

Charlotte Tilbury

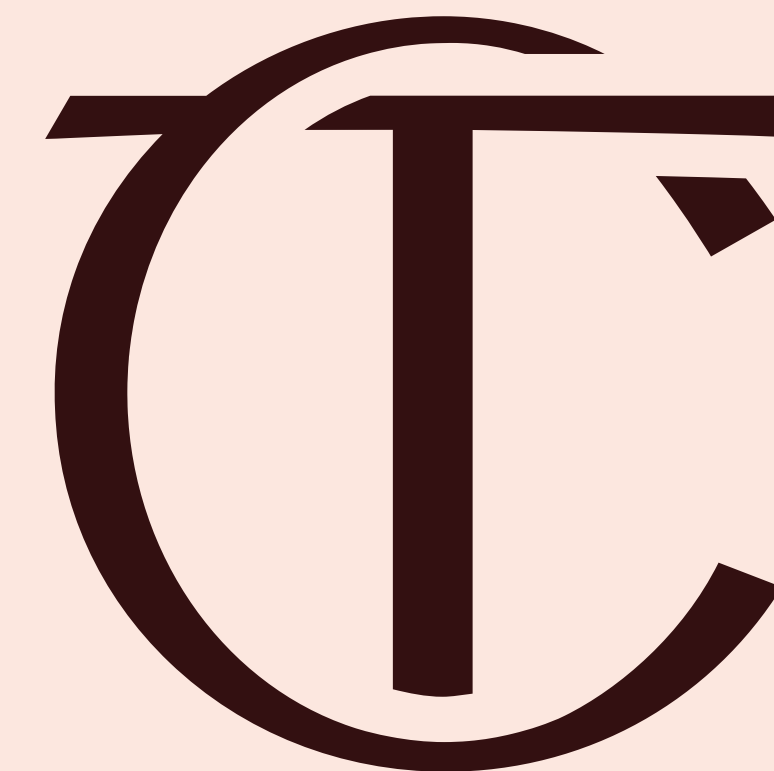
MODERN SLAVERY STATEMENT

2023



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INTRODUCTION

Charlotte Tilbury Limited, is a leading global premium beauty brand. We are committed to protecting and respecting the human rights of the people who work on our behalf globally. This is the sixth Modern Slavery Statement (**Statement**) of Charlotte Tilbury Limited. This statement outlines the measures taken to identify, mitigate and address modern slavery risk within our business and supply chain.

Charlotte Tilbury Limited is a private limited company registered in England and Wales with registered number 12618110. It has 14 subsidiary companies, established in the United Kingdom, the United States of America, Canada, Hong Kong, China, Macau, Germany, Netherlands and France. It has branches in Spain and Italy. We have prepared this Statement on a consolidated basis for Charlotte Tilbury Limited.

This statement has been made in accordance with section 54 of the Modern Slavery Act 2015, the Australian federal Modern Slavery Act 2018 and the California Transparency in Supply Chains Act 2010 (SB 657). The Statement includes an update on the commitments made during the financial year ended 31 December 2022 (the **Year**) to ensure human trafficking and modern slavery are not taking place within our organisation and supply chain.

For the purposes of the Australian federal Modern Slavery Act 2018, the relevant reporting entity is Charlotte Tilbury Beauty Limited (**CTBL**) with registered number 08037372. CTBL operates and controls Branches in Spain and Italy for the purposes of hiring retail staff. CTBL and its branches share the same executive committee and Directors. This statement is applicable to all legal entities belonging to CTBL, having been prepared in consultation with each legal entity that CTBL is able to control directly or indirectly by way of the shared composition of those entities.

UPDATE FROM OUR EXECUTIVES

Charlotte Tilbury Limited forms part of the Puig S.L. (**Puig**) group of companies. This Statement is made on behalf of Charlotte Tilbury Limited and its subsidiary companies (together **Charlotte Tilbury Beauty**). As a leading luxury beauty brand growing globally, it is our responsibility to conduct our operations in a responsible and ethical manner.

Working with our partners and suppliers, Charlotte Tilbury Beauty will continue to uphold our commitment towards ensuring a due diligence approach to slavery and protection of human rights across our business and supply chain.

