

# **Groupe Clarins**

Disclosure Report Date Submitted: March 13th, 2025

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### **Disclosure Materials**

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

### **B Lab's Public Complaints Process**

Any party may submit a complaint about a current B Corp through B Lab's Public Complaint Process. Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's certification process
- 2) Breaches of the B Corp Community's core values as expressed in our Declaration of Interdependence

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



# **Disclosure Questionnaire**

### **Industries and Products**

#### Yes No Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that **Animal Products or Services** $\boxed{}$ **Biodiversity Impacts** $\square$ **Chemicals** $\overline{\mathbf{A}}$ **Disclosure Alcohol** $\square$ **Disclosure Firearms Weapons** $\boxed{}$ **Disclosure Mining** $\boxed{}$ **Disclosure Pornography** $\boxed{}$ **Disclosure Tobacco** $\boxed{}$ **Energy and Emissions Intensive** $\overline{\mathbf{A}}$ **Industries** Fossil fuels $\square$ Gambling **Genetically Modified Organisms** $\boxed{}$ Illegal Products or Subject to $\boxed{}$ **Phase Out** Industries at Risk of Human $\square$ **Rights Violations Monoculture Agriculture** $\square$ **Nuclear Power or Hazardous** $\square$ **Materials** Payday, Short Term, or High **Interest Lending** Water Intensive Industries $\overline{\mathbf{A}}$ **Tax Advisory Services**

### **Outcomes & Penalties**

|   | Yes | No           |
|---|-----|--------------|
| Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply. |     |              |
| Anti-Competitive Behavior   |     | <b>V</b>     |
| Breaches of Confidential<br>Information   |     | N            |
| Bribery, Fraud, or Corruption   |     | V            |
| Company has filed for bankruptcy  |     | V            |
| Consumer Protection   |     | V            |
| Financial Reporting, Taxes,<br>Investments, or Loans  |     | N            |
| Hazardous Discharges Into<br>Air/Land/Water (Past 5 Yrs)  |     | N            |
| Labor Issues  |     |              |
| Large Scale Land Conversion,<br>Acquisition, or Relocation  |     | N            |
| Litigation or Arbitration   | V   |              |
| On-Site Fatality  |     | $\searrow$   |
| Penalties Assessed For<br>Environmental Issues  |     | V            |
| Political Contributions or<br>International Affairs   |     | N            |
| Recalls   |     |              |
| Significant Layoffs   |     | V            |
| Violation of Indigenous Peoples<br>Rights   |     | V            |
| Other   |     | $\checkmark$ |



### **Practices**

|  | Yes | No           |
|--|-----|--------------|
| Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No." |     |              |
| Animal Testing   |     | K            |
| Company/Suppliers Employ Under<br>Age 15 (Or Other ILO Minimum Age)  |     | V            |
| Company prohibits freedom of association/collective bargaining   |     | $\searrow$   |
| Company workers are prisoners  |     | $\searrow$   |
| Conduct Business in Conflict Zones   |     | $\checkmark$ |
| Confirmation of Right to Work  |     | V            |
| Does not transparently report corporate financials to government   |     | $\searrow$   |
| Employs Individuals on Zero-Hour<br>Contracts  |     | K            |
| Facilities located in sensitive ecosystems   |     | N            |
| ID Cards Withheld or Penalties for Resignation   |     | \            |
| No formal Registration Under<br>Domestic Regulations   |     | V            |
| No signed employment contracts for all workers   |     | V            |
| Overtime For Hourly Workers Is<br>Compulsory   |     | V            |
| Payslips not provided to show wage calculation and deductions  |     | V            |

|   | Yes | No           |
|---|-----|--------------|
| Sale of Data  |     | V            |
| Tax Reduction Through Corporate Shells                  |     | V            |
| Workers cannot leave site during non-working hours      |     | Ŋ            |
| Workers not Provided Clean<br>Drinking Water or Toilets |     | $\supset$    |
| Workers paid below minimum wage                         |     | N            |
| Workers Under Bond                                      |     | $\checkmark$ |
| Other   |     | $\checkmark$ |

### Supply Chain Disclosures

|   | Yes | No           |
|---|-----|--------------|
| Please indicate if any of the following statements are true regarding your company's significant suppliers. |     |              |
| <b>Business in Conflict Zones</b>   |     | $\vee$       |
| Child or Forced Labor   |     | $\vee$       |
| Negative Environmental Impact   |     | $\checkmark$ |
| Negative Social Impact  |     | $\vee$       |
| Other   |     | $\checkmark$ |



Disclosure Questionnaire Category: Environmentally Intensive Industries - Chemical Intensive Industries

| Issue Date   | Ongoing   |
|--|---|
| Торіс  | Chemical Intensive Industries   |
| Summary of Issue   | As a company that manufactures personal care products, Groupe Clarins operates in an industry in which chemical use is a material environmental issue.  The company does not use any Substances of Very High Concern (SVHC) under EU Reach Regulations. The company carefully selects its ingredients and works with their ingredients suppliers to avoid transformation processes that would involve the presence of these materials in its value chain.   |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | In the previous fiscal year, 100% of the company's revenue was earned from the sale of its personal care products.  |
| Impact on Stakeholders   | As a chemical-intensive industry, pulp production poses risks to<br>the environment, such as pollution of air, land, and water, as<br>well as potential human health risks to those exposed to<br>harmful chemicals.  |
| Implemented Management Practices   | In addition to being compliant with all regulatory requirements, all of the company's ingredients' suppliers (both for raw materials and active ingredients) are Ecovadis certified. In addition, all suppliers are required to complete Groupe Clarins' Greenscore database, which details the toxicological societal indicators and environmental indicators such as water and energy consumption, agricultural practices, and natural origin % calculation following ISO 16128 norm. The company uses these indicators to select ingredients for their formulas to ensure they are using ingredients with reduced impact on the environment, fair societal practices, and are perfectly safe for use. We have also reduced the number of ingredients used in our products to further minimize chemical ingredients. The company is also part of several working groups (FEBEA, PCPC, etc.) where cosmetic ingredient safety and impact on the environment are discussed based on the latest scientific findings. |



