

L'ORÉAL

United Nations Global Compact Communication On Progress

("COP") 2020

Advanced Level

February 15, 2022

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.





L'Oréal has been a signatory of the United Nations Global Compact since 2003 and is a member of the Board of the French network of the Global Compact (Global Compact France).

In 2020, L'Oréal was recognised as a Global Compact LEAD Company.

L'Oréal is committed to supporting the Ten Principles of the UN Global Compact relating to Human Rights, labour standards, the environment and the fight against corruption as well as reporting and communicating annually to its stakeholders on progress made to implement these principles.

L'Oréal is reporting according to the UN Global Compact “Advanced Level” and describes how it meets the 21 criteria of this Level in the following areas:

- Implementation of the Ten Principles into Strategies & Operations
- Robust Human Rights Management Policies & Procedures
- Robust Labour Management Policies & Procedures
- Robust Environmental Management Policies & Procedures
- Robust Anti-Corruption Management Policies & Procedures
- Taking Action in Support of Broader UN Goals and Issues
- Corporate Sustainability Governance and Leadership

This report reflects our self-assessment on how we have met the

UN Global Compact Advanced Level criteria in 2020. We consider that a criterion is met when we communicated its implementation or planned implementation of one or more of the commonly accepted best practices suggested under each criterion.

L'Oréal supports the United Nations Sustainable Development Goals (“SDGs”). We included a report to allow our stakeholders to better understand how L'Oréal contributes by its actions to the SDGs (see Annex 1).

As a signatory of the Women's Empowerment Principles (WEPs), we furthermore report according to the WEPs Reporting on Progress Guidance (see Annex 2).

In 2019, L'Oréal officially announced its support of the United Nations LGBTI Standards of Conduct of Business. Although there is at present no reporting standard on this commitment, we have chosen to include specific information on our actions in this report (see Annex 3). We hope to encourage other companies to do the same in the future.

Information in L'Oréal's 2020 COP is namely compiled from our [2020 Universal Registration Document](#), and [2020 Sharing Beauty With All Closing Report](#).



Extract from Jean-Paul AGON's statement taken from our sustainability programme



Jean-Paul AGON
*Chairman and Chief
Executive Officer*

Our Ethical Principles – Integrity, Respect, Courage and Transparency – guide our development, contribute to our reputation and notably form the foundation of our policies on sustainability, social and societal responsibility, compliance and philanthropy.

Today, I am most proud that L'Oréal should be doubly recognised, both as a leader in its profession and a sustainability leader, by independent, authoritative experts. In 2020, we were the only company in the world to have achieved CDP's triple A rating (the highest possible ranking) for the fifth year running, for our efforts to fight climate change, manage water sustainably and prevent deforestation.

Within the context of our ongoing commitment to the UN Global Compact, we have been named as one of the 40 LEAD companies, an accolade reserved for the most advanced organisations on responsible business and that contribute to the UN Sustainable Development Goals.

In terms of gender equality, we are recognised as one of the most gender equal businesses in the world.

But the scale of the challenges facing our planet is unprecedented. We know that we must go further. The decade before us is critical for the planet. The urgency is there. We collectively have a decade to act.

We want to take more responsibility, engage our entire ecosystem and show that companies can be part of the solution to the challenges facing the world.

L'Oréal won't be able to change the world alone, but the world also needs actors like us to reinvent itself. And we will rise to the occasion.

With the ambition: a better future for all.



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INDICATORS	ANSWERS
<p>Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc.) ensuring no function conflicts with company's sustainability commitments and objectives</p>	<ul style="list-style-type: none"> ▪ Our Ethical Principles on loreal.com ▪ 2020 Universal Registration Document (1.3. p.43-46 ; 3.2. p.119-121) ▪ 2020 Sharing Beauty With All Closing Report p.4
<p>Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy</p>	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ 2020 Sharing Beauty With All Closing Report p.3-4 ▪ 2020 Universal Registration Document 3.2.1. p.120 ▪ L'Oréal Corruption Prevention Policy
<p>Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary</p>	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.2. p.119 ▪ Sharing Beauty With All section on loreal.com ▪ L'Oréal for the Future, commitments towards 2030
<p>Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs</p>	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.9-10
<p>Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts</p>	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.4. p.129-130



Implementing the 10 Principles into strategies & operations

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INDICATORS	ANSWERS
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.20 ▪ 2020 Universal Registration Document 4.1. p.157 ▪ Our Ethical Principles on loreal.com
Analyse each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.12 ; p.14 ▪ 2020 Universal Registration Document (3.4. p.128 ; 4.3. p.180 ; 4.3.1.3.3. p.184 ; 5.3. p.253)
Communicate policies and expectations to suppliers and other relevant business partners	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (4.3. p.180 ; 4.3. p.184 ; 4.3. p.222) ▪ 2020 Sharing Beauty With All Closing Report p.18 ▪ L'Oréal's Mutual Ethical Commitment Letter
Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (3.1. p.118 ; 2.3. p.73 ; 4.3. p.180-181) ▪ 2020 Sharing Beauty With All Closing Report p.18
Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.4. p.231 ▪ 2020 Sharing Beauty With All Closing Report p.10 ; p.18 ▪ L'Oréal's Mutual Ethical Commitment Letter
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.14 ; p.17 ; p.18 ▪ 2020 Universal Registration Document 4.3.1.2. p.180-181



INDICATORS	ANSWERS
<p>Commitment to comply with all applicable laws and respect internationally recognized Human Rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights)</p>	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ L'Oréal Supports The United Nations Global Compact ▪ 2020 Universal Registration Document (3.4.2.1. p.127 ; 4.3.3.1. p.218-219) ▪ Human Rights policy ▪ Employee Human Rights policy ▪ L'Oréal's Mutual Ethical Commitment Letter
<p>Integrated or stand-alone statement of policy expressing commitment to respect and support Human Rights approved at the most senior level of the company</p>	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ L'Oréal Human Rights Policy ▪ L'Oréal's Mutual Ethical Commitment Letter
<p>Statement of policy stipulating Human Rights expectations of personnel, business partners and other parties directly linked to operations, products or services</p>	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.4. p.128 ▪ Sense of Purpose ▪ L'Oréal Code of Ethics ▪ L'Oréal Human Rights Policy ▪ L'Oréal Supplier/Subcontractor Child Labour ▪ L'Oréal's Mutual Ethical Commitment Letter
<p>Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties</p>	<ul style="list-style-type: none"> ▪ Sense of Purpose ▪ L'Oréal Code of Ethics ▪ L'Oréal Human Rights Policy ▪ L'Oréal's Mutual Ethical Commitment Letter
<p>Other established or emerging best practices</p>	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.4. p.128



Robust human rights management policies & procedures

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INDICATORS	ANSWERS
Process to ensure that internationally recognized Human Rights are respected	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.4. p.128 ▪ 2020 Vigilance Plan
On-going due diligence process that includes an assessment of actual and potential Human Rights impacts	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.4. p.134 ▪ 2020 Vigilance Plan
Internal awareness-raising and training on Human Rights for management and employees	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3 p.218-219
Operational-level grievance mechanisms for those potentially impacted by the company's activities	<ul style="list-style-type: none"> ▪ Our Ethical Principles on loreal.com ▪ L'Oréal Speak Up Policy ▪ 2020 Universal Registration Document 3.4. p.135 ▪ 2020 Vigilance Plan
Allocation of responsibilities and accountability for addressing Human Rights impacts	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.218-219 ▪ 2020 Vigilance Plan
Internal decision-making, budget and oversight for effective responses to Human Rights impacts	See above, next indicators.