We are committed to building upon and strengthening our in-house capabilities in relation to environment, social and governance (**ESG**) as a whole. Our work with our parent company, Puig during 2022 has advanced our processes in relation to human rights due diligence and ethical trade. We shall continue to review our business operations and procurement procedures to ensure that risks of modern slavery and human rights abuses are fully considered. We shall also continue working closely with our supply chain partners to monitor potential emerging risks in our extended supply chain.

The prevention of modern slavery and human trafficking is a business priority. We have a responsibility for the well-being of our employees, contractors and workers in our supply chain. As our business continues to grow, we will continue to prioritise worker welfare and conduct our operations in a responsible, transparent and ethical manner.

This Statement has been approved by the Charlotte Tilbury Limited board of directors on 11 May 2023.



Charlotte Tilbury
President, Founder, Chief Creative Officer



Demetra Pinsent
Chief Executive Officer

KEY DEVELOPMENTS FOR THE YEAR IN REVIEW

During the year we have defined our approach to ethical and human rights priorities. Progress has been made in the key areas below.

ASSESSED OUR BUSINESS' HUMAN RIGHTS AND ETHICAL RISKS

We conducted an internal risk assessment of potential human rights and ethical risks across our business. We assessed country risk against a series of measures focused on environmental and human rights risk to identify high risk regions for modern slavery. The results of the assessments are being used to inform our ethical auditing programme in 2023.

PUBLISHED OUR HUMAN RIGHTS POLICY

We are committed to upholding internationally-recognised human rights. Our Human Rights Policy outlines our commitment to respecting and defending human rights in our business and supply chain. Our Human Rights Policy was published in September 2022 and made available on our website.

ESTABLISHED ECOVADIS AS A PARTNER

We are using EcoVadis to support us in strengthening the social and environmental performance of our supply chain. EcoVadis helps us in mapping our supplier conformance to social and environmental policies, rating them against their scoring system which includes over 100,000 companies as a benchmark. In 2022, we assessed over 90% of our inventory spend with suppliers scoring on average a Silver rating.

WE HAVE GROWN OUR INTERNAL EXPERTISE

In 2022, we started recruitment to build our in-house sustainability team. Our first dedicated and permanent Sustainability Team members joined the business in early 2023. Together our Regulatory, Quality and Sustainability teams will intensify our efforts with suppliers in traceability, human rights and ethics while further raising awareness of modern slavery risks across the business.

