

**Sephora Beauty Canada, Inc.
– Fighting Against Forced
Labour and Child Labour in
Supply Chains Act Report**

FOR 2023 REPORTING PERIOD

SEPHORA

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Introductory section

This report (“**Report**”) is made by Sephora Beauty Canada, Inc. (hereafter referred to as “**Sephora Canada**”) pursuant to the Canadian *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”). This Report outlines the steps taken by Sephora Canada to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods, in Canada or elsewhere, or of goods imported into Canada by Sephora Canada for the financial year which ended December 31, 2023 (“**Reporting Period**”).

Steps taken to prevent and reduce the risks of forced labour and child labour

In general terms, Sephora Canada took the following steps during the Reporting Period to prevent and reduce the risk of forced labour or child labour in its business and supply chains:

- continued to implement due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization’s activities and supply chains;
- continued to request that suppliers comply with policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains;
- included anti-forced labour and/or anti-child labour contractual clauses in supplier agreements;
- continued to implement the Sephora Canada Supplier Code of Conduct and Employee Code of Ethics, which incorporate anti-forced labour and/or child labour standards; and
- offered awareness materials to employees including prohibitions on forced labour and/or child labour.

Details of these actions are set out further in the following sections of this Report.

Structure, activities, and supply chains

Structure

Sephora Canada, incorporated pursuant to the Canada Business Corporations Act in 2004, is a wholly owned subsidiary of Louis Vuitton Moët Hennessey, Inc., based in New York, NY in the United States of America. Sephora Canada maintains one corporate office in Toronto, Canada. The corporate office’s primary function is to provide support and guidance to its retail locations. Overall, Sephora Canada employs approximately 4,700 employees in Canada.

Sephora Canada does not own or control any entities (meaning it does not have any subsidiaries).

Activities

Sephora Canada operates approximately 120 beauty retail stores across Canada. Sephora Canada sells make-up, skincare, fragrance, haircare and other beauty related products, tools and accessories to retail customers and consumers in Canada. Sephora Canada also maintains an online presence and customers can buy products directly from its website.

Supply Chains

Sephora Canada works with a variety of suppliers of goods and services who work in countries around the world. Its products are sourced mostly from France and the United States which have minimum wage requirements and various worker protection laws in effect.

Policies and due diligence processes

Policies

Sephora Canada is committed to acting with integrity in all its business dealings and to promote ethical conduct, enhance compliance with applicable laws, and provide guidance to its employees with respect to appropriate and ethical business conduct. Sephora Canada incorporates several policies that are relevant to this commitment, which set out what Sephora Canada expects from both its internal business stakeholders and its external suppliers. Relevant policies include:

Sephora Canada's Supplier Code of Conduct

Sephora Canada requires its suppliers to share its commitments and act in full compliance with the law, including all national, local, provincial, and international laws relating to the management of their businesses. Suppliers are provided with a copy of the Sephora Supplier Code of Conduct ("**Sephora Supplier Code**") when they first sign on as a supplier for Sephora Canada. It is made clear that suppliers are expected to comply with the Sephora Supplier Code.

The Sephora Supplier Code sets out several labour standards and social responsibilities with which it requires its suppliers to comply / exhibit. These include the prohibition of child labour, forced labour, illegal, clandestine, and undeclared employment, harassment and abuse and discrimination. Suppliers are also required to guarantee the payment of at least minimum wages, comply with legal requirements around working hours, respect freedom of association, and provide a safe and healthy workplace environment.

The Sephora Supplier Code puts suppliers on notice that if Sephora Canada becomes aware of any breach of the Sephora Supplier Code, Sephora Canada reserves the right to audit the supplier, to implement remedial steps to address and rectify the concerns, and/or to terminate its relationship with that supplier.

Sephora Canada's Employee Code of Ethics

Sephora Canada's Employee Code of Ethics ("**Code of Ethics**") sets ethical standards for all employees working in Canada, including its zero-tolerance stance on forced labour, compulsory labour, or child labour. The Code of Ethics also contains information about Sephora Canada's prohibition of harassment and discrimination and provides information regarding how employees can anonymously report misconduct through a third-party reporting hotline.

LVMH's Employee Code of Conduct

The LVMH Employee Code of Conduct ("**LVMH Code of Conduct**") is a document that outlines the values and principles that guide the actions and decisions of all employees working for LVMH or any of its subsidiaries, including Sephora Canada. The LVMH Code of Conduct covers topics such as respect for human rights, diversity and inclusion, environmental responsibility, business ethics, data protection, and compliance with laws and regulations. It further explains how employees can raise concerns or report violations of the LVMH Code of Conduct through various channels, including an anonymous hotline.

LVMH's Supplier Code of Conduct

The LVMH Supplier Code of Conduct ("**LVMH Supplier Code**") is a document that defines the standards and expectations that LVMH and its subsidiaries, including Sephora Canada, have for their suppliers in terms of social, environmental, and ethical responsibility. The LVMH Supplier Code covers topics such as labour rights, health and safety, environmental protection, anti-corruption, fair competition, and data privacy. The LVMH Supplier Code also requires suppliers to comply with all applicable laws and regulations, as well as to adhere to the principles of the United Nations Global Compact and the Universal Declaration of Human Rights.

Within these policies, Sephora Canada and LVMH both advertise their anonymous reporting hotlines which can be used by employees and/or suppliers to report various types of ethical and other concerns, including those pertaining to forced labour and/or child labour.