Robust human rights management policies & procedures

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INDICATORS	ANSWERS
Processes to provide for or cooperate in the remediation of adverse Human Rights impacts that the company has caused or contributed to	<ul style="list-style-type: none"> ▪ L'Oréal Supplier/Subcontractor Child Labour ▪ L'Oréal's Mutual Ethical Commitment Letter
Process and programmes in place to support Human Rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.17 ▪ 2020 Universal Registration Document (4.3. p.180 ; 4.3. p.225-227) ▪ L'Oréal Human Rights Policy ▪ L'Oréal's Mutual Ethical Commitment Letter
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.184-187 ▪ 2020 Sharing Beauty With All Closing Report p.10
System to monitor the effectiveness of Human Rights policies and implementation with quantitative and qualitative metrics, including in the supply chain	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.4. p.138 ▪ 2020 Vigilance Plan
Monitoring drawn from internal and external feedback, including affected stakeholders	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.184
Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.2. p.119 ▪ 2020 Vigilance Plan



INDICATORS	ANSWERS
Process to deal with incidents the company has caused or contributed to for internal and external stakeholders	<ul style="list-style-type: none">▪ Our Ethical Principles on loreal.com▪ L'Oréal Speak Up Policy▪ 2020 Universal Registration Document 3.4. p.135▪ 2020 Vigilance Plan
Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rightscompatible, a source of continuous learning, and based on engagement and dialogue	<ul style="list-style-type: none">▪ Our Ethical Principles on loreal.com▪ L'Oréal Speak Up Policy▪ 2020 Universal Registration Document 3.4. p.135▪ 2020 Vigilance Plan
Outcomes of integration of the Human Rights principles	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 3.4. p.137▪ 2020 Vigilance Plan
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document p.228▪ L'Oréal's Mutual Ethical Commitment Letter



INDICATORS	ANSWERS
Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ L'Oréal Human Rights Policy ▪ L'Oréal's Mutual Ethical Commitment Letter
Reflection on the relevance of the labour principles for the company	<ul style="list-style-type: none"> ▪ Sense of Purpose ▪ 2020 Universal Registration Document (1.3. p.43 ; 4.3. p.198 ; 4.3. p.225-227)
Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organisation of the workers (international, sectoral, national)	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ L'Oréal Human Rights Policy ▪ L'Oréal's Mutual Ethical Commitment Letter
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> ▪ L'Oréal Supplier/Subcontractor Child Labour ▪ L'Oréal's Mutual Ethical Commitment Letter
Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (1.2. p.26-27; 3.2. p.119-120 ; 4.3. p.210-211, p.215, p.159) ▪ Promoting Diversity, Equity & Inclusion



INDICATORS	ANSWERS
Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labour standards in the countries of operation, possibly in a tripartite approach (business – trade union – government)	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.210-211
Structural engagement with a global union, possibly via a Global Framework Agreement	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.211
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.210-211 ▪ 2020 Sharing Beauty With All Closing Report p.18
Risk and impact assessments in the area of labour	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (2.4. p.102 ; 4.3. p.167-168 ; 4.3. p.210-211 ; 4.3. p.215) ▪ Promoting Diversity & Inclusion
Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.211-212
Allocation of responsibilities and accountability within the organisation	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p161-162



INDICATORS	ANSWERS
Internal awareness-raising and training on the labour principles for management and employees	<ul style="list-style-type: none"> ▪ Our Ethical Principles on loreal.com ▪ 2020 Universal Registration Document 4.3. p.215
Active engagement with suppliers to address labour-related challenges	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.210 ▪ 2020 Sharing Beauty With All Closing Report p.18 ▪ 2020 Vigilance Plan
Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organisation of workers	<ul style="list-style-type: none"> ▪ Our Ethical Principles on loreal.com ▪ 2020 Sharing Beauty With All Closing Report p.18
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.215-218 ▪ L'Oréal among the top 10 of the Thomson Reuters Diversity and Inclusion Index ▪ One in Three Women Press Release ▪ #StOpE : L'Oréal s'engage contre le sexisme dit Ordinaire en Entreprise
System to track and measure performance based on standardized performance metrics	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.162, p.232 ▪ L'Oréal Diversity and Inclusion Key Figures 2020 ▪ Our Ethical Principles on loreal.com



INDICATORS	ANSWERS
Dialogues with the representative organisation of workers to regularly review progress made and jointly identify priorities for the future	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.210
Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 3.4. p.137▪ L'Oréal's Mutual Ethical Commitment Letter▪ 2020 Vigilance Plan
Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices	<ul style="list-style-type: none">▪ A Sustainable Purchasing Policy▪ 2020 Vigilance Plan
Outcomes of integration of the Labour principles	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 3.4. p.138▪ 2020 Vigilance Plan
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 1.3. p.46



INDICATORS	ANSWERS
Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.159 ▪ 2020 Sharing Beauty With All Closing Report p.3-4
Reflection on the relevance of environmental stewardship for the company	<ul style="list-style-type: none"> ▪ Sense of Purpose ▪ Sharing Beauty With All on loreal.com ▪ L'Oréal for the Future, commitments towards 2030 ▪ 2020 Sharing Beauty With All Closing Report p.11-16, p.18 ▪ 2020 Universal Registration Document 4.3. p.159-200
Written company policy on environmental stewardship	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ 2020 Sharing Beauty With All Closing Report p.9-10 ▪ 2020 Universal Registration Document 4.3. p.159-169 ▪ L'Oréal Water Policy ▪ L'Oréal for the Future, commitments towards 2030
Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.18 ▪ 2020 Universal Registration Document 4.3. p.181-184 ▪ L'Oréal's Mutual Ethical Commitment Letter ▪ L'Oréal for the Future, commitments towards 2030
Specific commitments and goals for specified years	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report ▪ 2020 Universal Registration Document (4.3. p.161 ; 4.3. p.169-200) ▪ L'Oréal for the Future, commitments towards 2030



INDICATORS	ANSWERS
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (4.3. p.184-185 ; 3.4. p.137-138 ; 3.4. p.138-139)
Environmental risk and impact assessments	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (3.5. p.141-149 ; 4.2. p.158-159 ; 4.3. p.165-169) ▪ Alignment of L'Oréal with the TCFD principles – URD 2020 p.198-200
Assessments of lifecycle impact of products, ensuring environmentally sound management policies	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document p.161; p.184; p.205 ; ▪ 2020 Sharing Beauty With All Closing Report p.11-14 ; p.16
Allocation of responsibilities and accountability within the organization	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document p.160
Internal awareness-raising and training on environmental stewardship for management and employees	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document p.165
Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	<ul style="list-style-type: none"> ▪ Our Ethical Principles on loreal.com ▪ 2020 Universal Registration Document 3.4. p.137-139 ▪ 2020 Vigilance Plan
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.162-169



INDICATORS	ANSWERS
System to track and measure performance based on standardized performance metrics	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (4.3. p.161 ; p.165 ; 4.3. p.169-180 ; 4.3. p.193-196)
Leadership review of monitoring and improvement results	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 2.3. p.70 ; 4.3. p.164
Process to deal with incidents	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (1.2. p.26 ; 3.4. p.130 ; 4.1 p.162 ; p.165 ; 4.3. p.167-169) ▪ 2020 Vigilance Plan
Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (3.4. p.134 -137 ; 4.3. p.165-167 ; 4.3. p.180) ▪ 2020 Sharing Beauty With All Closing Report p.12 ; p.14 ; p.18 ▪ 2020 Vigilance Plan
Outcomes of integration of the environmental principles	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.9 ▪ 2020 Universal Registration Document (4.3. p.161 ; 4.3. p.169-180)
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.12-20 ▪ 2020 Universal Registration Document 4.1. p.155



Robust anti-corruption management policies & procedures

“COP” 2020

INDICATORS	ANSWERS
Publicly stated formal policy of zero-tolerance of corruption	<ul style="list-style-type: none"> ▪ L'Oréal Corruption Prevention Policy ▪ L'Oréal Code of Ethics ▪ Sense of Purpose ▪ L'Oréal Responsible Lobbying Policy ▪ 2020 Universal Registration Document 4.3. p.227 ▪ L'Oréal's Mutual Ethical Commitment Letter ▪ Ethical and Responsible Philanthropy policy
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	<ul style="list-style-type: none"> ▪ L'Oréal Corruption Prevention Policy ▪ L'Oréal Code of Ethics ▪ Our Ethical Principles ▪ 2020 Universal Registration Document 4.3. p.227
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption	<ul style="list-style-type: none"> ▪ L'Oréal Corruption Prevention Policy ▪ L'Oréal Code of Ethics ▪ Our Ethical Principles ▪ 2020 Universal Registration Document 4.3. p.227
Detailed policies for high-risk areas of corruption	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ Our Ethical Principles ▪ 2020 Universal Registration Document 4.3. p.227 ▪ L'Oréal Corruption Prevention Policy
Policy on anti-corruption regarding business partners	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.227