BUSINESS STRUCTURE

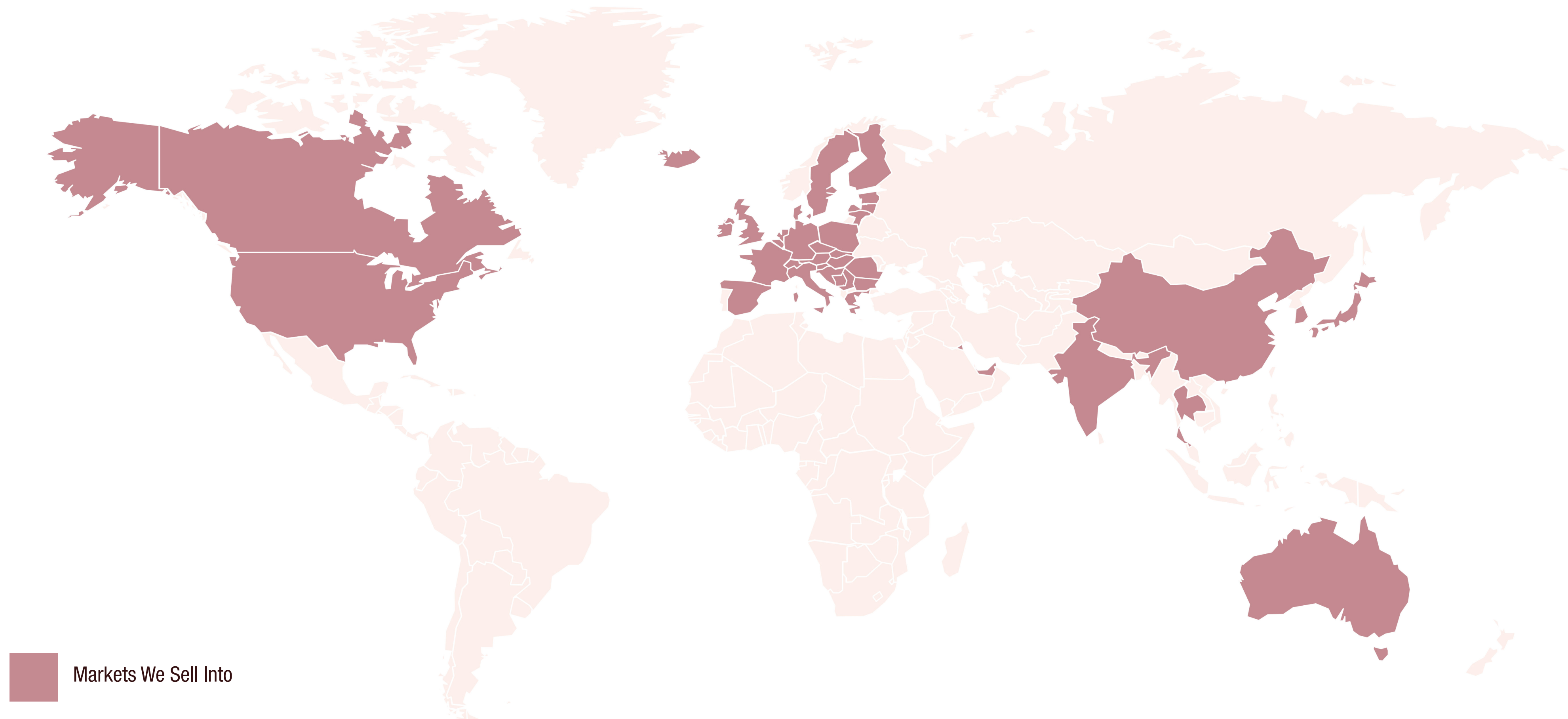
Charlotte Tilbury Beauty employs over 2000 people globally and sells over 500 luxury beauty and skincare products across colour, complexion, skincare and fragrance. We work globally across 13 countries with industry leading manufacturers, distribution centres and suppliers of components, consumables, packaging and retail tools. We value long-term relationships with our suppliers, with a current average relationship of 6.5 years. Our products are globally sold online and in-stores through our own freestanding stores and counters within retail partners.



**As of 31 December 2022*

RETAIL OPERATIONS

Charlotte Tilbury Beauty has a physical presence in over 22 global markets, is available in 41 countries via charlottetilbury.com and has over 2000 points of distribution worldwide including department stores, freestanding stores and travel retail. In recent years, Charlotte Tilbury Beauty has opened distribution in a range of new markets including China, South Korea, Thailand, India, Australia and New Zealand.



SUPPLY CHAIN

With a diverse supply chain spanning 12 countries, it is important that we understand the scope of our supplier sites and associated risk. Our supply chain tiering summarises supplier activity and our supplier relationships.

SUPPLY CHAIN TIERING		
INVENTORY		
TIER	DESCRIPTION	ACTIVITY SAMPLE
1	Inventory Suppliers	Distribution Centres Freight Forwarder Co-Packers Product Manufacturer Component & Packaging Manufacturer
2	Suppliers to our inventory suppliers and/or subcontracted activity	Product Manufacturer (subcontractor) Component & Packaging Manufacturer (subcontractor) Ingredient Supplier Final Mile Couriers
3	Suppliers that provide raw materials	Raw Material Processors
NON-INVENTORY		
Non-inventory Suppliers		Goods and services that support head office, retail and field teams ranging from IT, software, hardware and professional services, amongst other things.

POLICIES

SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct (the **Code**) sets out expectations for ethical and fair working standards in our supply chain. The Code clarifies our expectations that working conditions are safe and sanitary, working hours are within legal limits, workers are treated with respect and paid fairly. Suppliers must take reasonable steps to ensure that there is no form of modern slavery – child labour, forced labour, human trafficking - within their operations.

SUSTAINABLE SOURCING POLICY

In 2023, we will be issuing our Sustainable Sourcing Policy (SSP). The SSP will present the prerequisites for doing business with us and mandatory requirements in terms of social and business integrity and environmental sustainability. The SSP will build on and complement the Code and apply to the whole Charlotte Tilbury Beauty supply chain. It will provide a pre-requisite set of standards which we expect all suppliers, subcontractors and manufacturers to comply with.