In addition to the policies listed above, Employees and suppliers affiliated with Sephora Canada have access to the LVMH Alert Line, an online reporting hotline that provides a fully confidential and secure way of reporting violations of the laws, regulations, or internal principles of conduct. When submitting a report, an individual can choose whether to remain anonymous. The LVMH Alert Line is made available to suppliers at onboarding and information about the Alert Line is included on LVMH's public-facing website at <https://www.lvmh.com/lvmh-alert-line/>.

Due Diligence Processes

Prior to engaging any new contractual relationship with a supplier, Sephora Canada provides each new supplier with a copy of the Sephora Supplier Code and requires each supplier to agree not to use forced labour and/or child labour. Sephora Canada also uses its best endeavours to ensure that all Sephora Canada supplier template contracts contain clauses requiring Sephora Canada suppliers to comply with the Sephora Supplier Code, including adopting similar anti-slavery standards and practices. Sephora Canada also runs periodic checks to identify if any of its suppliers are on an international sanctions list.

Sephora Canada reserves the right to verify adherence of its suppliers to the principles set out in the Sephora Supplier Code and to conduct compliance audits at any time without notice. Upon reasonable request, Sephora Canada's suppliers shall supply the necessary information and grant access to representatives of Sephora Canada to verify compliance with the requirements of this code. Suppliers shall further keep proper records to prove compliance with the Sephora Supplier Code and provide access to complete, original, and accurate files to representatives of Sephora Canada.

Forced labour and child labour risks in our business operations and supply chains

Forced labour and child labour risks in our Canadian business operations

Given that the entirety of Sephora Canada's workforce is employed or contracted in Canada, we consider there is a low risk of forced labour or child labour in our direct operations. In addition, Sephora Canada's Human Resources team verifies that all new employees are legally authorized to work in Canada. As a practice, Sephora Canada does not hire any employees under the age of 18.

Forced labour and child labour risks in our supply chains

As Sephora Canada procures many goods and services from a wide range of domestic and international suppliers, we acknowledge that there is a risk that forced labour and/or child labour may be used in our extended supply chains. However, we make it well known to our vendors and suppliers that such practices are strictly prohibited by Sephora Canada.

Steps taken to assess and manage forced labour and child labour risks

Actions with respect to our business operations

Sephora Canada has strict hiring practices and does not employ individuals under the age of 18 years old. The Human Resources team has enacted processes to ensure that each new employee is legally authorized to work in Canada.

Actions with respect to our supply chains

Prior to engaging any new contractual relationship with a supplier, Sephora Canada provides each new supplier with a copy of the Sephora Supplier Code and requires each supplier to agree not to use forced labour and/or child labour.

Sephora Canada reserves the right to check adherence of its suppliers to the principles set out in the Sephora Supplier Code and to conduct compliance audits at any time without notice. Upon reasonable request, Sephora Canada's suppliers shall supply the necessary information and grant access to representatives of Sephora Canada to verify compliance with the requirements of the Sephora Supplier Code. Suppliers shall further keep proper records to prove compliance with this code and provide access to complete, original, and accurate files to representatives of Sephora Canada.

Upon reasonable request, suppliers must improve and correct any deficiency discovered during any such audits.

Sephora Canada shall also use its best endeavours to ensure that all Sephora Canada supplier template contracts contain clauses requiring Sephora Canada suppliers to comply with the Sephora Supplier Code including adopting similar anti-slavery standards and practices. Sephora Canada also runs periodic checks to identify if any of its suppliers are on an international sanctions list. Regarding the importation of goods / products sold in our stores, each supplier also receives a copy of the Sephora Supplier Code and agrees to follow the Code.

Remediation measures

Sephora Canada is committed to investigating any report of potential incidences of modern slavery occurring anywhere in its operations or supply chains and would take all appropriate steps to rectify any confirmed incidences of modern slavery in its operations or supply chains. Sephora Canada would work collaboratively with its suppliers and, if necessary, their suppliers, to achieve these goals. If, for any reason, progress in this regard was not possible, Sephora Canada would, as indicated above, take steps to sever its connections with the offending supplier or sub-supplier.

As Sephora Canada has not identified any instances of forced labour or child labour in its business or supply chain in the Reporting Period, it has not had to take any measures to remediate any forced labour or child labour or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

Training

All Sephora Canada employees, whether they work in retail stores or at the corporate office, receive periodic trainings regarding anti-corruption, the company's anonymous reporting hotline,

and Sephora Canada's commitment to ethical behaviour including its fight against forced labour and child labour.

Sephora Canada's aim is to eliminate any risk of forced labour and child labour in its business operations and in its supply chains.

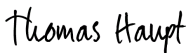
Assessing the effectiveness of our actions

Sephora Canada recognizes that in order to identify and address the risks of modern slavery in our operations and throughout our supply chain, we must continually analyse and evaluate our actions. Sephora Canada is committed to advancing this process. We will keep working to build structures and procedures, and ensure commitment to our policies, so that we can evaluate the efficacy of the steps we are taking to identify and address the risks of modern slavery in our supply chains and operations.

Approval and Attestation

This Report was approved by the Board of Directors of Sephora Beauty Canada, Inc. for the financial year which ended December 31, 2023 pursuant to paragraph 11(4)(a) of the Act. In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for Sephora Beauty Canada, Inc. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I make the above attestation in my capacity as Senior Vice President and General Manager of Sephora Beauty Canada, Inc. for and on behalf of the Board of Directors of Sephora Beauty Canada, Inc.

DocuSigned by:

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Thomas Haupt

Senior Vice President and General Manager

Sephora Beauty Canada, Inc.

May 10, 2024

I have authority to bind Sephora Beauty Canada, Inc.