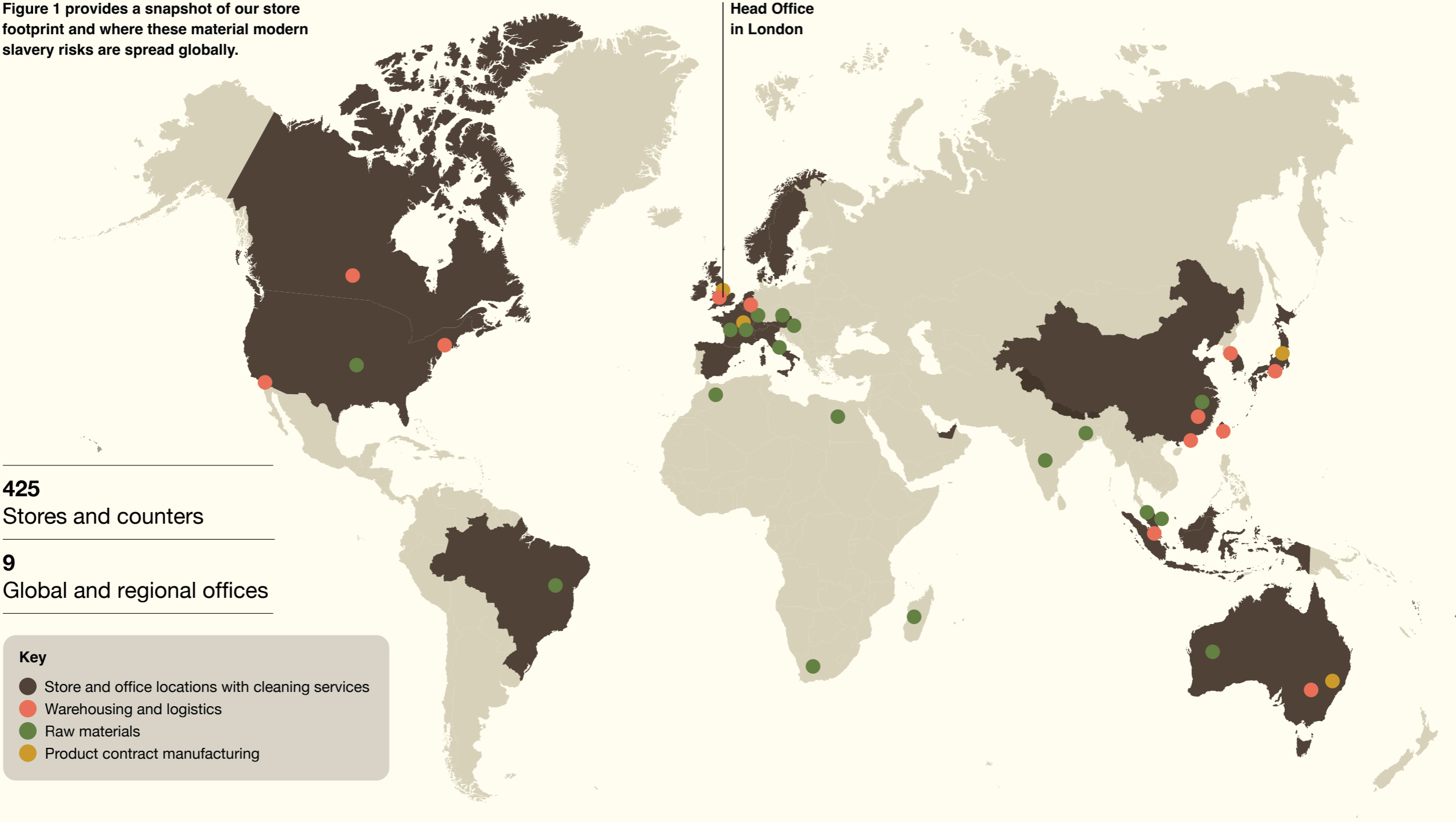
Aesop is continually seeking to improve its visibility of the origins of raw materials that are purchased by manufacturers or distributors, including taking steps to increase traceability through our supply chain for our critical raw materials (refer to Critical Materials Policy Compliance section) to enhance both environmental and social outcomes, including modern slavery due diligence and risk mitigation.



