

**Beiersdorf Canada Inc.**

*Supply Chains Act Report*

January 1 – December 31, 2023

I. Introduction

This report is submitted on behalf of Beiersdorf Canada Inc. (“**Beiersdorf Canada**”) in accordance with Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chain Act* (the “**Act**”) for the financial reporting period ending December 31, 2023. Any reference to “we”, “us” and “our” refers to Beiersdorf Canada.

Beiersdorf Canada and the global Beiersdorf group of companies actively promotes compliance with laws, codes of conduct, and human rights. This responsibility is deeply anchored in how we see ourselves, as well as in our core values. We do not tolerate any form of corruption, forced labor, child labor, or discrimination – that applies to our own sites and employees worldwide as well as to all workers along the value chain. Furthermore, we support the health and safety of employees in the workplace, employees’ right to freedom of association, including collective bargaining, and environmental protection. We are also committed to equal rights and treatment as well as diversity.

II. Structure, Activities, and Supply Chain

A. Structure

Beiersdorf Canada is headquartered in Quebec, Canada and is a wholly owned subsidiary of Beiersdorf AG (“**Beiersdorf**”), headquartered in Hamburg, Germany. Beiersdorf is a global skin care company with over 21,000 employees in over 160 affiliates worldwide. Its portfolio comprises of leading international brands such as Nivea, Eucerin, La Prairie, Chantecaille, Hansaplast/Elastoplast, Aquaphor, and Coppertone.

Beiersdorf is responsible for procurement and supplier management on behalf of the global group. Accordingly, the policies and procedures referenced in this report apply to the Beiersdorf global group and cover the supply chains that produce goods imported and sold in Canada.

## B. Activities

Beiersdorf Canada is an importer and wholesale distributor of personal care and beauty products sold exclusively to retailers. These products include medical devices, natural health goods, over the counter (OTC) products, and cosmetics.

Beiersdorf Canada employs over 80 staff in Canada. Most employees work from our Canadian head office in Quebec, which houses our marketing, sales, human resources, finance, customer service (for retailers), procurement/logistics, regulatory, and legal staff. Beiersdorf Canada also employs sales staff throughout Canada, as well as additional marketing staff in Ontario.

We engage third-party warehousing providers to house inventory in Canada. Orders that are placed by retailers in Canada are fulfilled from these warehouses.

## C. Supply Chain

Beiersdorf procures raw materials, packaging materials, and services for the global group from approximately 21,000 suppliers in over 100 countries, including but not limited to: Argentina, Austria, Australia, Bulgaria, Bolivia, Brazil, Canada, Chile, China, Colombia, Denmark, Ecuador, Egypt, France, Germany, Great Britain, Greece, Hong Kong, Hungary, Indonesia, Ireland, India, Italy, Japan, Kenya, Malaysia, Mexico, Netherlands, Panama, Peru, Poland, Puerto Rico, Sweden, Slovakia, South Africa, South Korea, Spain, Switzerland, Thailand, Taiwan, the United States, and Uruguay.

Beiersdorf manufactures finished products that are imported and sold by Beiersdorf Canada. Beiersdorf Canada also purchases and imports certain finished products from the United States. Beiersdorf Canada does not manufacture the goods that it imports into Canada.

## III. Policies & Due Diligence related to Forced Labour and Child Labour

### A. Policies

Beiersdorf actively seeks to uphold human rights at every step of its supply chain. To do so, it has established binding internal and external policies to communicate its ethical standards to all employees and business partners.

#### 1. Employee Code of Conduct

Beiersdorf's Employee Code of Conduct ("**Employee CoC**") can be accessed online at the following link: <https://www.beiersdorf.com/investor-relations/compliance/code-of-conduct>.

The Employee CoC translates Beiersdorf’s core values – Care, Trust, Simplicity, and Courage – into standards and ethical principles. These are binding on executives and employees alike – at all levels and in all affiliates worldwide, including Beiersdorf Canada.

The Employee CoC reflects Beiersdorf’s commitment to observe and comply with all applicable laws and regulations. It explicitly notes that Beiersdorf has a zero-tolerance policy regarding forced labour. Equally, Beiersdorf does not tolerate child labour or employ young individuals below the relevant statutory minimum age. For example, Beiersdorf Canada conducts background checks and verifies an applicant’s social security number to ensure that all individuals applying for positions with the company meet the applicable age requirements.