INDICATORS	ANSWERS
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227
Support by the organisation's leadership for anti-corruption	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227
Carrying out risk assessment of potential areas of corruption	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227
Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227• Our Ethical Principles
Internal checks and balances to ensure consistency with the anticorruption commitment	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227
Actions taken to encourage business partners to implement anti-corruption commitments	<ul style="list-style-type: none">▪ L'Oréal Corruption Prevention Policy▪ L'Oréal's Mutual Ethical Commitment Letter▪ 2020 Universal Registration Document (4.3. p180 ; 4.3. p227)
Management responsibility and accountability for implementation of the anti-corruption commitment or policy	<ul style="list-style-type: none">▪ L'Oréal Corruption Prevention Policy▪ 2020 Universal Registration Document 4.3. p.227



INDICATORS	ANSWERS
Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice	<ul style="list-style-type: none">▪ L'Oréal Corruption Prevention Policy▪ Our Ethical Principles▪ 2020 Universal Registration Document (3.2. p119 ; 4.3. p227)▪ L'Oréal Speak Up Policy
Internal accounting and auditing procedures related to anticorruption	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.228
Leadership review of monitoring and improvement results	<ul style="list-style-type: none">▪ 2020 Universal Registration Document (4.3.4. p227 ; 3.2.1. p119)
Process to deal with incidents	<ul style="list-style-type: none">▪ L'Oréal Corruption Prevention Policy▪ Our Ethical Principles▪ 2020 Universal Registration Document (4.3. p227 ; 3.2. p119)
Public legal cases regarding corruption	There was no public cases regarding corruption in 2020.
Outcomes of integration of the anti-corruption principle	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.227



INDICATORS	ANSWERS
Align core business strategy with one or more relevant UN goals/issues	<ul style="list-style-type: none"> ▪ L'Oréal Code of Ethics ▪ Sharing Beauty With All on loreal.com ▪ L'Oréal for the Future, commitments towards 2030 ▪ L'Oréal Corruption Prevention Policy
Develop relevant products and services or design business models that contribute to UN goals/issues	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.8 ; p.12 ▪ 2020 Universal Registration Document 1.2. p.26 ; (4.3. p.187-189 ; 4.3. p.194, p.193-195 ; 4.3. p.220)
Adopt and modify operating procedures to maximize contribution to UN goals/issues	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report (p.8-9, p.18, p.43, p.152-158, p.162, p.215)
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ See Annex 1 on the United Nations Sustainable Development Goals
Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (p.189-189, p.220) ▪ 2020 Sharing Beauty With All Closing Report p,14 ; p,16 ▪ L'Oréal for the Future, commitments towards 2030
Coordinate efforts with other organisations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.223



INDICATORS	ANSWERS
Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.223
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.223
Publicly advocate the importance of action in relation to one or more UN goals/issues	<ul style="list-style-type: none">▪ See Annex 1 on the United Nations Sustainable Development Goals▪ See Annex 2 on the Women Empowerment Principles▪ See Annex 3 on the United Nations LGBTI Standards of Conduct
Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues	<ul style="list-style-type: none">▪ L'Oréal News
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.3. p.215▪ Promoting Diversity and Inclusion
Develop and implement partnership projects with public or private organisations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy	<ul style="list-style-type: none">▪ 2020 Universal Registration Document (1.3. p.43-46 ; 4.3. p.187-188 ; 4.3. p.223)▪ 2020 Sharing Beauty With All Closing Report p.17



INDICATORS	ANSWERS
Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain	See above.
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Sharing Beauty With All Closing Report p.19



INDICATORS	ANSWERS
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document (2.3. p70 ; 4.1. p,155)
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	<ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.3-7
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards.	<ul style="list-style-type: none"> ▪ Board of Directors of the Consumer Goods Forum
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 2.4. p.94
Other established or emerging best practices	<ul style="list-style-type: none"> ▪ Jean-Paul Agon speaks regularly in support of L'Oréal's Diversity and Inclusion programme ▪ https://www.loreal.com/en/videos/commitments/loreal-groups-commitment-on-diversity-and-inclusion/
Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 2.2. p.67
Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability	<ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 2.2. p.67



INDICATORS	ANSWERS
Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 2.2. p.67
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 3.2. p.119-121
Publicly recognise responsibility for the company's impacts on internal and external stakeholders	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.1. p.155
Define sustainability strategies, goals and policies in consultation with key stakeholders	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.1. p.155
Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 4.1. p.155
Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'	<ul style="list-style-type: none">▪ L'Oréal Speak Up Policy
Other established or emerging best practices	<ul style="list-style-type: none">▪ 2020 Universal Registration Document 3.2. p.120

At L’Oréal, we contribute to 16 of the 17 United Nations Sustainable Development Goals for 2030

In 2015, all 193 United Nations Member States unanimously adopted the [17 Sustainable Development Goals \(SDGs\)](#). These Goals address the world’s major environmental and social challenges. The plan is to reach them by 2030. All the Member States but also all corporations and civil society are asked to contribute to play their part.

At L’Oréal, we currently address 16 of these Goals¹ via various programmes such as our Ethics programme, our Corporate Responsibility “L’Oréal for the Future” targets, our ambitious Diversity & Inclusion initiatives and our strong Compliance structure. The Fondation L’Oréal and our philanthropic actions also play an important role.

The following Annex provides information on the concrete actions taken to contribute to the SDGs.

¹ Because it is outside of our scope of influence and business activity, we currently do not contribute directly to SDG 2 (End Hunger) although our contribution to the SDGs supporting economic empowerment allows us to contribute indirectly.



CONTRIBUTING TO ECONOMIC EMPOWERMENT



At L'Oréal, we support economic empowerment which helps address the SDGs listed above. Some examples of concrete actions include:

[Group Human Rights Policy/Employee Human Rights Policy:](#) These policies provide for respect of fundamental rights throughout our value chain (targets 8.7 ; 10.2 ; 10.7).

[Buy & Care:](#) Our responsible purchasing policy integrates ethical, social and environmental criteria in supplier selection and performance monitoring (targets 1.2 ; 8.8).

[Fair Wages:](#) Our partnership with the NGO Fair Wage Network helps us implement a living wage strategy, ensuring workers and their dependents have sufficient revenue for basic needs (targets 1.2 ; 8.8).

[Solidarity Sourcing programme:](#) By dedicating a sizeable portion of L'Oréal's global purchases to improving opportunities and job accessibility for disadvantaged communities, we have helped employ over 81,000 people (targets 1.1 ; 10.A).

[Share & Care:](#) We provide our employees in the 79 countries in which we operate with a universal set of social benefits (targets 1.3 ; 8.5).

[Beauty for a Better Life:](#) The L'Oréal Foundation, in partnership with local NGOs, also offers free training in beauty professions (hairstyling and makeup) to women in very difficult social or economic situations to assist them in finding employment. As a result, at the end of 2020, 18,386 people from extremely vulnerable environments were trained in beauty professions. The L'Oréal Foundation also runs a beauty therapists programme to help women facing difficult health or social challenges regain their dignity, humanity and femininity (targets 1.1 ; 4.5 ; 10.2).

[For Women in Science:](#) This programme contributes to improving representation of women in scientific research and provides access to scientific education for girls (target 4.5 ; 10.2).

[Write her Future:](#) Initiated by Lancôme alongside the NGO Care, we fight against illiteracy among young girls (targets 4.1 ; 4.5 ; 4.6).

[ILO Global Business and Disability Network:](#) We have been active since 2015 in promoting the inclusion of people with disabilities in workplaces around the world (targets 8.5 ; 10.2).

ENSURING GOOD HEALTH AND WELL-BEING



At L'Oréal, we contribute to SDG 3 namely by the following actions:

Product safety: We consider Product Safety as our number one duty. Each of our products undergoes approximatively 100 quality controls (target 3.6).

Responsible advertising: As health authorities are increasingly concerned about the eating disorders affecting some young women, L'Oréal's Code of Ethics states that the Group will not work with models who clearly present a major behavioural disorder (target 3.4)

Share & Care: 96% of the Group's permanent employees benefit from health cover that reflects best practices in their country of residence in 2020 (target 3.8).

L'Oréal Professionnel against musculoskeletal disorders: L'Oréal Professionnel is committed to the prevention of musculoskeletal disorders. There have been more than 35,000 downloads of the app that trains hairdressers on stretches and warming exercises to prevent musculoskeletal problems (target 3.3).

Childhood Cancer International: The Fondation La Roche-Posay works with this NGO in 2019 to launch an international programme to support children with cancer and improve their quality of life (target 3.3).

Operation Smile: We are the exclusive and regular partner this Doctors of the World's humanitarian programme, which supports reconstructive surgery (target 3.3).

