

# L'ORÉAL

# Human Rights Policy

Our Human Rights Policy is based on our 4 Ethical Principles – **INTEGRITY**, **RESPECT**, **COURAGE** and **TRANSPARENCY** – and is part of our Code of Ethics.

We believe that as a business we have a responsibility to respect internationally recognised human rights and that we must take steps to identify and address any actual or potential adverse impacts in which we may be involved through our own operations or our business relationships. We also believe that we can contribute to positive human rights impacts by playing our role as a responsible corporate citizen.

We consider that it is the right thing to do as well as a subject of growing importance to our employees, consumers, shareholders, business partners, communities in which we operate and civil society.

## 1 OUR APPROACH



We are a global company operating in 140 countries and we are committed to respecting all internationally recognised human rights as relevant to our operations and value chain. We are a signatory of the United Nations Global Compact. Our approach is based on internationally recognised standards and 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.

We may face requirements to comply with local laws and policies in ways which can conflict with these international standards. In such circumstances, we work to meet these international standards to the greatest extent possible given local law. We recognise that part of fulfilling our responsibility to respect international human rights standards also includes bringing awareness and sharing expectations across our whole value chain about how to meet international standards in different jurisdictions.

We believe that we can most effectively respect and promote internationally recognised human rights through our presence rather than our absence from countries where human rights risks are systemic. When operating in such countries, we may put into place additional due diligence and adapt our policies and level of engagement to address such risks, namely in order to pay particular attention to individuals or groups who may face a higher risk of negative human rights impacts such as women or migrant workers or indigenous populations.

Human rights due diligence is also important and taken into account during key stages of our business activities such as acquisitions, new partnerships and building projects.

In addition to respecting and promoting human rights in our direct operations, we actively seek out and favour business partners who share our commitment to respect internationally recognised human rights as well as having the courage to end relationships with business partners who are unwilling to do so.

We recognise that we cannot address this subject alone as we are part of many communities around the world. We also recognise that we need to hear the perspectives of potentially affected people, who are our stakeholders. At this time, we are able to hear from our stakeholders primarily through trade union platforms (for our own employees), and for people in our supply chains through worker interviews during supplier audits and via the stakeholder forums we regularly organise in the countries in which we operate.

We support public health actions and in particular the fight against skin cancer via our Active Cosmetics Division. There are also many local and brand initiatives on the same subject. In addition, we can contribute to positive human rights impacts via our philanthropy program and namely the L'ORÉAL Foundation, which allow us to engage in various initiatives supporting the development of communities where human rights are protected and respected and namely our "Beauty for a Better Life" program.

## 2 ADDRESSING HUMAN RIGHTS WITHIN OUR VALUE CHAIN



At this time, we have identified the following stakeholders and salient human rights issues and have adopted the following measures in order to avoid adverse human rights impacts.

### OUR CONSUMERS

L'ORÉAL products are used every day by millions of people around the world and help to foster the empowerment of men and women by enhancing their confidence to interact with others.

Our products are manufactured to the most demanding standards of quality and safety. We also choose our raw materials with care. We are committed to ensuring the right of access of local populations to their land, natural resources and the respect of their traditional knowledge and to systematically take this into account during the selection process of natural ingredients. In line with our "Sharing Beauty with All" program, we are mindful of our impact on the natural environment and constantly seek to reduce it recognising the implications for human rights such as the right to health and the right to water.

We are committed to encouraging healthy behaviours namely via the use of hygiene and sunscreen products. We are also committed to avoiding stereotypes, degrading imagery and any messaging which could encourage anorexia or other types of eating disorders.

We are committed to protecting the right to privacy of our consumers and recognise the particular importance of safeguarding any consumer data we may hold. As part of this commitment, we work to follow the Consumer Goods Forum "Consumer Engagement Principles".

### OUR EMPLOYEES

We are committed to respecting the rights of our employees in accordance with internationally recognised human rights. We do so through various policies, including our Code of Ethics which covers the prohibition of child labour and the protection of young workers, the prohibition of forced labour, prohibition of discrimination, sexual harassment or bullying, the respect for freedom of association and collective bargaining and respect for privacy. These policies are complemented by ambitious Diversity and Health and Safety programs and our "Share & Care" program which namely supports our employees' wellbeing as well as their family members via various health and well-being benefits. We are committed to an open and constructive dialogue with employee representatives.

### WORKERS AND COMMUNITIES IMPACTED BY OUR SUPPLIERS

We have a large and extended supply chain and the work we do with our suppliers and subcontractors is a key part of our program to respect human rights.

Our expectation is that all suppliers and subcontractors act in accordance with internationally recognised human rights. Because we have identified the working conditions of their workers as a salient human rights issue, respect of all ILO Core Conventions is included in our Purchasing contracts and we encourage them to cascade this requirement throughout their own supply chain. We also ask them to ensure transparency, remedy any non-compliance and drive continuous improvement. We are committed to carrying out regular independent audits to monitor respect of our human rights commitments in our supply chain and to engage with our suppliers to ensure remedy for people who experienced harm.

### WORKERS AND COMMUNITIES IMPACTED BY OUR CLIENTS

We have thousands of clients worldwide, many locally owned small and medium sized, who offer jobs to millions of people helping strengthening communities. We are committed to engaging with our clients, including the world's top retailers, regarding our Human Rights Policy to encourage them to adopt similar commitments.

### WOMEN'S RIGHTS

We are particularly committed to being attentive to women's rights namely because our consumer base is predominately women and our workforce and that of our business partners include many women workers. For example, in the absence of more favourable local laws, our women employees benefit from a 14-week paid maternity leave. During supplier audits, we seek to ensure the absence of discrimination and sexual harassment. As an active supporter of the UN Women's Empowerment Principles, we are involved in many initiatives which aim not only to improve the situation of women both in the private and public spheres but also to recognise the contribution of women to the progress of humankind (namely via the L'ORÉAL Foundation "For Women in Science" program). This focus on women's rights is part of our general Diversity policy which also covers non-discrimination on the grounds of disability, marital status or family situation, sexual orientation, age, political and philosophical opinions, religious belief, union activity, ethnic, social, cultural or national origin.

# 3 GOVERNANCE, DUE DILIGENCE, REMEDIATION AND REPORTING



This policy has been approved by L'ORÉAL's Chairman and Chief Executive Officer and its Executive Committee and presented to our international social dialogue body and the Board of Directors. It may be regularly updated to reflect our continuous progress.

The Senior Vice President & Chief Ethics Officer oversees the implementation of our Human Rights Policy. He heads the Human Rights Steering Committee which is made up of representatives of different activities, functions and geographic zones.

At Corporate level, each Division/Department Head and at local level, each Country Manager is in charge of implementing the L'ORÉAL Human Rights Policy. We regularly update the guidance and tools provided to them.

We will assess on an on-going basis the human rights impacts of all our operations and in our value chain and review relevant policies, processes and management systems.

We will continue to provide grievance reporting mechanisms that allow our employees and others affected by our operations to report suspected incidents of human rights abuse and to strengthen these mechanisms when necessary. Such incidents will immediately be escalated to the Chief Ethics Officer, investigated and action will be taken when necessary. This includes working to prevent these issues recurring and supporting remedy for any individuals who have been harmed. In the most serious cases, we will reserve the right to break off commercial relations or not approve a new business partner.

In a spirit of transparency, we are committed to communicating on our progress and challenges.