Once an offer is extended, candidates always have the option to accept, negotiate, or refuse the offer.

In Canada, all our employee contracts are governed by Quebec laws. Individuals who choose to accept an offer from Beiersdorf Canada must provide a signed acknowledgement confirming that they have reviewed the Employee CoC, which is included as an annex to the employment contract.

## 2. Code of Conduct for Business Partners

Beiersdorf’s Code of Conduct for Business Partners (“**Business Partner CoC**”) can be accessed online at the following link: <https://www.beiersdorf.com/sustainability/reporting/downloads>

Beiersdorf acknowledges that its business partners’ actions extend Beiersdorf’s ethical footprint. This is why Beiersdorf requires its business partners throughout the supply chain to commit to meeting its standards – not only in terms of the material and product quality Beiersdorf requires, but also by conducting business in a transparent, fair, and responsible way.

The Business Partner CoC defines the requirements that must be met by Beiersdorf’s global business partners, including its affiliated companies. Business partners must ensure that their subcontractors and suppliers along the supply chain also meet these requirements. This ensures that Beiersdorf’s suppliers comply with the same standards as its own subsidiaries in all production facilities and processes.

The Business Partner CoC is aligned with Beiersdorf’s core values and defines uniform and binding criteria for responsible business conduct. It regulates critical aspects such as the prohibition of corruption, child labor, forced labor, and discrimination. At the same time, it actively promotes

occupational health and safety, the right to freedom of association and collective bargaining, and environmental protection.

Beiersdorf encourages all Business Partners to sign the Business Partner CoC. Business Partners with an annual purchasing volume of more than €50,000 must sign the Business Partner CoC. For Business Partners with a spend volume below €50,000, the Business Partner CoC is included with the respective purchase order.

Business partners must abide by the Business Partner CoC as part of their contractual obligations. In some cases, Beiersdorf will require a business partner to certify that its own code of conduct is equivalent to the Business Partner CoC.

For instance, in cases of a suspected breach of the Business Partner CoC, Beiersdorf reserves the right to conduct unannounced inspections of the business partner's (or its subcontractor's) premises, either itself or by persons or organizations appointed by the company.

A breach of the Business Partner CoC can also result in the termination of the entire partnership and all existing business relationships if the business partner fails to remedy or improve the identified non-compliance.

Beiersdorf expects its business partners and its employees to promptly report any breach of the Business Partner CoC, or the applicable laws related to Beiersdorf and its brands. This also includes breaches committed by the business partner's subcontractors and suppliers along the supply chain.

*a) Forced Labour*

The Business Partner CoC prohibits forced or involuntary labour. This applies especially to any form of forced labor exacted from a person under the threat of penalty (e.g., by withholding identification papers). The service of an employee must be given willingly. Business partners must provide their employees with written employment contracts that comply with national regulations. Employees have the right to terminate their employment contracts after giving a reasonable notice period. The business partner must not engage in, support, or allow any form of physical or psychological punishment, torture, inhumane or degrading treatment, mental or physical coercion, verbal abuse, harassment, or threat.

*b) Child Labour*

The Business Partner CoC also prohibits the exploitation of children and child labour. The policy stipulates that the minimum working age is 15 years unless domestic laws require a higher age

minimum, in which case the higher age minimum must be observed. All business partners must ensure that proof-of-age documentation is in place for all employees and that the rights of young employees are protected in compliance with the applicable laws and regulations.

The Business Partner CoC also establishes minimum working hour requirements and prohibits young individuals from engaging in potentially hazardous work. For example, the policy states that individuals under the age of 18 cannot engage in work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of young persons.

## B. Due Diligence Processes

Beiersdorf is dedicated to developing and implementing due diligence processes to identify, address, and prohibit the use of forced labour and child labour in its activities and supply chains.

A signed acknowledgement of the Business Partner CoC is the first step in the supplier onboarding process.

After a new supply chain partner has signed the Business Partner CoC, Beiersdorf conducts an initial risk analysis. The risk analysis considers industry risks, country risks, and individual risks associated with the supplier, such as the economic significance to Beiersdorf. The higher the risk, the more extensive the analysis.

Additionally, Beiersdorf requires that medium-risk business partners undergo an assessment through the EcoVadis platform. This platform allows organizations to obtain sustainability ratings based on performance measures across four key areas: environmental impact, labour and human right, ethics, and sustainable procurement. These criteria are based on international sustainability standards such as the Ten Principles of the UN Global Compact, the International Labour Organization (ILO) conventions, the Global Reporting Initiative (GRI) standards, the ISO 26000 standard, the CERES Roadmap, and the UN Guiding Principles on Business and Human Rights.