HUMAN RIGHTS POLICY

Human rights are based on dignity, fairness, equality and respect, all core values at Charlotte Tilbury Beauty. As our business grows, we are proud to play a positive role in the world by championing human rights wherever we operate. This includes the rights of our customers, employees, contractors, partners and the people who help us source, make and move our products. Our Human Rights Policy highlights our commitment to respect human rights as defined by internationally recognised human rights laws:

- UN Guiding Principles (UNGPs), the Universal Declaration of Human Rights (UDHR)
- International Covenant on Economic Social and Cultural Rights (ICESCR)
- International Covenant on Civil and Political Rights (ICCPR)
- International Labour Organization (ILO) Declaration on Fundamental Rights at Work.

The Human Rights Policy further clarifies and solidifies our commitment to review and assess human rights risks and influence remediation in our operations and supply chain if ever needed. Our policy was published in September 2022 and made available on www.charlottetilbury.com.

ANTI-BRIBERY & CORRUPTION POLICY

Our Anti-Bribery and Corruption Policy has a global scope and sets out the steps all officers and employees of Charlotte Tilbury Beauty must take to prevent bribery and corruption in the business and to comply with relevant legislation. In higher risk markets, we have a separate and dedicated market specific Anti-Bribery and Corruption Policy.

PEOPLE POLICIES

Our People team policies reflect our commitment to an internal culture based on inclusion, mutual respect and trust. Our Employee Handbook is issued to all new joiners and available on our intranet to employees throughout their employment.

Our employee training, together with the Employee Handbook and Confidential Concerns Policy, are tools which support our employees towards identifying modern day slavery and reporting any concerns without fear of adverse consequences.

RISK ASSESSMENT, PREVENTION AND MITIGATION

IDENTIFYING OUR RISK

With a global supply chain modern slavery risks vary by location, business activity, raw materials and supplier maturity.

In our own operations our workforce consists of highly skilled office and store-based employees globally.

We recognise, however that there is likely a higher risk of modern slavery occurring in our supply chain. The following higher risk areas have been identified:

- Manufacturing or any subcontracted manufacturing processes.
- Where non-resale services are provided e.g., logistics.
- Where work is undertaken in countries where modern slavery is more prevalent.

Higher risk areas will be our key focus in ethical audits during 2023. See page 12 for more details.

MANAGING RISK

At Charlotte Tilbury Beauty, we consider financial and non-financial risk in managing our business. We have a Risk Management Committee that meets quarterly and reports into our executive committee.

OUR RISK MANAGEMENT PROCESS

GLOBAL AND DEPARTMENTAL RISK REGISTER



QUARTERLY RISK MANAGEMENT COMMITTEE MEETING



ANNUAL RISK REPORT TO BOARD

RISK ASSESSMENT

In June 2022, we conducted an internal sustainability risk mapping exercise that examined 11 key risk indicators. The risk mapping captured modern slavery risk across numerous areas; human rights legislation, supplier labour conditions, social standards and global expansion. The results of the mapping exercise are being used to prioritise the ethical audit plans for 2023 as we work to increase the transparency and visibility of our supply chain. We also use the EcoVadis platform to help map our supplier risk landscape. See page 12 for more details.

RISK ASSESSMENT, PREVENTION AND MITIGATION

RAW MATERIAL TRACEABILITY

The extraction of raw materials can be manual and labour intensive, leaving workers vulnerable to exploitation. Raw material traceability is imperative in understanding human rights risk in our supply chain.

We have a 2030 target for raw material traceability and certifications, with smaller targets in place at different time points until 2030 to ensure continued movement.

Following the achievement of our Leaping Bunny Accreditation from Cruelty Free International in 2021, we were able to engage with our suppliers to further map and assess our raw materials and continue this practice for any new raw materials used.

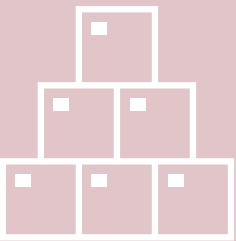
In 2022, we strengthened our internal expertise in material traceability and cosmetic compliance. Further growth plans are in place for the upcoming years. We are committed to ethically sourcing raw materials with respect for local communities and the environment.

