

UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
THE AVON COMPANY CANADA LIMITED

The following resolution, signed by the directors of THE AVON COMPANY CANADA LIMITED (the “Corporation”) entitled to vote on this resolution pursuant to the provisions of section 117 of the *Canada Business Corporations Act*, is hereby adopted as of May 14, 2024.

WHEREAS the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) entered into force on January 1, 2024;

WHEREAS pursuant to section 11(1) of the Act, the Corporation must, on or before May 31 of each year, submit a report (the “Report”) to Public Safety Canada, the responsible ministry (the “Ministry”), on the steps the Corporation has taken during its previous financial year 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 by the Corporation or of goods imported into Canada by the Corporation;

WHEREAS pursuant to section 13(2) of the Act, the Corporation must provide the report to its shareholders, along with its annual financial statements;

WHEREAS the draft Report of the Corporation for the financial year ending December 31, 2023 was made available to the directors of the Corporation and is hereby attached as Schedule A.

RESOLVED:

THAT the Report be and is hereby approved;

THAT any director of the Corporation be, and he or she, is hereby authorized and directed for and on behalf of and in the name of the Corporation to execute the Report, substantially in the same form and content provided in the draft Report with any such additions, amendments and corrections as may be deemed necessary in such director’s entire discretion;

THAT any director or officer of the Corporation be, and he or she, is hereby authorized and directed for and on behalf of and in the name of the Corporation to deliver the Report to the Minister, along with any other documents, forms or questionnaires that the Corporation may have to deliver to the Ministry in connection with the Report;

THAT any director or officer of the Corporation be, and he or she, is hereby authorized and directed to provide the Report to the Corporation’s shareholders along with the Corporation’s annual financial statements;

THAT any director or officer of the Corporation, acting alone, be, and he or she, is hereby authorized, for and on behalf and in the name of the Corporation, to execute and deliver or cause to be delivered any other agreements, certificates, undertakings, deeds, documents, instruments, papers, consents and writings to which the Corporation may become a party in order to implement or give effect to the foregoing resolutions.

The undersigned, being all of the directors of the Corporation, hereby adopt and approve each of the foregoing resolutions, waive notice of any meeting, waive all other formalities or irregularities

in the conduct or manner of proceeding, and consent to the execution and delivery of these written resolutions in original, by facsimile, or other electronic means, or by counterpart signature

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Sun Moon
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SUN HWA MOON

최연희
YEAN HEE CHOI

DocuSigned by:
Benson Seo
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BEOM SEOK SEO

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Claude Dib
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SCHEDULE A
REPORT

See attached.



Forced Labour and Child Labour in Supply Chains Report **Fiscal Year 2023**

1. ABOUT THIS REPORT

This report is made by The Avon Company Canada Limited in compliance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the financial year ending December 31, 2023.

References in this report to "Avon Canada", "Company", "we", "our" and similar terms are to The Avon Company Canada Limited or to those who work for it.

This report highlights the measures Avon Canada has implemented within the last financial year to prevent and mitigate the risk of forced labour or child labour in both its business and supply chains.

2. PREVENTING AND REDUCING RISKS OF FORCED LABOUR AND CHILD LABOUR

In 1886, David H. McConnell, corporate founder, made a commitment to corporate citizenship, aiming to contribute to the well-being of society and the environment. Today, Avon Canada continues to uphold this commitment which remains central to its ethical business conduct. As such, during our previous financial year, Avon Canada has taken the following measures to combat the risk of forced labour and child labour throughout its operations and supply chain, including the following:

- We continued to implement due diligence policies and processes to identify, address and prohibit the use of forced labour and child labour, and to carry our activities in accordance with our codes of conduct;
- We conducted audits of our suppliers to ensure their compliance with our supplier code of conduct (the "Supplier Code") and regularly monitored such suppliers to ensure their ongoing adherence to our policies; and
- We have developed and implemented mandatory training materials for our procurement employees to raise awareness regarding forced labour and child labour.

