



**UK Modern Slavery Act  
Statement 2022**

**L'ORÉAL**  
UK & IRELAND

## Our long-standing commitment to ethics and human rights

The L'Oréal Group's human rights policy is based on the four Ethical Principles at the heart of our Global Code of Ethics: Integrity, Respect, Courage, Transparency.

At L'Oréal UK & Ireland, our efforts with regard to modern slavery are part of our wider human rights programme.

As with all human rights violations, the L'Oréal Group has a zero-tolerance policy regarding any type of forced labour including modern slavery.

This statement follows on from previous statements (2016 – 2021) and describes the steps that L'Oréal UK has taken to prevent modern slavery during the year ending December 2022 (including human trafficking taking place in our business and supply chains). It responds to the Modern Slavery Act 2015 and has been approved by the Board of Directors of L'Oréal (UK) Limited.

This statement is focused on the activities of the L'Oréal UK business and as such, this report should be read in conjunction with the public reporting of the L'Oréal Group. This Global reporting covers additional topics outside of the scope of the UK organisation, including the sourcing of ingredients and packaging materials.

**As a signatory of the United Nations Global Compact since 2003, the L'Oréal Group is committed to respecting internationally recognised human rights.**

We support the Fundamental Conventions of the International Labour Organisation (ILO), even though these conventions have not been ratified by all the countries where we are present. In particular, L'Oréal wants to help end the exploitation of children in the workplace and the use of forced labour. At L'Oréal we also believe that we can contribute to positive human rights impacts by playing our role as a responsible corporate citizen, addressing the root causes of human rights abuse.

The L'Oréal Group has been widely recognised for its responsible business practices, including those related to human rights. In 2022, L'Oréal was recognised for the 13th time as one of the “World’s Most Ethical Companies” by the Ethisphere Institute. This ranking covers the world’s largest listed companies that have demonstrated a commitment to ethical business practices through programmes that positively impact employees, communities, and broader stakeholders, and contribute to sustainable and profitable long-term business performance.

As part of the UN Global Compact, L'Oreal group is Patron: Gender and Sponsor: Decent Work

Nevertheless, we are not complacent. As a Group, we are keen to be part of the movement that eradicates exploitative practices, once and for all. L'Oréal already has policies and procedures in place which help address this issue and, in the future, we will work to further strengthen them, and track our progress (both globally and here in the UK). This includes the Group’s Human Rights Policy, published in 2017 and the Employee Human Rights Policy, published in 2020. We recognise that modern slavery is a complex issue, which requires us to invest time and resources, and engage in collaboration such as through our membership of the Decent Work in Global Supply Chains platform of the United Nations Global Compact (UNGC).

# Our organisation's structure, business and supply chains

L'Oréal is the world's largest cosmetics company, registered at 14 Rue Royale, Paris, France.

We are present in 150 countries and employ 87,369 employees.

We produce skin care, colour cosmetics, hair care, hair colour, fragrances, men's grooming and sun care products.

At L'Oréal UK and Ireland, our employees work in a wide variety of roles and functions including sales, marketing and operations. We also employ beauty advisors in department stores and standalone boutiques across the UK and Ireland. Across the globe, L'Oréal produces products in 39 plants (none located in the UK & Ireland).

The L'Oréal Group relies on both direct and indirect suppliers worldwide for raw ingredients which are purchased by the L'Oréal Group in Paris. For that reason, the sourcing of individual ingredients is outside of the scope of this report, but you can learn more about how we source at

<https://inside-our-products.loreal.com/>

L'Oréal UK & Ireland works with 897 suppliers for other products and services. For example, this includes suppliers of temporary staff, event management and local marketing in-store materials.

## Governance

### Human rights are embedded in L'Oréal's governance structure.

L'Oréal's commitment to human rights and fundamental freedoms, the health and safety of people in the workplace and the environment is supported at the highest level of the Company by its Chairman and Chief Executive Officer who renews L'Oréal's commitment to the United Nations Global Compact each year. This is supported by the Board of Directors who place great importance on respecting L'Oréal's ethical principles – Integrity, Respect, Courage and Transparency – and more generally its Code of Ethics.