Aesop WF CENTRAL House 19, China



Figure 1 provides a snapshot of our store footprint and where these material modern slavery risks are spread globally.





## 4. Assessing and Addressing Risk

Our ethical sourcing programme is central to addressing how modern slavery risks are managed and mitigated amongst our Production Suppliers in our global supply chain. The overarching aim of the ethical sourcing programme is to ensure that all our suppliers have safe working conditions and environmentally responsible processes and ensure all workers are treated with dignity, with human rights held paramount throughout their (and our) supply chain.

While Aesop underwent a change in ownership from Natura & Co Holding SA to L'Oréal SA in 2023, continuity of our ethical sourcing programme remained while transitions to policies and procedures have progressed. This has been important

to ensure modern slavery risks continue to be monitored and managed appropriately across our supply chain during this time of transition.

Key policies that supported Aesop's ethical sourcing programme in 2023 from both Natura & Co and L'Oréal (as applicable) are outlined below, to provide a complete view of Aesop's policy positions across 2023.



Aesop Rue Vieille du Temple, France

## Company Commitments

Natura & Co Holding SA	L'Oréal SA
<p><b>Natura &amp; Co Commitment to Life</b></p> <p><a href="#">Commitment to Life</a> is Natura &amp; Co's 2030 Sustainability Vision, guiding operations and supply chains throughout the Natura &amp; Co group.</p> <p>One of the vision's three pillars is to defend human rights and be human-kind, reflecting the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Rights at Work and the ILO Declaration on Multinational Enterprises. This committed Aesop and all the Natura &amp; Co brands to:</p> <ul style="list-style-type: none"> <li>• Adopt a robust group-wide human rights policy by 2023 (this was completed in 2021); and</li> <li>• Have fully traceable and/or certified supply chains for six high-risk raw materials (palm, mica, soy, cocoa, ethanol and cotton) by 2025, known as the 'critical materials' target.</li> </ul> <p>Commitment to Life also incorporates specific, measurable targets in how to treat our employees and our wider networks. These include pay equity and paying all employees globally a living wage by 2023, increasing senior-level representation of under-represented groups by 2025, and zero tolerance of any human rights infringements in our supply chains.</p>	<p><b>L'Oréal 4 The Future</b></p> <p><a href="#">Loreal 4 The Future</a> is L'Oréal's sustainability program that is based on three key goals:</p> <ol style="list-style-type: none"> <li>1. Transforming ourselves and respecting planetary boundaries.</li> <li>2. Empowering our business ecosystem helping it transition to a more sustainable world.</li> <li>3. Contributing to solving the challenges of the world by supporting urgent social and environmental needs.</li> </ol> <p>Each of these goals is supported by environmental and social commitments to which all L'Oréal brands are committed. Goals 2 and 3 include the following commitments focused on human rights and just transitions for our supply chain:</p> <ol style="list-style-type: none"> <li>2. Empowering our business ecosystem helping it transition to a more sustainable world. <ul style="list-style-type: none"> <li>• By 2030, 100% of our strategic suppliers' employees will be paid at least a living wage covering their basic needs and those of their dependents, calculated in line with best practices.</li> <li>• By 2030, we will help 100,000 people from disadvantaged communities gain access to employment.</li> <li>• By 2030, 3 million people will benefit from our brands' social engagement programs.</li> </ul> </li> <li>3. Contributing to solving the challenges of the world by supporting urgent social and environmental needs. <ul style="list-style-type: none"> <li>• By 2023, we will have invested 50 M€ to support highly vulnerable women.</li> <li>• By 2030, the L'Oréal Fund for Nature Regeneration will have helped capture 15 to 20 million tonnes of CO2 and we will have created hundreds of job opportunities.</li> </ul> </li> </ol>