These measures have currently been implemented in specific areas of our business segments.

Details of the above actions are set forth in this report.

3. ABOUT US & OUR SUPPLY CHAIN

Our Structure

Avon Canada, headquartered in Québec, Canada, is a wholly owned subsidiary of LG H&H Co., Ltd. (“**LG H&H**”). Our organization is comprised of two business units which operate under the Avon Canada umbrella. Our Avon segment markets and sells Avon beauty products as well as LG consumer goods procured from our parent company LG H&H. Our Fruits & Passion segment (“**F&P**”) markets and sells Fruits & Passion body care and fragrance products, a brand that was acquired by LG H&H in 2013.

Our Activities

Avon Canada, a leading social selling beauty business in Canada, creates and sells beauty products and cosmetics with a mission to celebrate women’s power to make a great and positive impact in the world. We utilize state-of-the art, cruelty-free technology to develop our product portfolio which includes skincare, cosmetics, fragrance, personal care, health and wellness.

Our Supply Chain

At Avon Canada, we rely on third-party suppliers located in Canada and around the world to manufacture our products, including the United States, China, South Korea, and Mexico. While we have limited visibility on our suppliers’ sourcing, we mitigate our risks by fostering long-lasting relationships with well-established and renown suppliers of the industry.

During our last financial year, the LG products procured from LG H&H, our parent company located in Seoul, South Korea represented more than 25% of our total purchase. LG H&H is a global leader in environment, social and governance (ESG) management with a strong sense of corporate social responsibility which places great emphasis on ensuring that it adheres to ethical sourcing practices and labour standards.

At Avon Canada, we share the LG H&H family values as we recognize that in making the world more beautiful through our products, we also have a duty to ensure that our goods are manufactured through an ethical and transparent supply chain.

4. POLICIES AND DUE DILIGENCE PROCESSES

Avon Canada continues to apply policies and processes that support human rights and socially responsible business practices to prevent the occurrence of forced labour or child labour in any part of its supply chain.

Policies

a. Supplier Code

Avon Canada has a Supplier Code of Conduct (the “**Supplier Code**”) which sets forth the minimum standards pursuant to applicable laws and regulations that the Company and its worldwide suppliers are required to comply with in their operations. The Supplier Code expressly forbids the use of unlawful forced labour and child labour in the production of the goods purchased by Avon Canada, or any services provided to Avon Canada.

As a prerequisite of doing business with Avon Canada, each supplier must sign an acknowledgment, representing and warranting that (i) it has read and understands the Supplier Code; (ii) it agrees to comply with the Supplier Code; (iii) it is already in compliance with the Supplier Code and all applicable laws and regulations; (iv) its supply chain is compliant with the code; (v) it is not aware of any violations of the Supplier Code; and (vi) it will report to Avon Canada any suspicion or awareness of violation of the Supplier Code by itself or its supply chain.

Furthermore, the terms and conditions provided in the agreements entered into with Avon Canada's suppliers and all subsequent purchase orders explicitly mandate that suppliers undertake to manufacture all merchandise in adherence to laws concerning forced labour and child labour.

b. Code of Conduct and Employee Handbook

Avon Canada strongly believes that all employees have a role to play in conducting business consistent with Avon Canada's ethical standards. As a result, Avon Canada has implemented a code of conduct (the "**Code of Conduct**") to ensure that its workforce adheres to its guidelines and to provide a framework to identify potential issues and guidance. The Code of Conduct promotes a work environment that is both safe and respectful, free of violence, discrimination and harassment, and encourages responsible corporate citizenship, notably by supporting human rights, prohibiting forced labour and child labour, and requiring supply chain integrity.