# Other Management Comments

The company conducted several comprehensive reformulation programs to minimize environmental impact: microplastic removal from rinse-off products back in 2012 before the ban by the European Commission, another one kicked off in 2018 called Green Beauty to reformulate 100% of skincare portfolio to remove some problematic ingredients (i.e. mineral oil, volatile silicons, some microplastics, non-agro-sourced glycols, some UV filters, some sulfates) and since then, using ingredients of natural origin systematically alternatively to ingredients petrochemicals when equivalents exist. All this raised the % of ingredients of natural origin content in the make-up to 80% minimum and 90% minimum for skin care.



Disclosure Questionnaire Category: Environmentally Intensive Industries - Energy Intensive Industries

| Issue Date   | Ongoing   |
|--|---|
| Topic  | Energy Intensive Industries   |
| Summary of Issue   | As a company in the personal care product industry, Groupe Clarins operates in an industry that is recognized as an energy-intensive industry due to its manufacturing processes.   |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | In the previous fiscal year, 100% of Groupe Clarins' revenue was earned from the sale of personal care products.  |
|  | Groupe Clarins' manufacturing facility has an energy intensity of 136.3 Wh per unit of product produced for its standard manufacturing processes.   |
| Impact on Stakeholders   | Energy-intensive activities, such as manufacturing personal care products, pose an environmental risk due to the related emissions derived from energy use.  The extent of environmental impact is dependent on the energy sources utilised and the management practices in place to manage energy use.   |
| Implemented Management Practices   | The company's production plant uses only biogas (methanization) and renewable electricity. Their production site is ISO 50001 certified, and the company sets annual targets for reducing energy consumption. In an effort to reduce energy consumption, the company also opts for energy-efficient equipment when a piece of equipment needs to be replaced. |



Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

| Issue Date   | Ongoing   |
|--|---|
| Topic  | Water Intensive Industries  |
| Summary of Issue   | As a company in the personal care product industry, Groupe Clarins operates in an industry that is recognized as a water-intensive industry due to its manufacturing processes.   |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | In the previous fiscal year, 100% of Groupe Clarins' revenue was earned from personal care products.  |
|  | Groupe Clarins' manufacturing facility has an average water intensity of 0.51 L per unit of product produced for its standard manufacturing processes.  |
| Impact on Stakeholders   | As a water-intensive industry, the manufacturing of personal care products poses risks such as water stress or depletion of local water sources if the water used is not appropriately managed.   |
|  | The company uses only the city network as a water source for its manufacturing processes.   |
|  | The main stakeholders affected are other water users in the regions of operation, such as local water authorities & regulators, residents, other industrial plants, farmers, and the local biodiversity.  |
| Implemented Management Practices   | ISO 14001 certification, common to all our industrial sites, attests to the deployment of an environmental management system in place that includes water management.   |
|  | To minimize impact, the company has implemented water conservation measures throughout its production process. The water use is assessed on a monthly basis. In addition, the company has invested in a water loop system that recycles 100% of its industrial water, allowing it to reuse the water within its production process. |



**Management Comments** 

According to the Water Risk Atlas established by the World Resources Institute, the two production sites are located in areas where the overall water risk ranges from low to medium.



**Disclosure Questionnaire Category: Litigation & Arbitration** 

| Issue Date   | 2020 - 2024   |
|--|---|
| Topic  | Litigation & Arbitration related to wrongful termination, discrimination, and compensation litigation.  |
| Summary of Issue   | Groupe Clarins has been involved in a total of 7 cases related to Wrongful Termination, 2 cases related to Discrimination, and 3 cases of Compensation Litigation between 2020 and 2024. All cases have been settled by the company with payment.   |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | Wrongful Termination:  • Cases were settled with payment representing <1% of the company's revenue.   |
|  | Discrimination:  • Cases were settled with payment representing <1% of the company's revenue  |
|  | Compensation Litigation:  • Cases were settled with payment representing <1% of the company's revenue   |
| Impact on Stakeholders   | All of the stakeholders impacted by these cases were former or current employees of the company.  |
| Resolution   | All cases reported above were settled with payment by the company to the stakeholder impacted   |
| Management Practices   | <ul> <li>To avoid similar occurrences, the company has implemented the following practices:</li> <li>Quarterly calls with a California Attorney to review changes in laws</li> <li>Adjustments in the payroll system related to timekeeping to record more accurate hours</li> <li>New training programs for Managers</li> <li>Annual mandatory harassment training for all employees</li> <li>New agreements with employee representatives to ensure the company is in compliance with all laws</li> </ul> |