Natura & Co Holding SA	L'Oréal SA
<p><b>Natura &amp;Co Human Rights Statement</b></p> <p>The <a href="#">Natura &amp;Co Human Rights Statement</a> (the Statement) was developed throughout 2021 and was implemented throughout all Natura &amp;Co brands, including Aesop, in 2022.</p> <p>The Statement includes what the Natura &amp;Co brands stand for as a group, further reinforcing the Commitment to Life objectives and specifically the pledge to respect and defend Human Rights, as defined by the UN Guiding Principles on Business and Human Rights.</p> <p>The Statement outlines that we respect the rights of all people connected to our business, brands, products and services, with whom we promote positive business impact and opportunities. There is a specific focus on supporting the equality of people who are potentially politically, economically and/or socially disadvantaged, including all underrepresented groups: racial and ethnic, of all sexual diversities and gender identities (LGBTQIA+), all socioeconomically disadvantaged people and those with physical or mental disabilities.</p>	<p><b>L'Oréal Human Rights Policy</b></p> <p>The L'Oréal <a href="#">Human Rights Policy</a> (the Policy) is based on the 4 Ethical Principles of Integrity, Respect, Courage, and Transparency and is part of the L'Oréal overarching <a href="#">Code of Ethics</a>. As a business, all L'Oréal brands have a responsibility to respect internationally recognised human rights and must take steps to identify and address any actual or potential adverse impacts in which we may be involved through our own operations or our business relationships. Both L'Oréal and Aesop believe we can contribute to positive human rights impacts by playing a role as a responsible corporate citizen.</p> <p>The Policy outlines our approach to respecting human rights which is based on internationally recognised standards including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the ILO Core Conventions that address child labour, forced labour, non-discrimination and the right to freedom of association and collective bargaining.</p> <p>The Policy also outlines the high-level steps we take to address human rights within our supply chain and the governance, due diligence, remediation and reporting processes in place.</p>

## Supplier Ethical Commitments

Natura & Co Holding SA	L'Oréal SA
<p><b>Natura &amp;Co Supplier Code of Conduct (Code of Conduct)</b></p> <p>When a Natura &amp;Co owned brand, Aesop required suppliers to sign the <a href="#">Code of Conduct</a> as a condition to partner with Aesop. The Code of Conduct outlines the framework for a successful business relationship with suppliers and is drawn from internationally recognised standards and frameworks including the United Nations Universal Declarations of Human Rights, the International Labour Organisation Declaration of Fundamental Principles and Rights at Work, the Ethical Trade Initiative Base Code, and the United Nations Global Compact.</p> <p>The Code of Conduct laid out the minimum standards to be met by all Aesop suppliers with regard to their compliance with applicable local and international laws, regulations and official requirements, across the areas of human rights, employment practices, anti-corruption, anti-money laundering, information security and data protection. The Code of Conduct expressly prohibited forced, bonded and involuntary prison labour, and required that suppliers do not retain the identity documents of employees, or take monetary or any other deposits from employees in order to ensure work. It specified that suppliers may not require workers to work excessive overtime and that all work hours, regular and overtime, must comply with local law and the Code of Conduct, whichever provided the greatest protection. The Code of Conduct required that wages must meet, at minimum, local legal requirements and must be sufficient to meet the basic needs of their workers and provide some discretionary income.</p> <p>The Code of Conduct further specified that suppliers must not tolerate any form of discrimination in hiring, compensating, training or terminating workers, and required suppliers to promote and practice non-discrimination in their workplace through paying particular attention to vulnerable workers including migrants, women, temporary and legal young workers.</p>	<p><b>L'Oréal Mutual Ethical Commitment Letter (MECL)</b></p> <p>As part of the L'Oréal group, we require suppliers to review, accept and sign the L'Oréal Mutual Ethical Commitment Letter (MECL) as a condition of doing business with Aesop. The MECL outlines L'Oréal's requirements and commitments for suppliers as a supporter of the UN Global Compact and in line with its global positions on ethics, corporate responsibility, human rights and compliance programs and policies. As our suppliers play a key role in the development of our activities, we require them to meet our standards in the areas of human rights, working conditions, environmental stewardship. The MECL is not only a commitment from suppliers to L'Oréal to achieve these standards, but it is also a commitment from Aesop that we will work to meet those high standards. Furthermore, the MECL requires our signatory suppliers to take necessary measures to select and work with suppliers and subcontractors who also respect the ethical standards outlined in the MECL.</p> <p>The MECL outlines processes and principles previously covered by our Code of Conduct and Ethical Sourcing Policy including respect of local laws and official requirements across human rights, employment practices, working conditions and business integrity. We note in particular, the MECL prohibits forced, bonded and child labour and requires that suppliers do not retain employee passports and will not retain identity documents unless legally required. In addition, suppliers must bear the cost of employment eligibility fees, including recruitment fees, and any required work visas, for all employees, including migrant workers.</p> <p>Suppliers must ensure that wages meet at least at the minimum standard required by local law and compensate employees at overtime hourly rates greater than regular hourly rates when legally applicable, and provide them with legally mandated benefits, including holidays and leave, and severance when employment ends.</p> <p>Under the MECL, suppliers must prohibit and take necessary</p>



Natura & Co Holding SA	L'Oréal SA
<p>The Code of Conduct set out the requirements for regular and responsible employment, wherein suppliers must provide workers with written and understandable information about the conditions of their freely chosen employment, and it prohibited the avoidance of labour or social security obligations through the use of alternative or irregular working arrangements.</p> <p>The Code of Conduct was publicly available on the Aesop website and Aesop's internal intranet. It is still available on the Natura &amp;Co website.</p> <p><b>Aesop Ethical Sourcing Policy</b></p> <p>The Ethical Sourcing Policy provided an Aesop perspective on the application of the Code of Conduct and set the expectations for Aesop suppliers and Aesop, as partners.</p> <p>This policy underpinned Aesop's ethical sourcing programme and outlined to suppliers how we identify issues, manage risks and improve working conditions in our supply chains by collaborating with stakeholders and utilising independent third parties to audit supplier operations.</p> <p>The Ethical Sourcing Policy was available on the Aesop intranet and was distributed to Tier 1 Production Suppliers (suppliers with whom Aesop has a direct relationship) in the prospect phase, before they were accepted as a vendor.</p> <p><i>The principles and audit process outlined in our Ethical Sourcing Policy still applied for the remainder of 2023 while we worked to integrate with L'Oréal's due diligence processes.</i></p>	<p>measures to avoid any discrimination in hiring, remuneration, access to training, promotion, termination or retirement.</p> <p>The MECL is integrated into the L'Oréal sourcing process and suppliers that present the most significant risks because of their type of activity or geographic location are audited on these topics by a third party. This audit process will replace the social audit process previously completed through the Sedex online platform as outlined in Aesop's previous Ethical Sourcing Policy and serves as the practical application of the requirements set out in the MECL.</p> <p>Further detail on the risk categories for suppliers and applicable due diligence activities is outlined in the MECL, which is available publicly on the <a href="#">L'Oréal website</a> and internally on the Aesop intranet.</p>

## Whistle-Blower and Grievance Mechanisms

Natura & Co Holding SA	L'Oréal SA
<p><b>Natura &amp;Co Ethics Line</b></p> <p>Aesop and our suppliers utilised the Natura &amp;Co Ethics Line (Ethics Line) which was a phone line provided by Navex Global and was available 24 hours a day, seven days a week, in all countries in which Aesop operates, with services available in each local language.</p> <p>If either an Aesop employee or supplier became aware of any conduct which was in breach of the Code of Conduct or was in any way questionable from an ethical or legal perspective, they were able to use this line to disclose such conduct in full anonymity and confidentially.</p>	<p><b>L'Oréal SpeakUp Policy</b></p> <p>Aesop now has access to the L'Oréal Speak Up Policy and Process to enable our employees and all our stakeholders to report any concerns they may have. The <a href="#">Speak Up Policy</a> enables employees and stakeholders to make a secure and efficient "Speak Up" (whistleblowing) report that provides all necessary confidentiality guarantees. These guarantees allow them to highlight any potential breaches of our ethical rules, as well as any threat or harm to public interest.</p> <p>There may be instances where this L'Oréal policy differs from the applicable local law. In this case, it is agreed that the rules that best protect the reporter shall prevail and apply, whether they are stipulated in the local legislation or this policy. When applicable local laws provide broader safeguards than those provided by this policy, local law shall apply.</p>