In addition, Avon Canada provides all employees with its employee handbook (the "**Employee Handbook**"). Such handbook reiterates Avon Canada's commitment to maintaining a culture and workplace that embraces its five core values: trust, respect, belief, humility and integrity.

c. LG H&H's Human Rights Policy

Our parent company LG H&H has a human rights policy (the "**Human Rights Policy**") which reflects the principles of human rights specified in the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights presented by the United Nations Commission. The Human Rights Policy clearly addresses humanitarian treatment, the prohibition of forced labour and child labour and the prohibition of discrimination, among others. LG H&H recently revised its Human Rights Policy to further strengthen its human rights management system, including compliance with labor relations laws in each country, to better identify human rights risks in its overall business and supply chains.

Due Diligence Processes

Considering that we highly value the relationships cultivated with our suppliers, we strive to support them in enhancing the working conditions of the workers involved in creating our products. This includes ensuring that any migrant worker has unrestricted movement and can access all their personal and government issued identification documents.

Given our dedication to conducting business with integrity in all our relationships, we refrain from engaging business with suppliers which do not have policies and procedures in place to prohibit the use of forced labour and child labour.

Prior to awarding any business, audits are conducted through third parties on suppliers that are producing Avon Canada's finished goods to verify their compliance with specific labour requirements and to identify areas for improvement. Additionally, all existing suppliers are regularly audited to monitor compliance and obtain a clear understanding of the potential possible

risks associated with forced labour and child labour. Satisfactory results following such audits are required for suppliers to continue doing business with Avon Canada. The Company reserves its right to conduct audits on any supplier suspected of using forced or child labour.

5. RISK ASSESSMENT & REMEDIATION MEASURES

We initiated the identification of human rights risks in our activities and supply chain by examining our direct suppliers, analyzing the countries from which they source their materials, the age of all workers, whether migrants workers are employed and whether a labour agency is used. This process, combined with the regular audits we conduct on our suppliers, allows us to improve our understanding of potential modern slavery risks.

Given the preliminary nature of our risk assessments, we acknowledge that there are still gaps in our analysis. Through our continuous due diligence processes, we recognize that the following aspects in our activities and supply chain potentially pose a greater risk of forced labour and child labour: the types of products we source, the manufacturing of raw materials used in our products (such as palm oil, mica, paper and cotton), our Tier 1 and Tier 2 suppliers, the use of outsourced, contractor or subcontractor labour, and the use of migrant labour by our suppliers. We also understand that these risks may be more prevalent in the manufacturing and agricultural industries.

Avon Canada is dedicated to minimizing the risks related to forced labour and child labour by asking our direct suppliers to verify that they do not source any materials, goods or labour originating from trade sanctioned areas and requiring them to abide by the principles of our Supplier Code. If we determine that the risk of modern slavery is unacceptably high, we will choose not to engage in any further business or production with the supplier in question.

Since Avon Canada has not yet identified instances of any forced labour and child labour, no actions haven been taken to address and resolve any such occurrences or to compensate any loss of income to the most vulnerable families resulting from remediation. However, if it determined that we have caused or played a role in any incidents of forced labour or child labour, we are firmly devoted to establishing an approach to effectively mitigate such issues.

6. TRAINING

In order to raise awareness of the risks associated with forced labour and child labour, all new employees working in our procurement department are required to complete a training with respect to our Supplier Code and our social responsibility procedures. These employees receive additional training that are relevant to their functions, as deemed necessary.

7. ASSESSING THE EFFECTIVENESS


With the objective of assessing the effectiveness of our processes and procedures, we have partnered with an external agency to regularly conduct an independent review of our measures designed to prevent modern slavery. Such assessment of effectiveness allows us to adequately adapt and modify the measures we take to further mitigate the risks of forced labour and child labour. During the last financial year, this third-party demonstrated that Avon Canada's actions align with industry standards.

8. APPROVAL AND ATTESTATION

This report was approved by the Board of Directors of The Avon Company Canada Limited on May 14, 2024, pursuant to paragraph 11(4)(a) of the Act and constitutes The Avon Company Canada Limited' report for the financial year ending December 31, 2023.

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 the entities listed above. 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 have the authority to bind The Avon Company Canada Limited.

DocuSigned by:

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Name: Claude Dib
Title: Chief Financial Officer
Date: May 20, 2024