SPOTLIGHT ISSUES - MICA

Mica, is a mineral used in select products for its pearlescent and shiny characteristics. We are aware of the need for transparency due to modern slavery risks of child labour and unsafe working conditions in some geographical areas associated with the extraction of mica.

We have identified the manufacturers of finished goods in our supply chain which use mica and are continuing to engage them for regular declarations for responsible mica sourcing.

In 2023, we will explore industry member associations that support fair and responsible mica supply chains. We are also looking to implement further due diligence strategies for all other raw materials with an immediate focus on those deemed high risk.

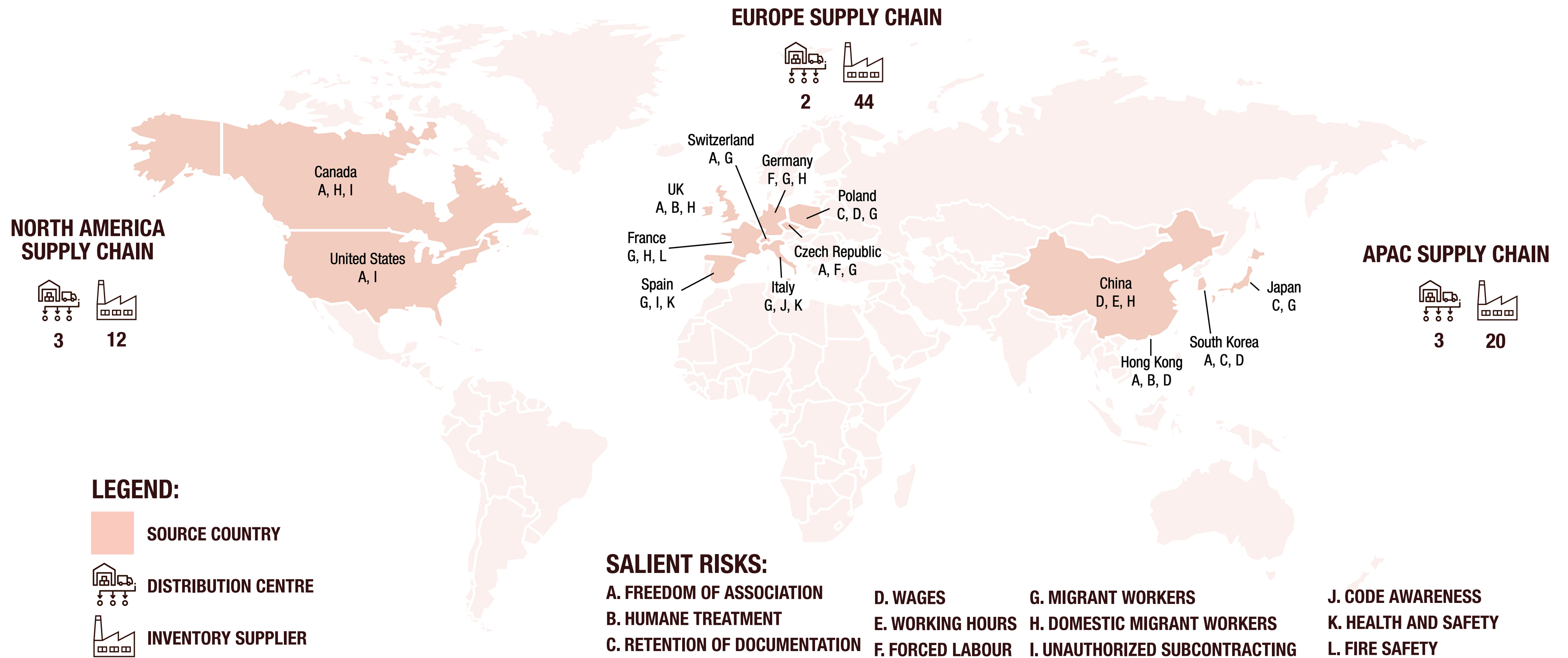


**NUMBER OF RAW MATERIALS IN
OUR SUPPLY CHAIN:
APPROX. 1730**



IN-COUNTRY RISK OF INVENTORY SUPPLY CHAIN

During 2022, we focused on the assessment of suppliers located in geographical areas that are classified as “at risk” from a modern slavery and human rights perspective. In assessing in-country risk, we use a combination of widely recognised human rights indicator datasets across labour rights, health and safety and business ethics which helps us to identify those regions at higher risk of modern slavery (see map below). In 2023, we will prioritise ethical audits with suppliers that are deemed at higher risk based on region, business activity and raw materials used. Of the 13 countries we operate in, we have assessed China, South Korea and the United States to be higher risk.