### Risk Assessment and Due Diligence Process

Aesop's ethical sourcing programme is built on a mutual commitment from both Aesop and our suppliers to maintain safe, legal and ethical practices in the operations of our respective businesses. This commitment begins with clearly communicating our sustainability and ethical expectations with suppliers which in 2023 was done through requesting our suppliers formally agree to and sign our previous Code of Conduct and that they comply with the due diligence processes outlined in our Ethical Sourcing Policy. Both of these will now be superseded by the principles and due diligence processes outlined in our Mutual Ethical Commitment Letter as part of L'Oréal as described above.

To maintain continuity of our due diligence practices up to the end of 2023, Aesop continued to use the Supplier Ethical Data Exchange (Sedex) as our primary platform to monitor and manage risks of modern slavery in our supply chain. Sedex is a membership organisation that allows members to upload, share, manage and report on the sustainability of their operations including coverage of labour standards, health and safety policies, environmental practices and business ethics within their own company.

Aesop requires that our Production Suppliers become members of Sedex and participate in our due diligence processes to assess and manage risks of modern slavery across our supply chain. Our Production Suppliers are required to complete an annual supplier Self-Assessment Questionnaire (SAQ) and following this Aesop uses the Sedex risk assessment tool to determine the risk level of the supplier. This tool combines inherent (country and sector) risk information taken from [Verisk Maplecroft risk indices](#), with data from suppliers' completed SAQs to enable Aesop to identify suppliers operating in high-risk environments or with workers more vulnerable to labour exploitation.

If a supplier site is rated as high or medium risk, Aesop requires an independent third-party audit be provided from within the last 12-months, or if this is not available, for an audit to be undertaken on the supplier's respective work site/s as soon as possible. Where an audit is required, it must be carried

out by a certified third-party auditor and our preferred audit methodology is the Sedex Members Ethical Trade Audit (SMETA).

The SMETA methodology is based on the [ETI Base Code](#) which was developed on the conventions of the International Labour Organisation (ILO). Under this methodology auditors assess suppliers' operations across four key sustainability categories: Health & Safety, Labour & Human Rights, Ethical Operations and Environmental Management. Auditors will raise any audit findings in their report when they identify non-compliances with the ETI Base Code which represent operational risks to workers and/or the environment. Audits are then graded, and a Corrective Action Plan, which includes timeframes for rectifying any non-compliance findings raised by the auditor, will be agreed with the supplier and monitored by Aesop. The supplier must resolve and close all non-compliance findings and have this verified by the third-party auditor to be approved by Aesop. Once Aesop has confirmed through this process that the non-compliance findings have been addressed and closed, high risk supplier sites are approved for 12 months, and medium risk supplier sites are approved for 24 months.

Where specific risks are known to exist beyond our Tier 1 Production Suppliers, Aesop has, with the support of our parent company, implemented targeted actions to address these risks. A specific example of this approach is the program of work undertaken to identify and mitigate risks associated with palm oil sourcing as outlined in greater detail in the Critical Materials Policy Compliance section later in this statement.

## 5. Effectiveness and Reporting

Aesop tracked the following key areas to assess the effectiveness of the actions we are taking to understand and minimise modern slavery risks in our operations and supply chain as well as monitor the expansion of our due diligence processes in 2023.

### Sedex Supplier Membership

At the end of 2023, 72% of our Production Suppliers by count had become members of Sedex as a result of our due diligence processes, which represented 95% of our annual Production Supplier spend. This was a 1% increase in Production Supplier Sedex membership by spend since 2022 and Aesop will continue to work with our suppliers to increase this further in 2024 to help monitor supplier risks through the Sedex platform.