ACHIEVING GENDER EQUALITY



At L'Oréal, we contribute to SDG 5 namely by the following actions:

Key figures: As of December 31st 2020, women are accounted for 69% of the total workforce, 49% of Strategy, Group and local key positions, 59% of international brand managers, 26 % of Executive Committee members and 58% of Board of Directors members (target 5.5).

External recognition: In 2020, L'Oréal made the Top 5 in the Equileap Ranking and the top 100 Bloomberg Gender Equality Index, which both recognise the most advanced companies in terms of gender equality (target 5.1).

Certification and label: Since 2010, our head office in France and 23 of its countries have been awarded the GEEIS label and are audited every two years by Bureau Veritas to measure the progress achieved. Today, seven other L'Oréal entities rely on the Economic Dividend for Gender Equality (EDGE) certification process. In 2020, a total of 30 countries continued to be EDGE or GEEIS certified (target 5.1).

L'Oréal and NGO Care France: We have joined with other companies the cause to ratify a convention to serve as the leading legal protection for workers worldwide when it comes to gender-based violence and sexual harassment (target 5.2).

United Nations' International Human Rights Day in 2019: We kicked-off the We Can End It campaign, which underscores the aspiration and the feasibility of working together to end Human Rights violations (target 5.2).

Women's Empowerment Principles (WEPs): We are a signatory of the WEPs and we directly report to the 7 WEPs principles to empower women in the workplace, marketplace and community (target 5.C).

One In Three Women network: We are the first company to have joined the One In Three Women network in November 2018. It is the first European network of companies committed to fighting violence against women in the private sphere (targets 5.2 ; 5.3).

REPRESENTING ENVIRONMENTAL STEWARDSHIP



At L'Oréal, we want to help address the world's environmental challenges and the SDGs listed above. Some examples of concrete actions include:

Responsible consumption: At the end of 2020, 89% of our brands have assessed their environmental and social impact and 79% of the Group's brands have conducted a consumer awareness initiative. In 2020, the Group has improved the social and environmental profile of 96% of new or renovated products launched (target 13.2).

Reduction in CO2 emissions: In 2020, L'Oréal has reduced greenhouse gas emissions by 81% for industrial sites (vs. 2005) and by 76% for administrative and research sites (vs. 2016) (target 12.2).

Carbon neutrality: L'Oréal achieved carbon neutrality in 72 sites in 2020, within 50 industrial sites and 22 administrative and research sites (target 9.4).

Renewable energy: The renewable energy consumed by sites is of 72% for industrial sites and 76% for administrative and research sites (target 7.2).

Reduction of waste: To preserve material resources, L'Oréal has reduced the total generation of transportable waste by 37% for industrial sites (vs. 2005) and by 8% for administrative and research sites (vs. 2016) (target 11.6).

Reduction in water consumption: In 2020, to preserve water resources, L'Oréal has reduced the total water consumption of sites by 49% for industrial sites (vs. 2005) and by 5% for administrative research sites (vs. 2016) (target 6.3).

NGO Mission Blue: Since 2012, Biotherm has been partnering with NGO Mission Blue for the protection of oceans (target 14.2).

CDP Leadership recognition: In 2020, our Group was awarded a triple 'A' for the fifth time consecutively. It is the highest ranking conducted by CDP on tackling climate change, deforestation and water security (target 15.1).

Responsible sourcing: In 2020, we replaced virgin materials with 57,096 tonnes of recycled materials (vs 13,204 tonnes in 2019) (target 15.3). Today, 100% of supplies of palm oil or derivatives have been certified sustainable in line with RSPO criteria since 2012 and 100% of soya used by L'Oréal was certified as sustainable (target 15.2).

The Ellen MacArthur Foundation: We are partnering with the New Plastics Economy initiative run by the Ellen MacArthur Foundation that commits to adopting refillable, reusable, recyclable and/or compostable plastic for 100% of packaging by 2025. In 2020, 96% of our industrial waste is recovered and 0 industrial waste are sent to landfill (target 12.5).

BUILDING GOOD GOVERNANCE AND PARTNERSHIPS



At L'Oréal, we contribute to SDG 16 and SDG 17 namely by the following actions:

Ethics: We have Chief Ethics Officer since 2007 and a network of Ethics Correspondents in all countries in which we operate. We have been organising an annual Ethics Day since 2009. Our Speak Up website allows all stakeholders to raise their ethical concerns (target 16.6).

Corruption Prevention: We have a zero tolerance policy on corruption in all the countries we operate. Our Corruption Prevention Policy in line with the United Nations Convention against Corruption of October 31st 2003 helps us applying our standards even when the local legislation provides for lower standards (targets 16.5).

Human Rights: We have committed to respect and promote fundamental human rights (target 16.10). Applicable rules on Human Rights are the following : non-discrimination, bullying and sexual harassment, child labour, forced or compulsory labour, freedom of association, working hours. Our Human Rights policy namely prohibits the hiring of staff aged under 16 (target 16.2).

Partnerships: We work with the International Labour Organisation, the UN Global Compact, UNESCO, UNICEF and the Danish Institute, various NGOs such as Transparency International, Care, Resurge International, the Rainforest Alliance, Shift and the Fair Wage Network and participate in many multi-stakeholder initiatives such as the Carbon Disclosure Project and the Responsible Mica Initiative (targets 17.16).

Citizen Day: In 2020, L'Oréal's employees spend a day of their working time offering their skills and devoting their energy to several hundred associations in the social and environmental field.

This involves, for example, cleaning natural sites, setting up well-being workshops for people in vulnerable situations, repainting centers for seniors or people facing hardships, helping job-seekers prepare their CVs, etc. L'Oréal continued to innovate in its citizen commitment and developed the L'Oréal Citizen program, offering employees the possibility of contributing to different causes through several solidarity formats: a call for projects, skills sponsoring, salary rounding, etc. (target 17.17).

Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
<p>Achieving and maintaining gender equality in senior management and board positions & in middle management positions</p>	<p>One of L'Oréal's objectives is the nurturing and the emergence of talents of women at the top level of the organisation. As of 31 December 2020, women accounted for:</p> <ul style="list-style-type: none"> ▪ 69% of the total workforce ▪ 47% of expatriates ▪ 49% of Strategic, Group and local key positions ▪ 67% of Employees who were promoted ▪ 59% of international brands are managed by women ▪ 26 % of Executive Committee members ▪ 58% of members of the Board of Directors <p>The composition of the workforce and the percentage of women in the different geographical zones is of 64% in Western Europe, 71% in North America and 72% in new markets. L'Oréal chose to have gender equality of its practices and policies audited.</p> <p>Today, the Group relies on two independent organisations to measure and evaluate the situation of each subsidiary: Gender Equality European & International Standard (GEEIS) and Economic Dividend for Gender Equality (EDGE). Since 2010, the Group's head office in France and 23 of its countries have been awarded the GEEIS label and are audited every two years by Bureau Veritas to measure the progress achieved. Today, seven other L'Oréal entities rely on the Economic Dividend for Gender Equality (EDGE) certification process. The subsidiaries are audited by FloCERT or Intertek to be certified. In 2020, a total of 30 countries continued to be EDGE or GEEIS certified.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p,203 ; 4.3. p,216 ▪ L'Oréal Diversity and Inclusion Key Figures 2020

Annex 2: Women’s Empowerment Principles

INDICATORS	ANSWERS
Equal pay for work of equal value	<p>L’Oréal aims for zero gender pay gap. Since 2007, L’Oréal has collaborated with the INED (National Institute for Demographic Studies), which analyses the differences in pay in the Company in all professional categories. The aim is to guarantee identical pay for people with the same level of skills and the same classification. Overall, the median gender pay gap in France narrowed from 10% to 0% between 2007 and 2019. In addition to the INED analysis in France, in 2020 L’Oréal launched a new tool based on the “EDGE Unexplained Gender Pay Gap Methodology” to calculate and measure salary equality for women and men. This tool was launched as a pilot in 15 countries (representing 70% of the global workforce) in 2020: Australia, Brazil, Canada, China, Denmark, France, Germany, India, Indonesia, Italy, Mexico, Spain, Switzerland, the United Kingdom and the United States.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3 p.216 ▪ L’Oréal Diversity and Inclusion Key Figures 2020
Flexible work options	<p>The Group has made flexible work time a key component of the ‘Enjoy’ pillar of the L’Oréal Share & Care programme as a key element of its appeal. L’Oréal believes that work flexibility is a key element in attractiveness. Launched in 2017, the second stage of L’Oréal Share & Care increased work flexibility with the implementation of teleworking and flexible working time. At the end of 2020, 60 of the 64 subsidiaries of the Group had established teleworking policies and 55 subsidiaries had set up flexible working time</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3 p.210-212
Access to child and dependent care	<p>Local initiatives have been implemented to address child and dependent care issues, such as working time arrangements and paid leave. For example, several major subsidiaries such as Sweden, USA, and UK, have already expanded their paid maternity and other new parent (fathers and co-parent) leave beyond the minimum 14-week maternity and 10-day other new parent paid leave policies set by L’Oréal’s Share & Care program. Other improvements are being studied for a third stage of the program intended to strengthen the protection of health and parenthood everywhere in the world with the implementation of a paternity/co-parent leave of at least six weeks paid at 100%.</p>




Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
<p>Support for pregnant women and those returning from maternity leave</p>	<p>In order to eliminate the negative effects that maternity leave and parenthood can have on women's careers numerous initiatives have been implemented. The L'Oréal Share & Care Program is namely quite unique because it aims to ensure that women working at L'Oréal can benefit from a minimum of 14 weeks maternity leave with full pay. The Group ensures that women on maternity leave also benefit from salary increases equivalent to those they would have received had they been present in the company.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.210
<p>Recruitment and retention, including training and development, of female employees</p>	<p>Achieving real gender equality at all levels and across all functions is a key challenge for the Company. The Group therefore ensures that all jobs are accessible to women and men, both at the level of recruitment and with regard to opportunities for career development. Special attention is given to pivotal periods such as parenthood.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.216-218


Annex 2: Women’s Empowerment Principles

INDICATORS	ANSWERS
Education and training opportunities for women workers	<p>Women working at L’Oréal benefit from the same education and training opportunities as men. In 2020, the percentage of “female learners” is 66%.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 2020 Universal Registration Document 4.3 p.217
Creating and maintaining workplace awareness of gender equality and, inclusion and non-discrimination for all workers	<p>L’Oréal trains its employees on diversity and inclusion by organising regular Diversity Training Workshops. At the end of 2020, over 65,000 employees had participated in these sessions. Moreover, other leadership programs oriented towards the Group’s top managers and HR leaders have incorporated modules on diversity and inclusive management.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3 p.217 ▪ L’Oréal Diversity and Inclusion Key Figures 2020
Mentoring and sponsorship opportunities for women workers	<p>Since 2010, L’Oréal has also been a committed player in the annual EVE programme, an initiative led by the Danone Group, aimed at helping women to be agents of change in their business and to develop their leadership and careers. Since the programme’s inception, more than 570 of the Group’s employees, both men and women, have taken part in this programme. The Group worked to go further by partnering with Danone to create versions of the programme in Asia in 2014 (EVE Asia-Pacific), and Africa (EVE Africa) since 2017.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.218

Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
<p>Other established or emerging best practices</p>   	<p>Awards obtained in 2020</p> <p>L'Oréal has been recognized on several occasions for its excellence in the area of Diversity and Inclusion:</p> <ul style="list-style-type: none"> ▪ L'Oréal was again recognized by the Bloomberg Gender Equality Index acknowledging the most advanced companies in the area of gender equality; ▪ In March 2020, L'Oréal was ranked first in Europe – out of 255 companies listed on the stock market – in a study conducted by Equileap and financed by the European Commission on Gender Equality; and ▪ L'Oréal ranks in the top 100 companies in the 2021 Refinitiv Global Diversity and Inclusion Index. ▪ 2020 Universal Registration Document 4.3. p.219

Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
<p>Other established or emerging best practices</p>   <p>Stop Everyday Sexism in the workplace</p>	<p>In November 2018, L'Oréal was the first company to join the “One In Three Women” network, the first European network of companies committed to fighting violence against women in the private sphere. One In Three Women is an initiative launched by the Fondation Agir Contre l'Exclusion (FACE) and the Kering Foundation in November 2018 under the patronage of the Minister for Equality between Women and Men and the Fight Against Discrimination. Its aim is to create and test modules to combat violence against women and to support the employees concerned, through specialised NGOs.</p> <p>Concrete actions were taken in 2020 with the “One in Three Women” network, such as:</p> <ul style="list-style-type: none"> ▪ During the Covid-19 crisis, L'Oréal supported the Fédération Nationale Solidarité Femmes (FNSF), through a national awareness campaign (digital billboards or advertisements on the metro and radio). Internally, L'Oréal asked employees to support the FNSF with a micro-donation; ▪ An e-learning was created to raise employee awareness; ▪ On November 25, International Day for the Elimination of Violence against Women, the “One in Three Women” network launched a podcast, in which L'Oréal participated to describe its commitments and actions. After having committed to support the ILO's adoption of the first international convention against violence and harassment in the workplace in 2019 along with the NGO, CARE, L'Oréal established a policy on domestic violence in 2020. The rollout of this policy is planned for early 2021. <p>Another best practice, launched in 2018, is the #StOpE initiative fighting to end “ordinary” sexism in the workplace. Led by L'Oréal France with AccorHotels and EY, 30 companies and organisations were brought together to sign a commitment under the patronage of the French Minister for Equality between Women and Men and the Fight Against Discrimination.</p> <p>Today, 114 organisations take part in this initiative and have implemented at least one of the eight priority actions identified. An e-learning was developed collaboratively by 7 companies in the network</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.219

Annex 2: Women’s Empowerment Principles

INDICATORS	ANSWERS
Supplier diversity Programme	<p>Because a company’s purchasing power is an economic development and societal impact factor, L’Oréal has decided to make its purchases a novel way of promoting social inclusion. The Group thus created a global solidarity purchasing Program in 2010 known as Solidarity Sourcing.</p> <ul style="list-style-type: none"> ▪ 2020 Sharing Beauty With All Closing Report p.17 ▪ 2020 Universal Registration Document 1.3. p.46
Composition of supplier base by gender	This information is not yet available.
Support for women business owners and women entrepreneurs	<p>L’Oréal USA supports Women Owned Business : (suppliers owned, controlled and led by 51% or more women); In 2020, the Group continued to accelerate its strategy to support female entrepreneurship, reconfirming its involvement in WEConnect International(1) and multiplying by 2.7 the number of suppliers led by women supported in ten countries. This strategy, initiated many years ago in the United States through the partnership with The Women’s Business Enterprise National Council (WBENC), is being deployed and accelerated worldwide.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document. p.227
Supplier monitoring and engagement on women’s empowerment and gender equality including promotion of the Women’s Empowerment Principles to suppliers	<p>Social audits of suppliers namely cover discrimination, sexual harassment and hostile working environment</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.180

Annex 2: Women’s Empowerment Principles

INDICATORS	ANSWERS
Gender-sensitive marketing	<p>The L’Oréal Code of Ethics prohibits the undermining of human dignity in advertising or the presentation of degrading feminine stereotypes. It also addresses the growing concern about eating disorders amongst young women and the growing debate about the early sexualization of young children.</p> <ul style="list-style-type: none"> ▪ L’Oréal Code of Ethics ▪ 2020 Universal Registration Document 4.4. p.231 <p>L’Oréal Paris’ signature “Because You’re Worth It” still resonates 50 years later as a world-renowned tagline and an empowering message that unites consumers around the brand. “Because You’re Worth It” has since become symbolic with empowering women of all ages and backgrounds to believe in their beauty and sense of worth. The inspirational and culturally diverse women who front the brand worldwide make the phrase relevant not just for their generation and their mother’s generation, but for generations to come.</p> <p>Since its inception, “Because You’re Worth It” has been translated into 40 languages and has become the militant tagline uniting women around the world, encouraging them to embrace their ambitions and believe in their self-worth every day.</p> <ul style="list-style-type: none"> ▪ L’Oréal Paris Celebrates 50 Years of Women's Worth
Gender-sensitive product and service development	<p>Cacharel Parfums, a brand with a long-term dedication to women’s empowerment, announces the launch of a long-term partnership with the international NGO “Inspiring Girls,” with the aim of enabling young girls aged 6 to 16 to be ambitious in their career choices and to give themselves the means to succeed. This global initiative aims to help the deployment and visibility of the NGO. The objective is to give young girls the desire to explore paths in complete freedom, without self-censorship, with a view to broadening their professional and personal field of possibilities.</p> <ul style="list-style-type: none"> ▪ Cacharel Parfums x Inspiring Girls

Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
Other established or emerging best practices	<p>On the 74th Festival de Cannes, L'Oréal Paris has announced the launch of the Lights on Women Award which will honor one rising female filmmaker in partnership with the Short Films competition and the international film school programs of the Festival de Cannes every year. The winner will be hand-picked from a selection of the Festival de Cannes' Short Films competition and from international film schools' short film programs.</p> <ul style="list-style-type: none"> ▪ Cannes Festival: L'Oréal Paris Rewards Promising Female Short-Film Directors <p>As an Official Partner of the Cannes Film Festival for more than 24 years, L'Oréal Paris has always been a feminist brand that champions women's empowerment, specifically in the world of film through its privileged relationship with iconic actresses who embody the values of the brand. Now, L'Oréal Paris is going even further with this commitment, with the launch of a dedicated award program for women in cinema.</p> <p>Short films, thanks to their flexible format and relatively low barriers to entry, have long been considered to reflect the future of the film industry; as such, this award will encourage promising directors to pursue their creative ambitions and provide funding that will empower women in overcoming the obstacles that they encounter.</p> <p>For the inaugural launch, the final choice has been determined by Academy award-winner and L'Oréal Paris spokesperson Kate Winslet - the Award's first Juror - during a special prize ceremony at the Jeune Cinéma dinner in Cannes.</p>

Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
Other established or emerging best practices	<p>“Stand Up Against Street Harassment” launched on March 8, 2020, and is now established in eight countries (France, Spain, Argentina, Canada, U.S., Mexico and Italy, with India scheduled to launch on November 25th). The initiative was developed following a L'Oréal Paris IPSOS international survey,* which found that 78% of women have experienced sexual harassment in public spaces. And among those respondents, only 25% reported that someone offered help; additionally, 86% of individuals reported that they do not know how to respond when they witness harassment.</p> <p>Therefore, L'Oréal Paris decided to partner with Hollaback!, an international NGO that aims to end harassment of all forms. Specifically, “Stand Up Against Street Harassment” is focused on protecting individual self-worth and safety in the public space through the “5D” methodology: Direct, Delegate, Document, Distract, Delay.</p> <ul style="list-style-type: none"> ▪ L'Oréal Paris Family Stands Up Against Street Harassment <p>Women's freedom has always been at the heart of the brand, YSL Beauty. Women, just as everyone, should be free to be whomever they want to be and free to do and think as they wish. Intimate partner violence threatens this safety and freedom. And yet, it's very common for abusive behavior to be wrongly justified as 'love'. As such, YSL Beauty aims to do its part in raising awareness of these common signs by launching “Abuse Is Not Love”. This new global program aims at helping to combat intimate partner violence by supporting the prevention programs of its non-profit partners.</p> <ul style="list-style-type: none"> ▪ Abuse is Not Love: YSL Beauty Acts Against Intimate Partner Violence (IPV)

Annex 2: Women’s Empowerment Principles

INDICATORS	ANSWERS
Gender impact assessments or consideration of gender-related impacts as part of its social and/or Human Rights impact assessments	<p>Ongoing Human Rights due diligence is based on Verisk Maplecroft™ indexes namely with regards to non-discrimination.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 3.1. p.127
Ensuring female beneficiaries of community Program	<p>The Group’s diversity and inclusion policy is also reflected outside the Company: L’Oréal takes the same approach to its suppliers, consumers, local communities, NGOs, and associations dedicated to inclusion on each continent. The solidarity Sourcing Program aims to use the Group’s purchasing power to serve social inclusion by dedicating part of its purchases to suppliers providing access to work and a sustainable income for people who are generally excluded from the labour market, economically vulnerable communities, including small businesses and those that have trouble accessing major contractors.</p> <p>The Solidarity Sourcing Program concerns for example: fair trade producers, companies which employ people with disabilities, social insertion enterprises or companies owned by minorities (when this is permitted by national legislation). In 2020, 81 138 people profit from the Solidarity Sourcing Program including 379 projects located in 57 countries, with the support of 72 association and NGO partners.</p> <p>Two-thirds of the beneficiaries of the Group’s Solidarity Sourcing Program are women. Indeed, a total of 47 420 beneficiaries come 68 projects specifically related to the emancipation of women in 23 countries, with the support of 15 associations and NGO partners (See the Universal Registration Document p.247). In 2020, the Group continued to accelerate its strategy to support female entrepreneurship, reconfirming its involvement in WEConnect International*, and multiplying by 2.7 the number of suppliers led by women supported in ten countries. This strategy, initiated many years ago in the United States through the partnership with The Women’s Business Enterprise National Council (WBENC), is being deployed and accelerated worldwide.</p> <p>(*)WEConnect International is an international network that certifies and connects “Women-Owned” suppliers with their target customer companies.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.227.

Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
<p>Community initiatives specifically targeted at the empowerment of women and girls</p>	<p>As part of its Beauty for a Better Life Program, in partnership with local NGOs, the L'Oréal Foundation trains women in very difficult social or economic situations about the beauty industry (hairdressing and make-up), in order to help them to find employment.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.4.p.230 <p>Since 2012 L'Oréal Paris organizes in collaboration with the magazine “ELLE” the forum ELLE Active that is dedicated to female workers and women empowerment.</p> <p>Each year, L'Oréal Paris awards, through its Women of Worth Program in the United States, 10 exceptional women with \$25,000 to support their efforts to serve their communities.</p> <p>At 2nd annual Women4Climate conference, 10 young women climate leaders were selected to be part of Mexico City's Women4Climate Mentorship Program.</p> <p>After successful pilot programs in Paris and now in Mexico City, Montreal and Vancouver will launch their own Women4Climate Mentorship Programs to celebrate and support local female leadership on climate in their cities. Mentorship Programs will also be launched in the cities of Durban and Quito.</p> <ul style="list-style-type: none"> ▪ L'Oréal News
<p>Strategies to ensure that community investment projects and programs (including economic, social and environmental) positively impact women and girls.</p>	<p>See above</p>

Annex 2: Women's Empowerment Principles

INDICATORS	ANSWERS
Achieving and maintaining gender equality in senior management and board positions	<p>As of December 31st, 2020, 58% of Board members, 26% of L'Oréal's executive committee members and 59% of international brand managers are women.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.216 ▪ L'Oréal Diversity and Inclusion Key Figures 2020
Achieving and maintaining gender equality in middle management positions	<p>Women account for 69% of the Group's total workforce:</p> <ul style="list-style-type: none"> • 64% of managers • 47% of expatriates in place • 59% of international brands are managed by women <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.216 ▪ L'Oréal Diversity and Inclusion Key Figures 2020
Equal pay for work of equal value	<p>This indicator is not consolidated at Group level. Overall, the median gender pay gap in France narrowed from 10% to 0% between 2007 and 2019. In 2019, the INED completed a pay gap analysis of the 2018 pay spread in the following subsidiaries: Brazil, China, Germany, United Kingdom, Ireland, Nordic countries (Denmark, Finland, Sweden), United States, India, Italy, Spain, Russia, Mexico, and Canada, which represent 70% of the total number of L'Oréal employees.</p> <p>In addition to the INED analysis in France, in 2020 L'Oréal launched a new tool based on the “EDGE Unexplained Gender Pay Gap Methodology” to calculate and measure salary equality for women and men. This tool was launched as a pilot in 15 countries (representing 70% of the global workforce) in 2020: Australia, Brazil, Canada, China, Denmark, France, Germany, India, Indonesia, Italy, Mexico, Spain, Switzerland, the United Kingdom and the United States.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.216 ▪ L'Oréal Diversity and Inclusion Key Figures 2020

Annex 2: Women’s Empowerment Principles

INDICATORS	ANSWERS
Recruitment and retention, including training and development, of female employees	<p>In 2020, 70% of Employees hired were women. 67% of employees who had a promotion were women.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document
Education and training opportunities for women workers	<p>Women working at L’Oréal benefit from the same education and training opportunities as men. In 2020, the percentage of “female learners” is 66%.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document
Creating and maintaining workplace awareness of gender equality and, inclusion and non-discrimination for all workers	<p>L’Oréal’s Employees take part in a 1 day in class training on diversity & inclusion in order to raise awareness on the topic. As of 31st December 2020, over 65,000 Employees have taken part in such workshops.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.217 ▪ L’Oréal Diversity and Inclusion Key Figures 2020
Mentoring and sponsorship opportunities for women workers	<p>As of 2020, 570 Employees have participated in the EVE Program with cohorts in Europe, Africa, and Asia-Pacific. The aim of the program is to help women to be agents of change in their company and to develop their leadership and careers.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.217

Annex 2: Women’s Empowerment Principles

INDICATORS	ANSWERS
Other established or emerging best practices	<p>L’Oréal and gender balance</p> <p>As of 31 December 2020, women account for:</p> <ul style="list-style-type: none"> ▪ 69% of the total workforce; ▪ 64% of managers; ▪ 47% of expatriates in place; ▪ 49% of key positions. ▪ 67% of employees promoted ▪ 59% of international brand directors ▪ 49% o positions of greater responsibility within L’Oréal SA. ▪ 54% in positions of greater responsibility within the Group. ▪ 26% of Executive Committee members (30% on 1 April 2021 considering the changes within the Executive Committee). ▪ 58% of members of the Board of Directors.

