


BELCORP L'BEL ésika cyzone¹³

BELCORP'S REPORT ON CHILD LABOUR DUE DILIGENCE IN ITS SUPPLY CHAIN



Art. 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour.



In this report, we will present our actions to comply with the due diligence and reporting obligations on child labour required by Art. 964j-k of the Swiss Code of Obligations and the Swiss Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflicted-Areas and Child Labour. This document covers our progress for the period 1 January 2023 to 31 December 2023. During this period, Belcorp complied with our due diligence obligations relating to child labour, as detailed below.

1. About Belcorp

We are a multinational beauty corporation with presence in 14 countries. Since our beginning, we have helped thousands of women achieve economic independence through our direct sales business. We have three brands, L'BEL, ésika, and Cyzone, which allow us to offer the best experiences to our consumers with high-quality products. With a purpose that transcends the financial bottom line - We promote beauty to achieve personal fulfillment - we inspire each person to give their best so that they and their environment can achieve the extraordinary.

Belcorp's commercial presence in Latin America is complemented by corporate offices in Colombia, Panama, Peru, Switzerland and the United States. Our headquarter is in the United States and our holding company is domiciled in Switzerland.

Guided by our purpose, at Belcorp we have a commitment to sustainability: To build a future full of possibilities for everyone. Through the following five areas of work, we seek to generate a positive impact and leave our mark on the societies in which we operate: Female Empowerment, Extraordinary Talent, Care for the Planet, Integrity and Transparency and Responsible Products.

2. Our commitment to human rights

At Belcorp, we fully respect human rights and promote this good practice in our supply chain. We also reject forced and child labour, as well as all forms of abuse and harassment, as evidenced in our [Code of Ethics](#) and [Supplier Code of Conduct](#), in accordance with the United Nations Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNEs).

Our commitment addresses all internationally recognised human rights, including those contained in the International Bill of Human Rights and the core International Labour Organisation (ILO) conventions on labour rights, including the Minimum Age Convention (No. 138) and the Worst Forms of Child Labour Convention (No. 182). In addition, as a participant in the UN Global Compact, we align our strategies and operations with universally accepted principles on human rights, labour law, environment and anti-corruption and report annually on our progress on these principles.

3. Human Rights Governance

The responsibility for complying with the company's human rights measures and commitments, with a focus on child labour, belongs to all Belcorp areas and employees in general and applies to the entire value chain. Likewise, all our ethical commitments, including respect for human rights, have the approval and backing of top management. The Legal & Corporate Affairs Executive Management promotes the continuous strengthening of our ethics and compliance management at the corporate level.

4. Our policies on child labour in our supply chain

Our ethical commitments are part of Belcorp's Code of Ethics, which establishes strict principles of behavior that guide our actions. It also reflects our commitment to being positive actors in the development of the environments in which we work, promoting among our employees a philosophy of citizenship that respects human rights.

The Supplier Code of Conduct requires our suppliers to commit to the respect and protection of human rights in their supply chain, logistics and production, as set out in the UN Guiding Principles on Business and Human Rights. In this regard, suppliers are urged not to use child and/or forced labour directly or indirectly (considering their own suppliers and/or related companies), nor at any level of the production chain.

As part of our contractual relationship with our suppliers, we include in our contracts a clause by which they are informed about the content of our Supplier Code of Conduct and their obligation to fulfill it in its condition of Belcorp's supplier. With this clause, they commit to apply the standards and principles of our Supplier Code of Conduct not only in their commercial relationship with us but also in their business relationships with their own suppliers.

If there are allegations or indications of child labour at a company supplier's premises, an immediate assessment of the case will be initiated, as well as appropriate investigations, which may result in the termination of the supplier's contract, depending on the findings. In addition, appropriate follow-up on alleged violations of the Code of Ethics, including specific cases of child labour, will be undertaken. Any corrective action will be consistent with ILO standards and the latest best practice guidance.



5. Supply chain traceability system

The names and addresses of our Tier 1¹ suppliers, as well as the product category of the goods or services they provide, are recorded in our procurement management systems. In the process of incorporating new suppliers, we request information on their quality management, environmental management and compliance. Furthermore, in accordance with our audit plan, suppliers are periodically monitored to ensure compliance with the standards they have committed to maintain during our business relationship. In addition, we will continue to strengthen the tracking systems we use to trace third-party goods beyond our first-tier suppliers.

6. Human Rights Due Diligence Process

At Belcorp we are committed to strengthening our human rights management with a focus on child labour through the continuous exercise of due diligence. Thus, we have planned a human rights risk assessment process, which is being executed in order to identify, prevent and mitigate the adverse effects on human rights of our own operations and/or our supply chain. The methodology of this process has considered the operational context (Country Risks) and sectoral context (Beauty Sector Risks) in line with the recommendations of the Guiding Principles on Business and Human Rights and their Interpretation Guide.

As a result of this human rights due diligence process, we have identified that **child labour risk has not been of high criticality in our supply chain**. Systematic risk assessment by the relevant areas has shown that it is unlikely that there are child labour practices associated with the business activity of our Tier 1 suppliers. Considering that this initial exercise does not take into account suppliers beyond Tier 1, we will continue our efforts in the future to expand our supervision and monitoring activities to improve our diagnostic understanding of this group of suppliers in order to identify and prevent any child labour related practices.

7. Assessing and mitigating the risk of child labour in indirect suppliers

Through our human rights risk analysis, we recognize the possibility of child labour in our supply chains at third-tier suppliers, considering that Belcorp partially sources products from countries that are assessed as higher risk according to UNICEF's Child Rights in the Workplace Index. However, as of the date of approval of this report, there is no known or reported use of child labour in Belcorp's supply chain.

¹ According to the Sustainability Accounting Standards Board (SASB), Tier 1 suppliers are defined as suppliers that deal directly with the company, such as manufacturers of finished products. Suppliers above Tier 1 are the main distributors of the company's Tier 1 suppliers, and may include manufacturers, processing plants and raw material extraction suppliers.



8. Grievance mechanism

Our human rights due diligence process is supported by our Ethics Line, which is the official confidential, anonymous and secure whistleblowing channel for reporting actual incidents or alleged human rights violations to the Ethics Committee. This mechanism is available to all our stakeholders (employees, suppliers, consultants or consumers) for queries, reports, complaints and/or claims through various channels:

- | Ethics Committee electronic mailbox: comitedeetica@belcorp.biz
- | Ethics Line Belcorp's web form: <https://linea.belcorp.biz/lineaetica/>
- | Verbal or written communication to the immediate superior or to the Talent & Culture, Ethics & Compliance and/or Internal Audit areas to transfer the complaint to the Committee.

It is worth mentioning that, during 2023, the Ethics Line did not receive any complaints or reports of child labour in our own operations or in our supply chain.

9. Disclosure and Reporting

Our stance against child labour is outlined in Belcorp's Code of Ethics and Supplier Code of Conduct, both of which are available for public consultation on our website <https://www.belcorp.biz/>

Any updates or developments related to our management of child labour risk will be reported in accordance with the provisions of the ordinance.





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