The global Chief Corporate Responsibility Officer, a member of the Executive Committee, is responsible for overseeing the respect of human rights and fundamental freedoms in the Group. This mission has been entrusted to her by L'Oréal's Chairman and Chief Executive Officer, to whom she reports. The Chief Corporate Responsibility Officer has a budget and a dedicated team composed of experts in Human Rights. She relies on all the Group's teams and resources to carry out her work.

The Human Rights Committee, chaired by the Chief Corporate Responsibility Officer and composed of representatives of the various activities, functions and geographic areas (including Purchasing, HR, CSR, Safety, Security, etc.), allows coordination and exchange on the implementation of the Group's Human Rights policy. Its primary objective is to enable the emergence of a human rights culture within the Group.

At a country level, Country Managers, supported by Human Resources teams locally, are responsible for promoting a culture of respect for human rights and fundamental freedoms.

Each country has an **Ethics Correspondent** that supports the different corporate functions and acts as a local point of contact for all ethics-related questions from employees. Employees, as well as all other stakeholders, can use the L'Oréal Speak Up website as a secure mechanism for raising concerns directly with their Ethics Correspondent.

In addition, as of 2020, each market has a **Human Rights Correspondent** who **with the support of the Global Human Rights Team**, reports on human rights related issues or cases, as well as supporting local management coordinating with other internal stakeholders in relation to these issues.

Employees may contact their manager, their Human Resources Director, their Legal Director, their Purchasing Director, their Human Rights Correspondent, their Ethics Correspondent and, ultimately, the Global Ethics and Human Rights Departments if they have any questions about compliance with the Applicable Rules.

## Engaging with others

The Human Rights team is engaged with external stakeholders, including NGOs, institutions and associations specialised in this area.

In 2022, L'Oréal:

- Joined the UNGC Living Wage Think Lab, an initiative led by companies selected by the UN Global Compact with the aim of promoting the living wage;
- Signed the “Call on the EU to make living wages and income a human right” concerning companies’ duty of vigilance in terms of sustainability;
- Published the Human Rights Impact Assessment (HRIA) conducted by the Danish Institute for Human Rights on the bergamot sector in Italy. In particular, this HRIA enabled robust engagement with the stakeholders in this value chain.

The Human Rights Department is engaged in a dialogue and partnerships with outside stakeholders, including NGOs, institutions, and Human Rights associations. Accordingly, L'Oréal maintains a partnership with;

- Fair Wage network, an NGO which provides the Group with a database on living wages in 200 countries;
- The SciencesPo Law School clinic.
- The United Nations Global Compact

In addition, L'Oréal joined:

- The Shift Business Human Rights Learning Programme at Harvard
- The Human Rights Coalition of the Consumer Goods Forum
- Open for Business, a coalition of companies committed to LGBTQIA+ inclusion

# Our policies

## L'Oréal Human Rights policies

The Group published its first Human Rights Policy in 2017. This document is designed to share the Group's commitment around Human Rights issues with consumers, stakeholders and other interested groups, and how this commitment is respected in practice. The policy was communicated to L'Oréal UK and Ireland employees twice in 2022

This approach is based on internationally recognised standards, namely the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the ILO Core Conventions that address child labour, forced labour, non-discrimination and the right to freedom of association and collective bargaining. Further information about the L'Oréal Human Rights Policy can be found at:

<https://www.loreal.com/group/governance/acting-ethically/human-rights-policy>

### L'Oréal Employee Human Rights Policy:

In 2020, L'Oréal launched a specific policy on Employee Human Rights that undertakes to respect a base of universal Human and Social Rights for its employees, regardless of their position or location in the world.

L'Oréal's Employee Human Rights Policy has been developed with input from internal and external stakeholders, including the Danish Institute for Human Rights and experts from the United Nations. A particular focus of the policy is on securing a living wage for all L'Oréal employees worldwide. The Group will ensure that all employees receive at least the minimum salary set by local law or the applicable collective agreements, and that they receive a living wage that covers their basic needs, calculated in line with best practices.

As of 1st April 2022, we are paying all of our employees the real living wage in the UK and Ireland based on the calculations of the UK Living Wage Foundation, and the Living Wage Technical group in the Republic of Ireland. The real living wage is higher than the national minimum wage and is independently calculated annually to meet the cost of living. This has come into effect for anyone previously below and mainly impacts beauty Advisors, Distribution Centre employees, intern and apprentice population.

In addition to the living wage, the policy establishes concrete standards for topics ranging from freedom of association and prohibition of forced labour to freedom of expression and universal paid vacation. Further information about the Employee Human Rights policy can be found at:

<https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/commitments/employee-human-right-policy.pdf>

## L'Oréal Code of Ethics

**L'Oréal Code of Ethics ('The Way We Work') is currently available in 45 languages**

This code of ethics is the reference document that brings the Group's ethical principles into the daily professional life of every employee. It applies to all employees of the L'Oréal Group and its subsidiaries world-wide. Each employee has access to the digital version of the code. This code, in addition to other information about our ethical principles is available online at:

<https://www.loreal.com/group/governance/acting-ethically.aspx>

### **Bringing ethics to life – internally and externally**

Internally, L'Oréal has held an annual 'Ethics Day' since 2009, which allows employees across the world to ask questions of the company's CEO about the application of the company's ethical principles (including on human rights).

In 2022, this took place during two live webcasts broadcast to all employees globally. Following that, we activated Ethics Day locally across all sites in the UK and Ireland, with a full communications campaign. The UK Country Manager took ethics-related questions from employees during a live video session.

In addition to Ethics Day, we communicate regularly throughout the year on ethics and related topics. During the course of 2022, ethics communications focused on encouraging employees to utilise the Speak Up platform, which allows L'Oréal employees and stakeholders (external

staff, employees of providers or subcontractors, suppliers, clients, consumer, shareholders and representatives of civil society) to raise any serious ethical concerns they may have so that we can address them. Reports made via this platform will be received by L'Oréal's Office of the Chief Ethics Officer.

Communication also focused on raising awareness of our ethical and human rights policies and helping employees understand how to escalate any concerns locally through our local ethics correspondent. All communication was sent via our Country Manager and amplified across all internal channels including our weekly all-employee newsletter and channels as digital screens/posters in areas with high footfall (for example, the cafeteria and reception).

Employees also have access to a dedicated intranet site, which provides additional information on ethics, including human rights.

Outside of ethics day, we are committed to ongoing transparent exchange with our employees and hold regular business updates for all employees with a dedicated Q&A session on any topic.

Externally, the Group has invested considerable resources in sharing L'Oréal's Ethics programme and how it is implemented, via the Group Corporate website. This includes work on human rights, commitment to the United Nations Global Compact, 'Buy and Care' programme and our L'Oréal for the Future programme.

## Rules to prevent human rights abuses

L'Oréal has outlined the rules relating to potential Human Rights abuses in our Company Reference Document. All subsidiaries (including the UK) and all suppliers (including those based in the UK and/or supplying to L'Oréal UK) are responsible for complying with the following minimum common core rules.

In 2021, L'Oréal also published its Mutual Ethical Commitment Letter to make public its requirements and commitment towards its suppliers, in line with its global ethics, corporate responsibility, human rights and compliance programmes and policies. This document covers human rights, working conditions, environmental stewardship and business integrity, including the possibility for our business partners to use our whistleblowing system, L'Oréal Speak Up, if they feel that we are not living up to our own high ethical standards. We progressively roll out this new version to all suppliers worldwide.

### **Abolition of Child Labour:**

L'Oréal has chosen to set a compulsory minimum hiring age of 16 for all staff; a minimum age which is higher than that required by Conventions no.138 and 182 of the ILO. All L'Oréal subsidiaries and suppliers are required to check the age of all new employees upon hire. L'Oréal prohibits the use of night-time work and hazardous work to employees under 18 and asks its suppliers to do the same.

### **Elimination of forced or compulsory labour:**

L'Oréal refers to the definition of forced and compulsory labour as outlined in Convention no.29 of the ILO. Forced and compulsory labour is defined as 'all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.' All forms of forced labour carried out under physical constraint or threat is prohibited.

### **Consequently:**

- Security personnel must only ensure the safety of persons and property;
- Unless there is a legal obligation, employees' identity papers, passports or any other personal documents cannot be retained from them. In the event of a legal obligation, the documents must be returned to the employee at their first request;
- Recourse to prison labour is possible when it is voluntary, within the scope of a professional reinsertion programme, and paid at the market rate. Suppliers must request authorisation from L'Oréal before they have recourse to this type of labour.

*'Rules to prevent human rights abuses' continued...*

### **Freedom of association:**

The employees right to freedom of association and collective bargaining must be respected. Employee representatives must be elected without employer interference and be provided access to the work premises subject to safety and/or confidentiality requirements. Employees involved in union activities may not be discriminated against. In countries where freedom of association and the right to collective bargaining are limited or forbidden, L'Oréal encourages the development of other forms of expression and dialogue with employees to enable them to express their concerns.

At L'Oréal, any salary deduction must be authorised by law. They cannot in any circumstances be used for the purposes of confiscation, or for the director in direct benefit of the employer. In addition, employees cannot be asked to pay for recruitment costs or to make cash deposits to obtain employment.

There are also detailed rules for non-discrimination, working hours and sexual/moral harassment.

Further details can be found in our Company Reference Document (p147):

[Freedom of Association PDF](#)

## **Other policies relating to modern slavery**

**In addition to the Code of Ethics, the Group has several ethics-related policies and processes. This policy architecture supports the work to identify, mitigate and remediate situations of modern slavery.**

**A foundational process is the social audit programme, which provides a way of assessing and tracking risk. However, we know that while social audits can give us a helpful insight and snapshot of the risks, they are only part of the solution.**

A snapshot of the key policies relating to human rights and modern slavery is shown here.

L'Oréal also recognises the need to hear the perspectives of people who have been potentially affected by these issues. It is important that we hear both from our own employees and those throughout our supply chain.

For our own employees we can hear any concerns through our ethics outreach (including our global Ethics Day activities) and other channels including Human Resources. We also carry out worker interviews as part of our supplier audits in addition to regular stakeholder forums to hear concerns from our supply chain.

Policy	Commitment
<p><b>The L'Oréal Spirit</b></p>	<p><b>This sets out the ethical commitment made by L'Oréal</b>, its senior management and all of its employees to act ethically and responsibly. As a responsible employer, we commit to securing employee health, safety, security and privacy; supporting diversity; and preventing sexual and moral harassment. We also have a Group-wide commitment towards the abolition of child labour and forced labour and to actively seek out and favour business partners who share our ethical standards. The L'Oréal Spirit is displayed at entrances and meeting rooms in the UK.</p>
<p><b>L'Oréal For The Future</b></p>	<p>In line with the L'Oréal for the Future commitments, the L'Oréal Group is committed that by 2030, 100% of the L'Oréal Group's <b>strategic suppliers' employees will be paid at least a living wage</b> covering their basic needs and those of their dependents, calculated in line with best practices.</p>
<p><b>The Way We Work With Suppliers</b></p>	<p><b>This is a practical guide to the Group's ethical purchasing standards</b> and is designed to help employees manage suppliers. The Purchasing Department has worked hand-in-hand with the Office of the Chief Ethics Officer to create this guide for all staff when dealing with suppliers.</p>
<p><b>Mutual Ethical Commitment Letter</b></p>	<p>In 2021, L'Oréal also published its Mutual Ethical Commitment Letter to make public its requirements and commitment towards its suppliers, in line with its global ethics, corporate responsibility, human rights and compliance programs and policies. This document covers on human rights, working conditions, environmental stewardship and business integrity, including the possibility for our business partners to use our whistleblowing system, L'Oréal Speak Up, if they feel that we are not living up to our own high ethical standards. We progressively roll out this new version to all suppliers worldwide.</p>

Policy	Commitment
<b>Suppliers' Child Labour Policy</b>	This outlines L'Oreal's policy for the prevention of child labour with respect to suppliers (and subcontractors).
<b>L'Oréal Buy &amp; Care Programme</b>	This was launched in 2002, this provides guidance in how to embed social, ethical and environmental concerns within the L'Oréal supply chain. L'Oréal asks its suppliers and subcontractors to comply with the Fundamental Conventions of the ILO as well as local legislation.
<b>Purchase Commitments &amp; Order Management</b>	This aims to facilitate and strengthen L'Oréal's control over the spending and investments of the group.
<b>General Terms of Purchase</b>	The general terms of purchase, which include a requirement that goods and services supplied are not manufactured or sourced using forced labour.
<b>L'Oréal Speak Up</b>	The Group's whistleblowing policy (Speak Up) explains when and how L'Oréal employees, external staff as well as other stakeholders, can make a confidential Speak Up report about any grievances, areas of concern or areas for improvement.  No Speak Up reports were handled by L'Oréal UK and Ireland relating to forced labour in 2022.

<https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/the-way-we-work-with-our-suppliers.pdf?rev=6ebd77fed23349379da3d66b9fe36e83>

<https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/2-group/news-and-documentation/publications/speak-up/group-speak-up-policy-g.pdf?rev=9981eb389f1b461e810ce37c75b58299&hash=CDDE0BBE329145C7B316E23BA4A1CB01>

## Evaluation and incentives, and terms of contract

### Evaluation & incentives

**A respect for our ethical principles is integrated into the annual appraisal system for all employees – which in turn is linked to both remuneration and progression.**

We consider three ethical competencies:

- “Takes accountability with courage and transparency”
- “Delivers both sustainable and short-term results with integrity”
- “Treats all individuals in a respectful and consistent manner”

### Terms of contract

**L'Oréal UK and Ireland's suppliers are expected to work to the company's Terms and Conditions of Supply of Goods and Services. This includes requirements that the goods shall “not be manufactured or sourced using forced prison (except where under reintegration programmes during sentence, paid at market rate and with the prior written consent of the customer), and dangerous or concealed labour involving children under the age of 16 years' old”. They must also comply with the Fundamental ILO Conventions on freedom of association, the abolition of forced labour, equality and the elimination of child labour.**

The country purchasing teams have the task of identifying new suppliers and recruiting them through the Welcome on Board (WOB) process. This process gives suppliers all of the necessary information to understand L'Oréal's expectations and processes.

The first objective is to obtain the supplier's commitment to our values. **This is done through sharing our expectations relating to Human Rights and where appropriate the signing and submission of L'Oréal's Mutual Ethical Commitment Letter.** This letter covers suppliers of raw materials, packaging components, contract manufacturing and point of sale/ promotional materials.

Suppliers are also required to inform L'Oréal about any sub-contracting work. For indirect suppliers, and marketing services, the ECL must be sent and signed according to a specific set of rules based on known risks and business exposure.

# Due diligence

## Risk assessments

L'Oréal recognises the need to consider non-financial risks including respecting human rights, promoting sustainable use of resources, minimising negative impact, minimising brand damage and the need for good human resource management.

Risk assessment with regards to human rights is based in particular on the indicators of the Verisk Mapelcroft Index. This index enables Country Managers to assess any local ethical risks (including with regard to human rights). This data is shared with appropriate corporate departments for them to include in their own risk assessment so that they can adopt relevant policies and procedures.

**Since 2019, All subsidiaries, including L'Oréal UK, have carried out an annual ethics self-assessment.**

An annual ethics reporting system enables group companies to share local data regarding the implementation of L'Oréal's Ethics programme. Potential areas for improvement are identified on a country-by-country basis and those countries are then responsible for implementing measures to address any potential areas for concern.

L'Oréal's regular employee survey (Pulse Survey) asks several key questions in relation to ethics, for example perception by staff of their ability to report instances of unethical behaviour.

### Social audits

In addition, an assessment of actual and potential human rights risks in our own operations are currently driven by regular social audits conducted in the UK at all three distribution centres. **As part of the 2022 social audit, no incidents of forced or compulsory labour, or child labour, were identified for L'Oréal UK and Ireland's own operations.**

Risks in the global operations and supply chains are currently managed via social audits, which are led by the Purchasing Departments in each individual country. A social audit must be carried out for suppliers with whom L'Oréal has a direct relationship:

#### Key raw material suppliers in HIGH RISK countries

- All component suppliers in HIGH RISK countries
- All sub-contractors and contract manufacturers in ALL countries
- All industrial equipment suppliers in HIGH RISK countries
- All Point of Sale / Promotional material suppliers in HIGH RISK countries
- All Point of Sale services providers (Co-packers) in ALL countries
- All cosmetic electronic device providers in HIGH RISK countries

## Our social audit process

Semi-announced social audits are carried out by a specialised, independent auditing firm, and are conducted in the local language.

Audits are conducted against L'Oréal's General Terms of Purchase and Payment, and the SA8000 Social Accountability Standard. This includes 10 labour rights issues, including forced and compulsory labour.

In 2022 alone, L'Oréal conducted 1,145 social audits. Since 2006, more than 16,074 social audits have been conducted across the globe.

Since 2002, our buyers have been implementing our responsible sourcing policy known as the 'L'Oréal Buy & Care' programme. Buyers assess and select strategic suppliers, taking into account CSR performance alongside quality, supply chain and services, innovation and competitiveness.

'Strategic' suppliers are suppliers whose added value is significant for the Group by contributing to L'Oréal's strategy through their weight, innovations, shared goals and geographical representation. In the future, this approach will cover 80% of the Group's direct purchases by value.

The CSR pillar is an important part of our total assessment and covers both environmental and social considerations through a set of criteria including the results of social audits.

Human rights due diligence is also taken into account during the key stages of our business activities

– such as acquisitions and new partnerships. The responses to the ethics and human rights questionnaire submitted to target companies are intended to identify whether the risks related to a potential failing in the respect of human rights (namely child labour and forced labour) have been taken into account by such companies.

In line with previous years' commitments, L'Oréal revised the internal risk assessment process for human rights across the company's own operations and supply chain.

The revised social audit process has been extended to cover a greater number of suppliers, has an updated list of high risk countries (using the Verisk Maplecroft database), and contains an updated and broader range of questions (including on the topics of child labour, forced labour and hours of work). A global database has been introduced to facilitate the audit process.

*'Our social audit process' continued...*

**1,145**

**SOCIAL AUDITS IN 2022**

**16,074**

**SOCIAL AUDITS SINCE 2006**

## Acting on risks

Potential issues revealed during the audit process result in a Corrective Action Plan (CAP), which is reviewed by our suppliers before the auditors leave. Audits are given a rating by the external auditors of 'Satisfactory', 'Needs Continuous Improvement', 'Needs Immediate Action' or 'Zero Tolerance'.

Purchasing teams must follow upon the implementation of all CAPs by suppliers. Sites rated as 'Zero Tolerance' must immediately halt production and are subject to a follow-up audit. The follow-up audit, which is paid for by the supplier, must be rated either 'Satisfactory' or 'Need Continuous Improvement' in order for trade relations and production to resume.

The Purchasing team will also have to align with the Corporate Sourcing Director, before any resumption of production takes place.

Please see the rating matrix for examples of non-compliant behaviours. In the UK, we have required no CAPS since 2022 as an outcome of our SAFE audits.

FACTOR	Zero Tolerance	Need Immediate Action	Need Continuous Improvement
<b>Child Labour</b>	<ul style="list-style-type: none"> <li>• Workers under 16 years old, with no waiver</li> <li>• Waiver conditions not respected</li> </ul>	<ul style="list-style-type: none"> <li>• No efficient system (ID with photo) to check age</li> <li>• Child labour found in last 12m and no efficient system now in place</li> <li>• Non-compliance of local law on minimum working age (if &gt;16y)</li> <li>• For young workers (16-18y), non-compliance to relevant local laws (e.g. heavy work, night shifts)</li> </ul>	<ul style="list-style-type: none"> <li>• System in place but records are incomplete (max 25% sample) regarding recent hires (&lt;3y)</li> <li>• For young workers (16-18y) non-compliance of relevant local laws (e.g. heavy work, night shifts)</li> </ul>
<b>Forced Labour</b>	<ul style="list-style-type: none"> <li>• Non-volunteer prisoners, bonded or indentured labour</li> <li>• No respect of basic rights (e.g. restroom and water breaks prohibited or unnecessarily restricted, work under guard surveillance)</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteer prisoners are not paid at market rate or not paid overtime</li> <li>• Employees are not free to leave the workplace at the end of the shift (e.g. compulsory overtime when not authorised by local laws)</li> <li>• Requirements set by the employers that affect workers' freedoms (e.g. monetary deposits, wage retention, ID card retention –when not mandatory by local laws)</li> </ul>	

# Training about modern slavery

## **L'Oréal provides a range of internal training courses for all employees around ethical behaviour and ethical purchasing.**

A specific, compulsory ethics e-learning course, which covers human rights has been mandatory for all employees since 2014. This is part of the induction process when an employee joins the Group. As of 31 December 2022, 87% of global employees with access to the online module had completed this course. 89% of UK office and distribution centre employees completed a UK Ethics e-learning by the end of 2022. There is also a compulsory training module on responsible purchasing practices for all new purchasing staff.

Externally the Group provides guidance and support, by sharing the audit questionnaire and process, with the organisation that conducts our social audits. L'Oréal also provides global supplier training sessions on our 'Buy & Care' programme and offers e-learning on the social audit process via a dedicated portal.

On UN Human Rights Day in December 2021, we reaffirmed our commitment to Human Rights through UK internal communications channels, resharing our Human Rights & Employee Human Rights policy with UK employees.

# Goals and key performance indicators (KPIs)

**At L'Oréal, we are committed to respecting internationally recognised human rights which we do by ensuring that we always respect the relevant laws and also abide by our internal Ethical Principles – Integrity, Respect, Courage and Transparency.**

**We will continue to take all steps necessary to identify and address any actual or potential adverse impacts in which our business, or any of our subsidiaries may be involved, and will share our progress annually through these reports.**

This statement was discussed and approved by the Board of L'Oréal (UK) Limited.



Signed on their behalf by Thierry Cheval, Managing Director, L'Oréal (UK) Limited.

30th June 2023]

## **Demonstrating progress against our Modern Slavery Statement actions**

- 100% L'Oréal UKI Agencies and labour providers have signed an agreement committing to the respect of human rights (including child, forced and undeclared labour).
- 96% of L'Oréal UK office and distribution centre staff have confirmed that they have completed 'Ethics eLearning'
- No Speak Up reports relating to forced labour were made in 2021.

*'Goals and key performance indicators (KPIs)' continued...*

**2030 goals**

In 2020, we launched L'Oreal for the Future, our 2030 commitments which mark a crucial new stage in rising to the challenges facing our world – environmental and social. Relevant targets include the below and we will be reporting annually on the progress made against these:

- By 2030, 100% of our strategic suppliers' employees will be paid at least a living wage covering their basic needs and those of their dependents, calculated in line with best practices.
- By 2030, we will help an incremental 100,000 people from disadvantaged communities gain access to employment
- In 2021, 13,946 people from underprivileged or poor communities have access to work.
- 89,093 people accessed work through the Solidarity Sourcing programme, 7,955 more people than in 2020.
- 5,991 people from extremely vulnerable environments were trained in beauty professions.

L'Oréal UK will play its full part in helping to reach the global objectives outlined above. In addition, in the UK (and globally) we will continue to implement our on-going Social Audit programme to ensure that we can effectively manage the risks associated across our supply chain. Where applicable, suppliers and subcontractors will continue to sign up to our

Mutual Ethical Commitment Letter. In the UK, all suppliers of labour will also continue to be required to sign an agreement committing to respecting Human Rights. Finally, we will continue to drive greater awareness of Modern Slavery issues, both within and outside our organisation through our on-going Ethics and Training programmes.

Strategic suppliers are suppliers whose added value is significant for the Group by contributing to L'Oréal's strategy through their weight, innovations, shared goals and geographical representation.

\*<https://www.loreal.com/en/uki/pages/commitments/uk-our-product-environmental-and-social-labelling/>

## Appendix:

### L'Oréal Group: Our Values & Ethical Principles

<https://www.loreal.com/en/group/governance-and-ethics/our-ethical-principles/#:-:text=We%20believe%20that%20the%20way,ethically%20day%2Dto%2Dday>

### L'Oréal Group: Code of Ethics

<https://www.loreal.com/en/articles/commitments/code-of-ethics/>

### L'Oréal Group: Speak Up Policy

<https://www.loreal.com/en/articles/commitments/speak-up-policy/>

### L'Oréal Group: Human Rights Policy

<https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/commitments/l-oreal-human-rights-policy.pdf>

### L'Oréal Group: Employee Human Rights Policy

<https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/commitments/employee-human-right-policy.pdf>

### L'Oréal Group: Company Reference Document

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### L'Oréal Group: 2022 Annual Report

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