DUE DILIGENCE PROCESSES

SUPPLIER ONBOARDING

Our Global Procurement Team manages direct procurement of inventory and non-inventory materials and services. All direct inventory contracts have contractual commitments and clauses in compliance with global and local anti-slavery requirements. Supplier Executive Review Meetings with our key suppliers include a regular agenda item for ESG compliance.

REQUEST FOR INFORMATION PROCESS

In the identification of new suppliers, we use our Request for Information (RFI) process. The RFI asks ESG and human rights risk questions. We use the results of the RFI to determine if a supplier meets our ethical standards prior to engaging further.

LEAPING BUNNY

We are a Leaping Bunny accredited company for cruelty free cosmetics, skincare and fragrance. All suppliers in our product supply chains are required to comply with the Leaping Bunny Programme. With our cruelty free commitment as a business, we have mapped our supply chain activity and built strong relationships with our suppliers.

ECOVADIS

Working with Puig, we are using the EcoVadis platform to determine the level of policy our suppliers have in place across labour and human rights, ethics, environment and sustainable procurement. The tool supports us and our suppliers in highlighting areas for improvement in policy and practice. In 2022, we assessed over 90% of our inventory spend in EcoVadis. Suppliers assessed scored on average a Silver rating. We monitor our suppliers' EcoVadis performance and will work with them to support ongoing improvements. In 2023, we will include our top non-inventory suppliers in our EcoVadis programme.

CONFIDENTIAL CONCERNS

Our Confidential Concerns policy (which outlines our approach to whistleblowing), applies to all employees in our direct operations. We encourage employees to report any unethical activity and misconduct through the Confidential Concerns channel. All reports are kept confidential and employees can feel safe using this mechanism without fear of retaliation. Reports can be emailed directly to confidential@charlottetilbury.com. In 2023, we will be onboarding a new whistleblowing reporting channel with Navex Global.

ETHICAL AUDITS

To support with our ethical audit programme, it was important that we identified a trusted due diligence partner with a beyond audit, worker centric approach and in-factory experience. In early 2023, we selected an ethical auditing partner that is SA8000 and Fair Labour accredited and conducts Sedex Members Ethical Trade Audit (SMETA) and amfori Business Social Compliance Initiative (BSCI) audits.

Ethical audits conducted at sites in our supply chain will be announced and include facility tours, worker interviews and a review of documents and records. In the commissioning of ethical audits in our supply chain, suppliers located in high risk geographies will take priority. The results of the social audits will be used in the selection of new suppliers and to inform existing supplier training and remediation plans to drive supplier performance to our supplier code of conduct.

MEASURING EFFECTIVENESS

Internal governance processes ensure that we are aligned with applicable regulatory needs and help to track our progress against our internal key performance indicators (**KPIs**). We are committed to acting with integrity and to ensure fairness towards workers, customers and the communities we operate within and the environment.

The Ethical Trade and Modern Slavery Committee includes key stakeholders from Legal, Procurement, Quality, Regulatory and Supply Chain. These meetings offered time to discuss supply chain monitoring and performance with relevant internal stakeholders and provided oversight of internal reporting of our modern slavery risks.

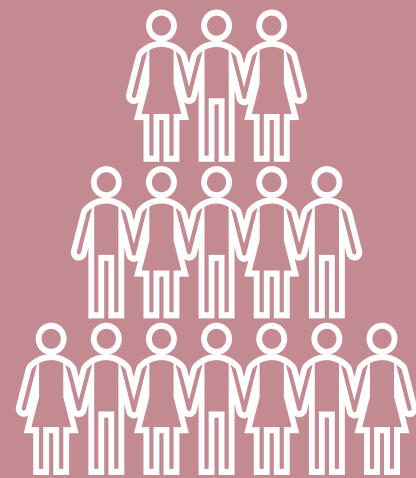
For 2023, we have launched the Sustainable Business Committee (**SBC**) that will meet quarterly. The SBC will replace the Ethical Trade and Modern Slavery Committee and include oversight and monitoring of ethics, human rights and environmental matters. The SBC has endorsement from two members of the Executive Committee. In measuring effectiveness of modern slavery prevention, the following matters will be considered during SBC meetings:

- Modern slavery risks
- Supplier performance
- Ethical audit results
- EcoVadis scores

GOVERNANCE



TRAINING, CAPACITY BUILDING AND RAISING AWARENESS



EMPLOYEE TRAINING

All Charlotte Tilbury Beauty employees are required to complete training on ethical business practices. The Modern Slavery and Anti-Bribery and Corruption training modules are completed annually and made available on our internal learning platform. New starters undertake this training as part of their induction programme. Certain employee non-contractual benefits are contingent on employees completing all mandatory training. To further build engagement and awareness within the business, we are considering various additional modern slavery training tools.

We want to support our suppliers in creating a safe and healthy environment with fair working conditions in factories. In the upcoming year, we are exploring training on Responsible Purchasing Practices for our Procurement, Supply Chain, Quality and New Product Development teams. In maintaining an ethically compliant business, this training will ensure that our teams understand how our purchasing decisions can influence suppliers’ working conditions and help reduce the risk of late wage payments, health and safety violations and excessive working hours.



CAPACITY BUILDING

In early 2023 the business appointed a Head of Sustainability who has a specialist background in ethical trade in similarly sized consumer brands. We also employed a Sustainability Manager who has a background in sustainability reporting. In 2023, we shall continue to enhance and grow our in-house expertise in ethical trade and human rights.



SUPPLIER TRAINING

Using the results of our ethical audits (see page 13) we will identify areas of improvement for our suppliers. The gaps identified will be used to inform training to improve supplier knowledge and practice.

PURPOSE PARTNERS

Charlotte Tilbury Beauty is bigger than beauty and we recognise the responsibility we have as a global beauty brand to be a force for good. How we show up in the world matters and our founding values reinforce this.

For the sake of our people, our planet and our partners, it is our responsibility to support, protect and celebrate our global community as we deliver the best beauty products to our customers. At Charlotte Tilbury Beauty, our guiding purpose is to empower everyone, everywhere to look and feel like their most confident, beautiful version of themselves.

We are proud of our purpose partners, which include The Prince's Trust, Women for Women International and The Clooney Foundation for Justice. In 2022, we announced a strategic bespoke partnership with The Prince's Trust Enterprise Programme, providing funding alongside mentoring from Charlotte Tilbury Beauty executives and employees, to help young people achieve their entrepreneurial dreams. Since 2016, we have pledged £1m to Women for Women International which has helped over 3,000 women survivors of war to rebuild their lives. We are also a sentinel supporter of The Albies Awards, an event run by the Clooney Foundation for Justice to shine a light on defenders of justice from around the world.



WOMEN FOR WOMEN
INTERNATIONAL



FORWARD LOOK

With our commitment to continuous improvement and the growth of our Sustainability and Regulatory teams, in 2023 we will further our work in human rights, ethics and raw material traceability. To further identify and address key risks in our supply chain, we will expand our efforts in mapping the origin of raw materials and further develop our ethical audit programme. We will work closely with our suppliers to drive improvements. We will focus on ensuring we take a worker centric approach in assessing the ethical performance of suppliers and amplify worker voices.

We have developed a set of modern slavery indicators, based on International Labour Organisation (ILO) guidance. These indicators will support us in identifying the severity and likelihood of modern slavery through our ethical audits. In 2023 we will work to develop an escalation procedure that will be followed when a potential modern slavery indicator is identified by a third-party, audit report, internal site visit, confidential concern (whistleblowing), external partner, or internal team raising a concern.

To further instil modern slavery awareness across our business, we will equip our teams with enhanced knowledge on responsible purchasing practices to support our suppliers in maintaining fair and safe working conditions in factories. We will conduct training internally with teams across our business, to further understanding of modern slavery risks. With the launch of our employee sustainability forum, we will raise awareness and increase employee engagement on sustainability and human rights topics.

In 2023, we will explore membership in relevant industry initiatives and external stakeholder groups to increase knowledge share and drive improvements collaboratively.