### Third-Party Supplier Audits

In 2023 Aesop increased the number of third-party independent audits undertaken as part of our ethical sourcing programme by 19% in comparison to 2022.

The SMETA Audit methodology covers the four key sustainability categories of Health & Safety, Labour & Human Rights, Ethical Operations and Environmental Management. At the conclusion of 2023 we reviewed which sustainability categories we had seen audit non-compliance findings raised in both 2022 and 2023 to better understand where Aesop should be focusing its actions.

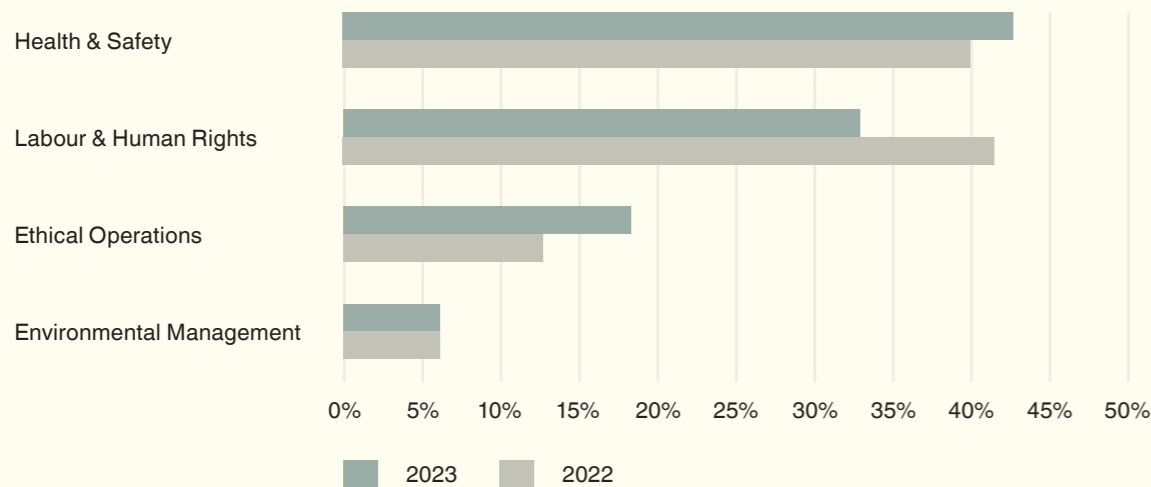


Aesop Hampstead, UK



Figure 2 shows the percentage breakdown of which category audit non-compliance findings have been raised and it is clear Health & Safety and Labour & Human Rights are key areas for focus as most findings related to these categories in both years.

**Figure 2: Audit Finding Category Comparison**



In 2023 we saw an increase in the average number of audit non-compliance findings raised per audit from four to five. However, both 2022 and 2023 saw an average of only two non-compliance findings being rectified by our suppliers within the agreed timeframes outlined in their Corrective Action Plans. This has led to recurring audit findings being raised during follow up audits and previously identified risks to workers and / or the environment potentially remaining poorly managed.

In 2024 Aesop will transition our independent audit process to L'Oréal systems and as part of this process we will ensure there is a significant emphasis placed on our suppliers improving the effectiveness of rectifying non-compliance audit findings through Corrective Action Plan processes. As a result, we hope to see improvements in how many supplier audit findings are rectified and closed in 2024 to confirm that our suppliers are appropriately responding to and mitigating operational risks to workers and the environment.

**Supplier Code of Conduct & Ethical Commitments**

It is vital that Aesop ensure we are engaging with suppliers who share our ethical standards regarding human and labour rights, working conditions, environmental standards and overall business integrity. We are committed to supporting suppliers in meeting our standards whilst having the courage, if necessary, to end relationships with those who are unwilling to meet them.

Prior to the L'Oréal acquisition of the Aesop group, these standards were outlined in our Code of Conduct and in 2023 at the time of the acquisition, 80% of our Production Suppliers by count (69% in 2022) had signed up to this previous Code of Conduct which represented 94% of our annual Production Supplier spend (91% in 2022). We were pleased to see such an increase in the number of suppliers who formally agreed to adhere to our ethical standards across our supply chain.