The EcoVadis platform enables suppliers to provide Beiersdorf with the most important data concerning their sustainability strategy and processes. Together with the supplier, Beiersdorf can then identify critical aspects of business that carry risk and jointly collaborate to address any concerns.

Additionally, Beiersdorf requires that high-risk business partners undergo an on-site Responsible Sourcing Audit, in accordance with the Sedex Members Ethical Trade Audit (“**SMETA**”) 4-pillar audit protocol. SMETA is an ethical audit methodology that encompasses multiple aspects of responsible business practice. The 4-pillar audit protocol is designed to measure performance in the following key areas: labor standards, health and safety, business ethics, and environment. To

ensure the objectivity of the investigation, the audit is carried out by an independent and certified third-party specialist. If the audit reveals a need for remedial action, Beiersdorf actively supports the business partner in defining and rapidly implementing appropriate measures.

Furthermore, Beiersdorf is an active member of AIM-PROGRESS, an international cooperation platform of world-leading manufacturers in the Fast-Moving Consumer Goods (FMCG) industry. AIM-PROGRESS members pursue the goal of supporting suppliers in continually improving their sustainability – and with this, the sustainability of their sourcing practices and business processes throughout the supply chain.

### C. Other Compliance Measures

In 2023, Beiersdorf Canada added specific anti-forced labour and anti-child labour clauses to our commercial contracts.

Beiersdorf is committed to developing preventative measures in collaboration with its business partners as part of its responsible sourcing strategies.

With respect to forced labour, these measures include establishing procedures to safeguard the appropriate distribution of work in compliance with local overtime laws, ensure the proper handling/retention of identification documentation, and prevent unnecessary fees charged by unrelated employment agencies.

With respect to child labour, these measures include implementing processes to ensure that accurate proofs of age are maintained on record for all employees hired directly or through an employment agency

### IV. Identifying Forced Labour and Child Labour Risks in Our Supply Chains

Globally, the Beiersdorf group is exposed to a number of risks as part of its business operations. Beiersdorf understands that the main risks related to forced labour and child labour lie in its upstream supply chain.

As a result, Beiersdorf has implemented an integrated risk and opportunity management system so that it can recognize and document risks to its operations, as well as the operations of its suppliers at an early stage. This system considers financial and non-financial risks, including those related to human rights.

Internal and external sources of information, including media sources, are evaluated on a continuous basis by Beiersdorf's dedicated sustainability and procurement functions to ensure that it has comprehensively identified, prioritized, and weighted any risks.

For example, Beiersdorf has identified and given top priority to fundamental and significant social risks as part of its risk analysis. These include violations of working time and wage regulations, violations relate to child exploitation and child labour, insufficient workplace safety, limitation of the freedom of association, and discrimination of any kind. These risks particularly affect labor-intensive services and processes in relation to packaging and raw materials sourced from globally distributed suppliers with production sites.

To inform its risk analysis, Beiersdorf conducts a human rights and environmental risk analysis at least once a year. Internal sources (such as the whistleblowing channel), external databases (such as AIM Progress), and reports from globally recognized organizations and NGOs, such as UNODC, EPI or Transparency International, are considered. Based on these identified risks, Beiersdorf classifies its category- and commodity-specific material groups ("MGR") according to their criticality. The final prioritization of high, medium and low risk suppliers is then carried out using the EcoVadis IQ tool.

Additionally, the procurement of certain goods in Beiersdorf's portfolio is associated with sector-specific risks such as deforestation, loss of biodiversity through planting of monocultures, and uncertain working conditions – in particular for minority groups in need of protection. Beiersdorf devotes special attention to these risks.

Beiersdorf recognizes that its supply chains may involve certain higher-risk commodities, including palm oil, soybean oil, paper, shea, tallow, sugarcane, and selected minerals. Beiersdorf has robust sustainability programs in place for its main, high-risk renewable resources and paper-based packaging. The establishment of similar programs and the enlargement of its strong responsible sourcing strategies for other raw materials is continuously under development. Beiersdorf recognizes the urgency and promotion of environmental protection, as well as the improvement of the livelihoods of the local populations and the workers along the supply chain.