INDICATORS	ANSWERS
<p>Actions to support LGBTI employees</p>	<p>L’Oréal supports the voluntary creation of LGBTI support groups by Employees. For example, L’Oréal USA leverages employee resource groups to drive employee engagement, contribute to business results and provide support efforts to give back to underrepresented communities.</p> <p>Their LGBTQI employee resource group, OUT@L’Oréal, was launched in 2017. These efforts have resulted in being named “a Best Place to Work for LGBTQ employees” and obtaining a 100 on the Human Rights Campaign Corporate Equity Index.</p> <p>L’Oréal Mexico is creating a safe space and positive work environment for LGBTI employees with their FREE TO BE project. To date, they have created an LGBTI employee resource group, joined a business coalition for LGBTI inclusion, and participated in the Pride Parade.</p>
<p>Grievance mechanisms include treatment of LGBTI harassment</p>	<p>L’Oréal’s Speak Up Policy enables Employees to report discrimination and harassment, namely via a secure Internet site (Ethics whistle-blowing line) directly to the Senior Vice-President and Chief Ethics Officer.</p> <p>All reports are thoroughly investigated. In a spirit of transparency, each year, Employees are informed of the total number of concerns raised with regards bullying, sexual harassment and discrimination and the types of measures taken.</p>
<p>Consideration of LGBTI impacts as part of its social and/or Human Rights impact assessments</p>	<p>L’Oréal has carried out a risk mapping of countries where LGBTI rights are restricted using namely the Verisk Maplecroft™ indexes and the International LGBTI Association (“ILGA”) mapping.</p>

INDICATORS	ANSWERS
Including positive messaging on members of the LGBTI community in marketing campaigns	Where appropriate, L'Oréal includes positive messaging on members of the LGBTI community in marketing campaigns. For example, L'Oréal Paris True Match Foundation campaign included transgender model, Hari Nef and male model Darnell Bernard.
Support of LGBTI organisations/NGOs	<p>L'Oréal has been one of the sponsors of the UN Global LGBTI Standards of Conduct for Business since 2018. Established by the Office of the United Nations High Commissioner for Human Rights, these standards are designed to guide businesses in the fight against discrimination against lesbian, gay, bisexual, transgender and intersex (LGBTI) people.</p> <p>L'Oréal USA again received the maximum grade of 100 on the 2020 Corporate Equality Index of the Human Rights Campaign Foundation, which reflects its commitment to the equality of people from the LGBTI community within the Company.</p> <p>In 2019, a policy for co-parent was implemented in France and the United States, with the same rights established for paternity leave. Other countries followed and this policy will be integrated into the new version of the L'Oréal Share & Care program in 2021;</p> <p>In 2020, L'Oréal published its Employee Human Rights Policy;</p> <p>Some subsidiaries of L'Oréal have also decided to support LGBTI organisations/NGOs. For example, L'Oréal SA, the Group's parent company, supports “L'Autre Cercle”, the leading French company network on LGBTI rights.</p> <p>L'Oréal Mexico is part of the PRIDE CONNEXION, a group of companies that are fighting discrimination against LGBTI people.</p> <ul style="list-style-type: none"> ▪ 2020 Universal Registration Document 4.3. p.217
Other established or emerging best practices	The genderless makeup brand Jecca, inspired by the transgender community, which was recently invited to the L'Oréal Open Innovation program is another example.

INDICATORS	ANSWERS
Other established or emerging best practices	<p>Matrix welcomes and celebrates all humans and all hairs types, was the corporate sponsor for the CENTER Gala in February 2020 and works and has worked with many influencers and celebrities from the LGBTQ+ community, including Peppermint, Laverne Cox and Rita Baga.</p> <p>Kiehl's is the official sponsor of the New York Pride March since 2010. In 2017, Kiehl's raised up to \$35,000 for The Tegan and Sara Foundation, The Hetrick-Martin Institute, Ali Forney Center and The Lesbian, Gay, Bisexual & Transgender Community Center.</p> <p>NYX is committed to fight LGBTQIA+ discrimination and launched its brand cause: Proud Allies for All, in partnership with the Los Angeles LGBT Center, in 2020.</p>

Annex 4: GRI Index

This report has been prepared in accordance with the GRI Standards: Core Option. Material issues have been mapped with the relevant GRI Standards disclosure. Content relating to the indicator list below is available within the table or at the location provided.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location of information
GENERAL DISCLOSURES					
General Disclosures	102-1	Name of the organization		Fully compliant	1.1.
	102-2	Activities, brands, products, and services		Fully compliant	1.2.
	102-3	Location of headquarters		Fully compliant	7.1.
	102-4	Location of operations		Fully compliant	1.2.
	102-5	Ownership and legal form		Fully compliant	7.1.-7.3.
	102-6	Markets served		Fully compliant	1.2.
	102-7	Scale of the organization		Fully compliant	1.2.
	102-8	Information on employees and other workers		Fully compliant	4.3.2.
	102-9	<i>Supply chain</i>		Fully compliant	1.2.7.
	102-10	Significant changes to the organization and its <i>supply chain</i>		Fully compliant	1.2.7.
	102-11	Precautionary Principle or approach		Fully compliant	1.2.6. - 3.2.
	102-12	External initiatives		Fully compliant	4.1.2.
	102-13	Membership of associations		Fully compliant	4.1.2.
	102-14	Statement from senior decision-maker		Fully compliant	Pages 2-3
	102-15	Key impacts, risks, and opportunities		Fully compliant	1.2.3. - 1.2.4. - 3.5 - 4.2.
	102-16	Values, principles, standards, and norms of behaviour		Fully compliant	4.3.
	102-17	Mechanisms for advice and concerns about ethics		Fully compliant	3.4.6. - 4.3.3. - 4.3.4.
	102-18	Governance structure		Fully compliant	2.2. - 2.3.
	102-19	Delegating authority		Fully compliant	2.2. - 2.3.
	102-20	Executive-level responsibility for economic, environmental, and social topics		Fully compliant	2.2. - 2.3.
	102-21	Stakeholder consultation on economic, environmental, and social concerns		Fully compliant	4.1.2.
	102-22	Composition of the highest governance body and its committees		Fully compliant	2.2.
	102-23	Chair of the highest governance body		Fully compliant	2.2.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location of information
	102-24	Nominating and selecting the members of the highest governance body		Fully compliant	2.3.5.
	102-25	Conflicts of interest		Fully compliant	2.2.1.5.
	102-26	Role of highest governance body in setting objectives, values, and strategy		Fully compliant	2.3.3.
	102-27	Collective knowledge of highest governance body		Fully compliant	1.2.3. - 1.2.4.
	102-28	Evaluating the highest governance body's performance		Fully compliant	2.4.1.2.
	102-29	Identifying and managing economic, environmental, and social impacts		Fully compliant	2.4.1.2.1. - 4.1.2.
	102-30	Effectiveness of risk management processes		Fully compliant	2.3.3.
	102-31	Review of economic, environmental, and social topics		Fully compliant	2.3.3.
	102-32	Highest governance body's role in sustainability reporting		Fully compliant	2.3.3.
	102-33	Communicating critical concerns		Fully compliant	2.3.3.
	102-40	List of stakeholder groups		Fully compliant	4.1.2.
	102-41	Collective bargaining agreements		Fully compliant	4.3.2.4
	102-42	Identifying and selecting stakeholders		Fully compliant	4.1.2.
	102-43	Approach to stakeholder engagement		Fully compliant	4.1.2.
	102-44	Key topics and concerns raised		Fully compliant	4.1.2.
	102-45	Entities included in the consolidated financial statements		Fully compliant	1.4.1. - 1.4.2.
	102-46	Defining report content and topic Boundaries		Fully compliant	4.1.2. - 4.5.
	102-47	List of material topics	www.loreal.fr/sharing-beauty-with-all	Fully compliant	www.loreal.fr website
	102-48	Restatements of information		Fully compliant	4.5.
	102-49	Changes in reporting		Fully compliant	4.5.
	102-50	Reporting period		Fully compliant	1.
	102-51	Date of most recent report		Fully compliant	1.
	102-52	Reporting cycle		Fully compliant	4.5.
	102-53	Contact point for questions regarding the report		Fully compliant	Fourth cover page
	102-54	Claims of reporting in accordance with the GRI Standards		Fully compliant	4.
	102-55	GRI content index		Fully compliant	4.6.
	102-56	External assurance		Fully compliant	4.7.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location of information
Management Approach	103-1	Explanation of the material topic and its Boundaries		Fully compliant	4.1. - 4.3.
	103-2	The management approach and its components		Fully compliant	4.1. - 4.3.
	103-3	Evaluation of the management approach		Fully compliant	4.1. - 4.3.
ECONOMIC					
Market presence	202-2	Key posts and local managers	Strategic positions outside France occupied by local managers: 36%	Fully compliant	
Anti-corruption	205-1	Operations assessed for risks related to corruption	Corruption risk is taken into account in the Group's risk assessment. A specific mapping of corruption risks is carried out at Group level and by each country.	Fully compliant	3.5 4.3.4.
	205-2	Communication and training about anti-corruption policies and procedures	The L'Oréal Ethics Charter publicly states a zero-tolerance policy on corruption that applies to all employees, corporate officers and members of the Executive Committees as well as those of the Group's management and its subsidiaries worldwide. Available in 45 languages and in French and English Braille, it is distributed to all employees worldwide.	Fully compliant	4.3.3.3 4.3.3.4. 4.3.4.
ENVIRONMENTAL					
Energy	302-1	Energy consumption within the organisation	Fuel consumption from non-renewable sources: 181,835,304 kWh; Fuel consumption from renewable sources: 98,688,482 kWh; Self-generated electricity, heating, cooling, and steam: 49,223,488 kWh; Electricity, heating, cooling, and steam sold: 4,298,118 kWh; Electricity, heating, cooling, and steam purchased for consumption: 413,264,607 kWh; total energy consumption: 738 713 762 kWh; 72% of renewable energy in total energy consumption	Fully compliant	4.3.1.3.1.
	302-3	Energy intensity	Energy intensity: 129 kWh/1,000 FP	Fully compliant	4.3.1.3.1.
	302-4	Reduction of energy consumption		Fully compliant	4.3.1.3.1.
Water	303-1	Water withdrawal by source	Volume of water withdrawn – Surface water, including water from wetlands, rivers, lakes and oceans, and ground water: 259,952 m ³ Volume of water withdrawn – Rainwater collected directly and stored: 7,943 m ³ Volume of water withdrawn – Wastewater from another organisation: 0 m ³ Water from municipal water supplies or water from other water utilities: 1,829,175 m ³ Total volume of water withdrawn by plants and distribution centres: 2,097,070 m ³	Fully compliant	4.3.1.3.1.
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity		Fully compliant	4.3.1.3.3.
Emissions	305-1	Direct (Scope 1) GHG emissions		Fully compliant	4.3.1.3.1. - 4.3.1.4.1.
	305-2	Energy indirect (Scope 2) GHG emissions		Fully compliant	4.3.1.3.1. - 4.3.1.4.1.
	305-3	Other indirect (Scope 3) GHG emissions		Fully compliant	4.3.1.3.1. - 4.3.1.4.1.

305-4	GHG emissions intensity	Intensity of direct CO ₂ emissions at 31/12/2020: 6.8 g eq. CO ₂ /FP (scope 1); Change in the intensity of direct CO ₂ emissions compared with 2005: -68% Intensity of indirect CO ₂ emissions at 31/12/2020: 1.2 g eq. CO ₂ /FP (scope 2, Market-based) Change in the intensity of indirect CO ₂ emissions compared with 2005: -96% Intensity of CO ₂ emissions at 31/12/2020: 8.0 g eq. CO ₂ /FP (Scope 1, Scope 2, Market-based) Change in the intensity of CO ₂ emissions compared with 2005 (direct + indirect): -85%	Fully compliant	4.3.1.3.1. - 4.3.1.4.1.
305-5	Reduction of GHG emissions	Change in direct CO ₂ emissions compared with 2005 (Scope 1): -59% Change in indirect CO ₂ emissions compared with 2005 (scope 2, Market-based): -95%	Fully compliant	4.3.1.3.1. - 4.3.1.4.1.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location of information
Effluents and Waste	306-2	Waste by type and disposal method	Waste recovered for use as a source of energy: 39,149 tonnes; Waste recovered through reuse and recycling: 59,763 tonnes Waste incinerated without recovery for use as a source of energy: 3,791 tonnes	Fully compliant	4.3.1.3.1.
	306-3	Significant spills		Fully compliant	4.3.1.2.
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	All new suppliers completed the ethical commitment letter (except for certain categories, such as subscriptions for example, considered as not at risk). L'Oréal actively seeks to work with suppliers who share its ethical values and commitments. Its purchasing teams have the task of identifying new suppliers and integrating them in light of the Group's expectations and its strategy via the Welcome On Board (WOB) supplier referencing process. L'Oréal also uses analyses and ratings provided by Ecovadis, an analytical company, to evaluate the policies implemented by the Suppliers, among others, in terms of the items of the Vigilance Plan. Moreover, 87% of all direct L'Oréal suppliers have participated in the CDP Supply Chain Climate Change programme, and 71% have reported target actions.	Fully compliant	4.3.1.3.2.
SOCIAL					
Employment	401-1	New employee hires and employee turnover	Employee turnover: 11.1%	Fully compliant	4.3.2.
Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees		Fully compliant	4.3.2.1. - 4.3.2.4.
Training and education	404-1	Average hours of training per year per employee		Fully compliant	4.3.2.3.
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees receive an annual performance and career development review.	Fully compliant	4.3.2.5.

Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	99% of strategic suppliers have completed a self-assessment of their sustainability policy with the Group's Sustainable Development. This percentage is based on the calculation of the number of suppliers who, in 2020, had been assessed on their social, environmental and ethical policies, as well as the application of such policies at their own suppliers, by Ecovadis. For social audits, in the event of major non-conformities, corrective action plans are put in place and are subject to a follow-up audit. The most serious cases of non-compliance or the absence of effective implementation of a corrective action plan may lead to the cessation of commercial relations.	Fully compliant	3.4. 4.3.1.3.2.
Forced labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		Fully compliant	3.4. 4.3.1.3.2. 4.3.3.
Human Rights Assessment	412-1	Operations that have been subject to Human Rights reviews or impact assessments		Fully compliant	4.3.3.
	412-2	Employee training on Human Rights policies or procedures		Fully compliant	4.3.3.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location of information
Supplier social assessment	414-2	Negative social impacts in the supply chain and actions taken	% of the portfolio of suppliers audited (amongst those to be audited) 96% Audits – Europe: 117; Audits – Asia-Pacific: 673; Audits – Oceania: 22; Audits – Americas: 369; Audits – Africa, Middle East: 87. Of all cases of non-compliance: 41% were related to working conditions, health or safety, 23% were related to working hours, 19% were related to wages, 17% were classified as "Other". In the event of major non-compliance, corrective action plans are put in place and subject to a follow-up audit. The most serious cases of non-compliance or the absence of effective implementation of a corrective action plan may lead to the cessation of commercial relations.	Fully compliant	4.3.1.3.2.
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories		Fully compliant	4.3.3.2.
Marketing and labelling	417-1	Requirements for product and service information and labelling	L'Oréal complies with legal requirements regarding the labelling and marketing of its products, in particular their composition, methods of use and disposal instructions in the countries which it operates. Policies and initiatives going beyond legal requirements are listed in the report.	Fully compliant	4.3.1.3.3. 4.3.3.2.

L'ORÉAL

Incorporated in France
as a "Société
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