

Rituals Cosmetics UK Limited

Modern Slavery Statement for the year ended 31 December 2023

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015.

Organisation & general information

The UK Modern Slavery Act:

Rituals' management has agreed to abide by moral and ethical values in managing the company. The Board of Directors acknowledges its responsibility in relation to tackling modern slavery and commits to complying with the provisions in the Modern Slavery Act 2015.

We expect our third-party suppliers to respect and adhere to the same philosophy in the management of their own companies. We only work with suppliers (including their factories, subcontractors, and their own suppliers) that agree to comply with our requirements and principles. The principles governing Rituals' actions and business conduct are in line and compliant with:

- The universal declaration of Human Rights
- The Conventions of the International Labour Organisation
- The guidelines of the OECD, regarding anti-corruption
- The principles of the United Nations Global Compact

The Brand

Rituals Cosmetics is a Certified B Corp Company, dedicated to sustainable and personal wellbeing in the beauty luxury industry. With its products in body care, home fragrances, beauty and gifts, Rituals embraces the philosophy of transforming everyday routines into more meaningful moments. Each product is inspired by an ancient tradition allowing you to find happiness in the smallest of things. Founded in 2000 in Amsterdam, The Netherlands, Rituals was the first luxury brand to combine home and body products. By now, Rituals has developed into a global industry expert in multiple countries, present in vibrant cities such as London, Paris and Shanghai. Each line of business has a strong market presence, and all together, Rituals operates in more than 100 countries.

Market presence (countries)

30

Retail

31

Digital

36

Wholesale

106

Travel Retail

To date, over 1,000 stores and 3,900 shop-in-shops have been opened. Rituals is divided into four lines of business: Retail, Digital, Wholesale and Travel Retail. In 2023, Rituals grew with 22.5% and closed the year with a net turnover of over EUR 1.7 billion.

Impact

Rituals received its B Corp certification in January 2022 as one of the first companies in beauty. The B Corp certification recognizes that Rituals meets high standards for social and environmental responsibility. Sustainability has always been very high on our agenda. This is supported by the transitioning of our formulas to more than 90% natural origin and stimulating the use of refills. Due to the enthusiasm of fans for our 'one refill grows one tree' program, Rituals committed to contribute EUR 6.4 million in 2023 in projects to plant, protect and restore trees. Although these are great achievements, we still have a long way to go.

Governance

Rituals Cosmetics Enterprise B.V. is the parent company of 26 subsidiary entities that carry out its operations across several countries, primarily in Europe. The Group is centrally managed from its head office located in Amsterdam, and each region where it operates its own stores has a designated country director who reports to the head office. The Group has established local Works Councils to communicate and engage with the employees in accordance with the local laws.

Rituals does not own or operate any manufacturing sites, whether packaging production sites or product production sites. Rituals has no operations control of any production site.

Our policies and training

Our main governing policies, processes and procedures for dealing with ethical business conduct and human rights specifically are: The code of conduct, whistleblower policy, supplier code of conduct, responsible sourcing policy, sustainability report, our enterprise risk management process and due diligence process.

The (supplier) code of conduct is part of our Fundamentals compliance training, a mandatory training for all our employees.

Business conduct

Any violation of human rights should be reported through our whistleblower tool.

Rituals is committed to promoting a culture of openness, honesty, responsibility, and integrity in which people feel comfortable talking about their concerns, including highlighting instances of unethical or illegal behaviour.

Rituals does not accept tax evasive behaviour and violating human rights. We respect international anti-corruption standards and conduct our business ethically and lawfully. Rituals does not stand for any form of bribery and corruption, no matter the purpose and involvement of someone in the public sector or private industry.

We have a code of conduct, a whistleblower policy, and an integrity committee who advises the Board of Directors when a culture arises at Rituals, or at its stakeholders which is not in line with our values and beliefs.

Annually, Rituals reviews the Code of Conduct to ensure it reflects the current operating context and the latest legal requirements. The Code of Conduct within Rituals demonstrates how to put the organisation's values and passionate beliefs into practice. It clearly outlines and defines everything we look for in ourselves and in the people we work with. The whistleblower policy is developed to provide guidance for all stakeholders within Rituals to report any suspected or actual behaviours or practices that violate our Code of Conduct. By encouraging our stakeholders to speak up and raise their concern(s), we want to stimulate and preserve a positive workplace. You can report a whistleblower case anonymously through our tooling. The appointed integrity committee is the owner of the policy and its awareness.