As part of the L'Oréal group, these standards are outlined in the L'Oréal Mutual Ethical Commitment Letter (MECL) and Aesop is now working on receiving formally executed letters from our existing suppliers in place of the previous Code of Conduct. As the MECL is rolled out to all our existing suppliers, Aesop is expanding the reach of these ethical standards to both Production and Non-Production Suppliers.

**Critical Materials Policy Compliance**

In order to mitigate modern slavery risks in Aesop's raw materials procurement processes, we have implemented the below Critical Materials Policies which outline our requirements and interim targets to achieve full traceability and/or certification of these high-risk materials by 2025.

Traceability provides us confidence in knowing exactly where our materials are sourced from which enables greater engagement with suppliers in mitigating modern slavery risks. Appropriate third-party certifications that incorporate labour and human rights into supplier audit processes provide additional comfort that workers' human rights, labour practices and health and safety is being well managed on the ground.

- Sustainable Palm Procurement Policy
- Sustainable Ethanol Procurement Policy
- Sustainable Paper Procurement Policy
- Sustainable Cotton Procurement Policy
- Sustainable Soy Procurement Policy

An example of how these Critical Materials Policies support our modern slavery risk mitigation processes in practice are the requirements included in our Sustainable Palm Procurement Policy (SPP Policy). In line with the SPP Policy, Aesop continues to transition our palm oil and derivative raw materials over to suppliers who are certified by the Roundtable on Sustainable Palm Oil (RSPO). RSPO's core principles require that human rights are protected, respected and remedied and that everyone engaged in palm oil production has equal opportunities to fulfill their potential in work and community with dignity and equality, in a healthy working and living environment.

In 2023 Aesop also participated for the third time in a study with Action for Sustainable Derivatives for our palm oil supply chain. This is a third-party traceability assessment of suppliers that allows Aesop to delve deeper and improve visibility in the complex palm oil supply chain to understand where Aesop's materials originate from, and to be notified of any grievances associated with this supply chain.

While the Critical Materials Policies were developed and implemented while part of Natura &Co, biobased raw material traceability and certification requirements are also of significant importance to L'Oréal, and Aesop will continue to expand its risk identification and mitigation practices using appropriate methods of traceability and certification in line with L'Oréal processes.





Aesop Seaport, USA

## 6. Consultation

At the time of reporting, all entities in the Aesop group globally operate under the same governance framework and the global CEO of Aesop is a board member for each Aesop entity, which ensures a consistent and collaborative approach across all entities with respect to modern slavery risk assessments and obligations. In preparing this Statement, a process of consultation was carried out across key global functions at Aesop. This included engagement with functions such as Supply Chain, Sustainability and Legal as well as corporate officers of the reporting entities and members of the Aesop executive team

**Michael O'Keeffe**  
CEO Aesop

### Monitoring and Reporting

In 2023 we continued reporting progress of our ethical sourcing programme to the Aesop Supply Chain Leadership Team and as part of monthly Town Hall meetings to the broader Supply Chain team. This reporting comprised of the status of raw material compliance with our Critical Materials Policies, coverage of received supplier Code of Conduct agreements and percentage of active and compliant supplier Sedex memberships.

Additionally, a monthly Ethical Sourcing and Procurement meeting was held to deep dive into specific supplier progress with our ethical sourcing requirements or to escalate any non-compliances with supplier relationship managers as required.

## 7. Appendix

Mandatory Criteria	Relevant section in statement
Identify the reporting entity	<b>Introduction</b>
Describe the structure, operations and supply chains of the reporting entity	<b>Aesop Structure, Operations and Supply Chain</b>
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls	<b>Modern Slavery Risk</b>
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	<b>Assessing and Addressing Risk</b>
Describe how the reporting entity assesses the effectiveness of such actions	<b>Effectiveness and Reporting</b>
Describe the process of consultation with any entities that the reporting entity owns or controls	<b>Consultation</b>