



March 2025

## Groupe Clarins - Business Operations in Russia & Belarus

In response to Russia's invasion of Ukraine, B Lab has implemented additional requirements for companies with business operations in Russia and/or Belarus. As Groupe Clarins has business operations in Russia or Belarus, the company is required to meet such requirements outlined below to move forward with certification.

B Lab is implementing a **phase-in approach** composed of **(1) requirements applicable immediately** and **(2) requirements to be met by recertification**.

### 1. Respond to questionnaire (Annex I)

B Lab will require companies with operations (including subsidiaries and business partners) in Russia or Belarus to respond to the questionnaire in Annex I. The questions assess a company's ability to implement heightened human rights due diligence in line with UNGP and UNDP's guide on conflict-affected areas. The questions are designed to assess companies' ability to analyze changes in this context and to act accordingly, their willingness to ensure their own human rights commitments are respected, and their ability to identify tipping points or stages of the conflict that would trigger specific decision-making by the company.

### 2. Implement heightened due diligence

B Lab will require companies to publicly commit to have implemented heightened due diligence by the date of their next recertification, or within 36 months, whichever is later. Heightened due diligence is an **internationally-recognized best practice** and B Lab recognizes that implementing it meaningfully takes time. Within corporate contexts, the level of maturity on heightened human rights due diligence remains low and requesting companies to implement adequate processes in a short time would invariably lead to inadequate application, be irresponsible and/or result in claims of green/cause-washing.

With the publication of this disclosure, B Lab confirms that the company is currently meeting the above requirements. The company's responses to the Questionnaire can be reviewed below. If you or someone you know is aware of any specific practices of this company related to their Business Operations in Russia or Belarus that have had a negative impact, and that may constitute a violation of the B Corp standards, please contact us via our [public complaints procedure](#).

## **Company Responses to Questionnaire**

### **Company Reaction to the Russian invasion of Ukraine**

Groupe Clarins is committed to conducting business responsibly and sustainably and has made several efforts with this commitment in mind. Since the first day of the conflict and long before B Lab imposed a moratorium, the company has been assessing how to ethically respond to this exceptional situation. The company's main goal has always been to protect people, especially the employees they are responsible for. Therefore, Groupe Clarins has decided to maintain a reduced local activity, which allows them to preserve jobs. At the end of 2022, Groupe Clarins' subsidiary with business operations in Russia employed 488 people. To ensure their safety, any employee who could maintain a remote activity and whose presence on-site was not required was invited to work remotely.

Groupe Clarins' team has worked closely with labor organizations and legal experts to ensure that their practices meet the highest standards in the current context. The company decided that it was better for them to manage the subsidiary directly, ensuring their people's jobs and not letting dubious practices be put in place in the name of Groupe Clarins.

As such, the company has adhered to the following practices:

- preserved salaries and health coverage for all local employees, and made them grow according to inflation
- reduced their business, particularly closing their E-commerce website
- prevented the development of grey market
- acted in total compliance with local and international regulations including European and US laws and sanctions

As a French company, Groupe Clarins is required to respect the European sanctions and more generally, all international sanctions (example: US, Canadian and English sanctions, taken up by banking institutions). Groupe Clarins is driven by its global commitment to conducting business responsibly and sustainably. It is important to understand that no economic bias (including any logic of profit) influenced Groupe Clarins' choice in this case. This is reflected in their decision to finance the standalone operation of their Russian subsidiary by continuing a regular activity but downsizing compared to the pre-war period.

Groupe Clarins' local subsidiary in Russia is Clarins OOO. 100% of the voting rights and capital of Clarins OOO remains controlled by Groupe Clarins. Preserving this capital holding appeared to them as the best shield for their Russian subsidiary against any harmful external influence, whether individuals or institutions. From a corporate and financial standpoint, only Groupe Clarins has the power to direct, make management decisions and influence Clarins OOO, to the exclusion of any other stakeholder.

### **Human Rights Due Diligence**

Groupe Clarins is a family firm built on values shared by everyone and implemented daily. These strong values are at the heart of Groupe Clarins' responsible development ambition and foster strong commitments. On an operational level, the company has set up ad-hoc crisis committees to be able to react at any time and to face all questions raised by the conflict. These crisis committees always consider several scenarios to make the best decisions.

Groupe Clarins crisis committee involving the Group's top management and the local managing Director work closely with labor organizations and legal experts to take into account the level of risk involved for the local employees to make a complete assessment. The main attention for Groupe Clarins is to ensure safety for stakeholders and especially for local employees and their families. Groupe Clarins requires all of its business partners and service providers to respect the highest ethical standards in everything that they do, with respect for labor requirements, respect for human rights and working conditions, and requirements in terms of the environment and business conduct.

Groupe Clarins does not have a pre-established exit plan that would be likely to apply to all situations in the case of the development of new activities in high-risk zones. Geopolitical crises are among the most difficult to predict because they often arise from the arbitrary decisions of leaders. The major difficulty for decision-makers is that these are events whose probability of occurrence cannot be calculated. Thus, a case-by-case study will always be necessary to assess the context and make the right decisions, both operationally and ethically. In this context, companies should take into account not only the profit associated with an exit strategy but above all, as far as possible, the level of risk involved for the local employees, to make a complete assessment.

The company has a specific policy to define and manage crises and considers their business activities do not affect the positions of power or relationships between actors, and do not impact the conflict causes or the conflict dynamics. All business relationships have been scrutinized to ensure there are no links with personalities or activities under international sanctions. If the circumstances were to change, a heightened due diligence mechanism could be implemented.