Human Rights

Rituals has agreed to abide by moral and ethical values in the management of the company. We expect our third-party suppliers to respect and adhere to the same philosophy in the management of their own companies. We only work with suppliers (including their factories, subcontractors, and their own suppliers) that agree to comply with our requirements and principles. The principles governing Rituals' actions and business conduct are in line and compliant with:

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Our human right risks

We have identified the following human rights subjects for which we are most at risk of impacting:

- Forced labour
- Child labour
- Clandestine labour
- Harassment and abuse
- Discrimination
- Wages and benefits
- Working hours
- Freedom of association
- Diversity & inclusion
- Health and safety

We are reassessing our salient Human Rights issues and will update the relevant documents and our actions accordingly.

Rituals has not had any indications of non-compliance related to violation of human rights, and no complaints have been received through any of our complaint channels, notices, or communications during fiscal year 2023.

Our approach to human rights management

Supplier assessments and follow-up

As part of our responsible sourcing practices, we use EcoVadis and Sedex as a supplier assessment platform to analyse significant suppliers' sustainability and corporate responsibility practice and to encourage an ongoing supplier relationship based on continuous improvements.

Ecovadis

The EcoVadis assessment is one of the most renowned evaluation tools, which entails an extensive survey of the suppliers' practices on environment, labour & human rights, ethics, and sustainable procurement.

Currently, we have 113 suppliers onboarded. EcoVadis' evidence-based assessments provide a score ranging from 0 to 100. On average, our onboarded suppliers score 60 points. Out of the suppliers which are currently onboarded on the platform, 21% score platinum or gold, 31% score silver, 22% score bronze and 17% below bronze. In addition, 9% have been recently onboarded and are currently in the assessment process.

In the last few years, at a minimum, we have required our onboarded suppliers to score a bronze medal in their EcoVadis assessment. In addition, we have also set all our direct product manufacturing suppliers the goal of reaching a silver medal in their 2023 EcoVadis assessment. This goal has rolled out into 2024. When a supplier scores below a bronze medal or is not performing according to our requirements, we consider them to be at risk and require them to make significant improvements within six months. By 2025, we have aimed for all our onboarded suppliers to achieve at least a silver medal in their EcoVadis assessment, and gold for our top tier 1 suppliers. However, given the change in EcoVadis scoring method in 2024 and our ongoing work on Sedex and human rights in the value chain, we are reviewing our EcoVadis goals and expect to update them to reflect our work around those topics.

Sedex

In 2023 we started our partnership with Sedex to identify and manage ESG risks in the supply chain. With the self-assessment questionnaire, we identify the risks and in case of high risks, we perform onsite audits through SEDEX to ensure mitigation of those risks and strive for continuous improvement together

with our partners. Rituals engages third-party auditors to conduct SMETA, compliance audits, or virtual assessments at high-risk suppliers.

SMETA helps to understand standards of labour, health and safety, environmental performance and ethics. The audit is designed to help protect workers from unsafe conditions, overwork, discrimination, low pay and forced labour.

Progress made

We have quarterly business reviews with our suppliers to discuss the audit findings (Sedex) and EcoVadis results and support them with corrective actions to manage issues and to improve supplier performance.

Aligned with the EcoVadis score targets, progress has been noted. For instance, one of our direct spend suppliers improved its total score from 52 to 68, earning a silver medal with a significant increase on its human rights score from 50 to 70.


We continuously work to improve the EcoVadis score together with our suppliers.

We did an inherent risk assessment on our tier 1 suppliers and are in the process of onboarding our suppliers on Sedex. Sedex targets will be set in 2024.

Going forward/next steps

As part of our commitment to continuously improve our global operations, Rituals will set clear and measurable targets to track our progress. We are in the process of conducting a detailed Human Rights risk assessment aimed at reassessing our salient issues.

Date of approval: 25-07-2024 | 17:52 CEST

Signed: 
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