V. Measures Taken to Remediate Forced Labour or Child Labour, Including to Remediate Loss of Income

VI. Beiersdorf Canada was not made aware of any instances of forced or child labour in its operations or supply chains in 2023 and therefore took no related measures to remediate instances of forced labour or child labour or to remediate loss of income resulting from remediation measures.

VII. Training

A. Internal Training

Beiersdorf Canada provides regular training on the Employee CoC to all employees, in particular on proper behavior in the workplace, on ethical decision-making, and on compliance with laws and regulations.

Additionally, Beiersdorf's Procurement department undergoes regular mandatory training focused on the Business Partner CoC, as well as the risk prevention measures resulting from the risk classification of its business partners.

B. External Training

Beiersdorf offers and encourages all suppliers and business partners to complete a 45-minute E-Learning training session on supply chain due diligence. The training includes a comprehensive overview of supply chain due diligence and how to ensure safeguarding human rights within different areas of their operation.

Each module contains key messages about various business-related aspects of human rights, as well as the obligations for companies resulting from related legislation and regulation. Additionally, the training provides business partners with tools and examples of how to incorporate Beiersdorf's requirements into their organization and supply chain.

VIII. Assessing Effectiveness of Forced Labour and Child Labour Policies and Due Diligence

A. Training

All employees must complete periodic assessments measuring their awareness of internal policies, including those related to forced labour and child labour risks. Beiersdorf Canada tracks participation rates and employee performance, requiring an 80% score to pass.



## B. External Monitoring Programs

Beiersdorf seeks and promotes long-term business relationships with suppliers who are actively committed to its principles of sustainable and responsible corporate governance.

To ensure compliance, implementation of the Business Partner CoC is monitored using Beiersdorf's Responsible Sourcing program. It consists of a comprehensive due diligence process and risk assessment, as well as independent auditing of Beiersdorf's suppliers – supported by the EcoVadis, Sedex and AIM-PROGRESS memberships described above.

## C. Effective Grievance Mechanisms

For Beiersdorf, it is of paramount importance to find out about possible irregular behavior to respond rapidly to any systematic or material compliance and other breaches. Having and monitoring mechanisms to receive reports is part of how Beiersdorf assesses the effectiveness of the measures it has introduced to prevent and reduce the risk of forced labour and child labour, among other things, in its operations and supply chain.

Beiersdorf has established several whistleblowing channels through which its employees, customers, business partners, and other stakeholders in the supply chain can report irregular behavior or express their concerns. Reporting of complaints is confidential and discreet. Risk management is monitored by internal control mechanisms as well as external auditors.

Internally, employees can contact compliance colleagues directly, either in a personal conversation, or they can report a violation via the compliance hotline or the internal whistleblowing system called "BKMS Whistleblower". Beiersdorf's corporate auditing and compliance teams are responsible for investigating all reports received and involving the local business human resources manager, as required. In addition, Beiersdorf encourages a "Speak Up" culture, aimed at ensuring that all employees feel comfortable asking for help, sharing suggestion informally, or challenging the status quo without fear of negative consequences. Beiersdorf supports the creation and growth of its "Speak Up" culture via internal tools, guidelines, workshops and e-learning trainings for its all employees.

Externally, Beiersdorf has established an accessible whistleblowing system called "Speak up. We care" which can be accessed online at the following link: <https://www.beiersdorf.com/investor-relations/compliance/incident-reporting-platform>.


It is a secure and independent reporting channel for employees, customers, consumers, suppliers, and other external stakeholders. The platform is based on BKMS® Incident Reporting technology,

which has multiple data security certifications. It is available around the clock in all markets in which Beiersdorf and its subsidiaries do business, and its use is permitted under local law. Users can submit information on possible wrongdoing in more than 30 languages, remaining anonymous wherever local law permits.


**IX. Attestation**

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 entity or 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.

DocuSigned by:  
  
E5FE756C16874CF  
Full Name: Andrea Mondoni  
Title: GM North America  
Date: 5/31/2024

I have the authority to bind Beiersdorf Canada Inc.

DocuSigned by:  
  
537571B0B8BB40D...  
Full Name: Florian Wolfram  
Title: GM Canada  
Date: 5/30/2024

I have the authority to bind Beiersdorf Canada Inc.

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DocuSigned by:

*Pierre Locas*

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Full Name:

Title: Accounting Director

Date: 5/30/2024

I have the authority to bind Beiersdorf Canada Inc.