

## Slavery and human trafficking statement

At Darphin, we respect the human rights of our employees, suppliers and the communities in which we operate. We are committed to upholding the principles contained in the United Nations Universal Declaration of Human Rights and the UK Modern Slavery Act 2015.

By law, companies like ours in the UK are required to disclose publicly the steps we are taking to identify and eradicate forced labour and human trafficking from our supply chains. We are part of a multinational group of companies that operates around the world. The following describes the efforts of our group, including in the UK:

### Verification

We require our suppliers to operate in compliance with all applicable laws, including laws pertaining to forced, trafficked or child labour. Under no circumstances do we allow suppliers to use forced, trafficked, child, prison, indentured or bonded labour, or use corporal punishment or other forms of mental and physical coercion as a form of discipline.

Our work in this area is governed by our Global Supplier Relations team (GSR), which has representatives in each of our regions. GSR, in partnership with Global Quality Assurance, Research & Development, Global Regulatory Affairs, and Global Corporate Responsibility, is responsible for ensuring that the suppliers with whom we do business meet the expectations for ethical behaviour outlined in our [Supplier Code of Conduct](#).

Our Supplier Code of Conduct is the foundation we use to set expectations. It is the basis for how we evaluate and help our suppliers meet our high ethical and quality standards in the procurement of our product ingredients and materials. The Supplier Code of Conduct, in conjunction with our standard purchasing contracts, requires that suppliers be in full compliance with all applicable governmental, legal, regulatory, and professional rules and regulations. Both the Supplier Code of Conduct and our standard purchasing contracts include our prohibition on employing forced, trafficked, child, prison, indentured or bonded labour, and using corporal punishment or other forms of mental and physical coercion as a form of discipline.

Forced and child labour are included as risk categories in our supplier risk evaluations and when necessary, we use a third-party firm to assess the potential presence of child labour or forced labour in the supply chain.

### Audits

New suppliers must agree to comply with our Supplier Code of Conduct before they are awarded our business. Darphin requires its high-risk suppliers to undergo an audit conducted by an independent, third-party auditor at least every two years. The auditors utilise the [Sedex Members Ethical Trade Audit \(SMETA\)](#) Best Practice Guidelines and audit report format. If a supplier appears to be in non-compliance with the Supplier Code of Conduct, Darphin expects the supplier to co-operate and provide such additional information to Darphin as may be required by Darphin in order for it to make a determination whether the supplier is in compliance. If Darphin determines that the supplier is not in compliance, then the remedies may include, among other things, termination of business with Darphin or the development and implementation of a corrective action plan that would need to be implemented within a certain fixed time period. Darphin may follow such implementation with an audit, as it deems appropriate.

### Certification

In addition to requiring our suppliers to comply with our Supplier Code of Conduct, Darphin has used some certification standards providing third-party certification that certain raw materials we purchase are produced without the use of forced labour, including the Roundtable on Sustainable Palm Oil (RSPO) and the Forest Stewardship Council (FSC).

### **Internal Accountability and Training**

Regarding our employee base, Darphin is committed to the highest standards of professional and personal conduct. All employees and officers of Darphin are expected to conduct themselves within the letter and spirit of our Employee Code of Conduct at all times.

All newly hired employees must sign an acknowledgment that they have received the Employee Code of Conduct, understand its contents, and agree to comply with its terms throughout their employment with Darphin. Breaches of the Employee Code of Conduct are treated with the utmost severity and will result in disciplinary action.

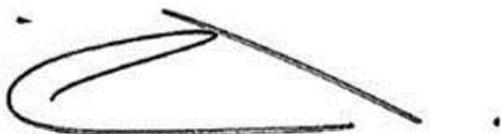
In addition, on an annual basis, certain management employees are required to re-certify their compliance with and continued commitment to compliance with the Code.

### **Further Action**

Following a review of our actions for the fiscal year which ended on 30<sup>th</sup> June 2016 to prevent slavery or human trafficking from occurring in our business or supply chains, we intend to take the following further steps to tackle forced labour and human trafficking during the fiscal year ending 30<sup>th</sup> June 2017:

- Include specific provisions in our standard purchasing contracts requiring suppliers to comply with the Modern Slavery Act 2015 and commit contractually that neither they nor any other person in their supply chain uses trafficked, bonded, child or forced labour or has attempted to use trafficked, bonded, child or forced labour within their supply chain.
- Require prospective suppliers in higher-risk industries to provide information about the steps they are taking to eradicate forced labour and human trafficking from their supply chain when bidding to supply goods and services to Darphin.
- Provide additional training on our Supplier Code of Conduct to select Darphin employees responsible for engaging with suppliers.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes Darphin's slavery and human trafficking statement for the fiscal year which ended on 30<sup>th</sup> June 2016. It was approved by the board of directors of Estée Lauder Cosmetics Limited on 8<sup>th</sup> November 2016.

A handwritten signature in black ink, appearing to read 'Chris Good', with a small dot at the end.

**Chris Good**

President, UK & Ireland.

Darphin

Date: