

L'Oréal (UK) Limited

UK Modern Slavery Act Statement 2019

Our organisation: structure and supply chain

L'Oréal UK and Ireland is the Group's fifth largest subsidiary, **employing almost 4,800 people across the UK and Ireland**. Our employees work in a wide variety of roles and functions including sales, marketing and operations. We are headquartered in Hammersmith (London) and have Corporate offices in Dublin and Llantrisant (Wales). We have three distribution centres in Bury, Nottingham and Trafford; and hairdressing academies in Dublin, Manchester and London. We also employ beauty advisors in department stores and stand-alone boutiques across the UK and Ireland.

Across the globe, L'Oréal produces products in its own factories across 39 production facilities (none located in the UK & Ireland). In addition, there are 150 distribution centres, 21 research centres (located in Brazil, China, France, India, Japan, South Africa and the US), and also 14 evaluation centres.

In the UK **we source products** from 22 facilities (based in Belgium, China, France, Germany, India, Israel, Italy, Japan, Poland, Spain, Turkey and the US). 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 1,513 suppliers for other products and services. For example, this includes suppliers of temporary staff, event management and local marketing / in-store materials.



L'ORÉAL IS THE WORLD'S LARGEST COSMETICS COMPANY, REGISTERED AT 14 RUE ROYALE, PARIS, FRANCE.

WE ARE PRESENT IN 150 COUNTRIES AND EMPLOY 88,000 STAFF.

WE PRODUCE SKIN CARE, COLOUR COSMETICS, HAIR CARE, HAIR COLOUR, FRAGRANCES, MEN'S GROOMING AND SUN CARE PRODUCTS.

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, namely;

**Integrity, Respect, Courage,
Transparency**



At L'Oréal UK & Ireland, our efforts with regard to modern slavery are part of our general human rights programme, because from experience we know that the abuse of different human rights are often interrelated.

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, 2017 and 2018), and describes the steps that L'Oréal UK has taken to prevent modern slavery during the year ending December 2019 (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 will cover 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. L'Oréal is also committed to taking any necessary steps to identify and address any actual or potential adverse impacts in which any of its subsidiaries may be involved – either through our own operations or our business relationships. We support the Fundamental Conventions of the International Labour Organisation (ILO), even though these conventions have not been ratified by all of 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 2019, L'Oréal was recognised for the 10th time as one of the “World's Most Ethical Companies” by the Ethisphere Institute, and was ranked world number one in the Covalence EthicalQuote ethical reputation index, for all economic sectors combined. This ranking covers the world's largest listed companies. It reflects the perceptions of stakeholders, and the media and corporate communication sectors of the company in matters relating to the environment, social issues, governance and human rights. Also in 2019, L'Oréal was again named as a Global Compact LEAD company, a distinction reserved for participants firmly engaged in the world's largest international corporate sustainable development initiative.



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 U.K.). This includes the Group's Human Rights Policy, published in 2017.

We recognise that modern slavery is a complex issue, which requires us to invest time and resources, and engage and collaborate with all of our partners.

Our policies: training and governance

TRAINING

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. There is also a compulsory training module on responsible purchasing practices for all new purchasing staff. Finally, 97% of countries within the group include subjects related to human rights in their local training programs. 75% of UK employees completed UK Ethics e-learning by the end of 2019.

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.

GOVERNANCE

Ethics and human rights are embedded in L'Oréal's governance structure.

L'Oréal's **Senior Vice-President and Chief Ethics Officer** reports directly to the Chairman and Chief Executive Officer and keeps him informed on a regular basis. His mission is to ensure the promotion and integration of best practices within the Group, and provide guidance in ethical decision-making. He oversees employees' training, the management of concerns related to ethics and directly manages those related to senior management positions. He also measures and assesses the Company's ethical performance. He regularly informs the Board of Directors and the Group Executive Committee. He has unrestricted and on first demand access to all information and documents concerning the Group's activities and can call upon all of the Group's teams and resources to carry out his mission. The Senior Vice-President and Chief Ethics Officer moreover oversees respect for human rights within the Group and is L'Oréal's representative for the United Nations Global Compact and NGOs linked to his activity.

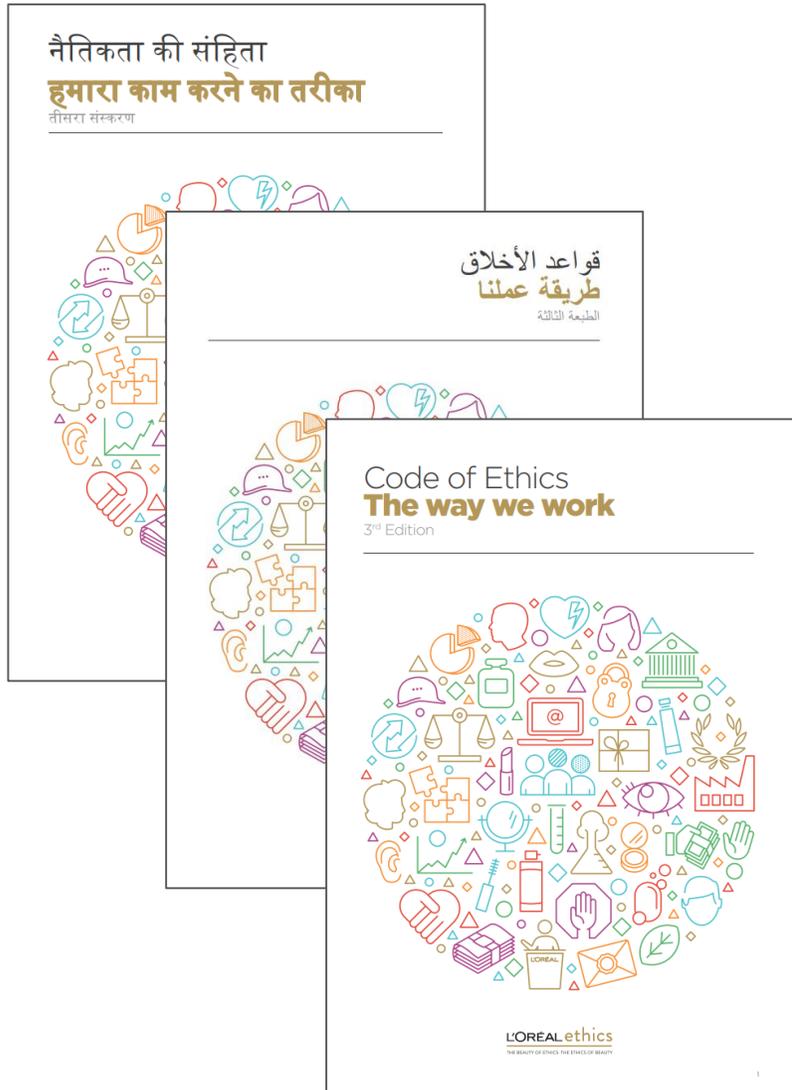
The Board of Directors places great importance on respecting L'Oréal's ethical principles – Integrity, Respect, Courage and Transparency – and more generally its Code of Ethics. In 2019, the Senior Vice-President and Chief Ethics Officer presented the ethics strategy and the initiatives taken in this field, as well as their results alongside organising a half-day training. The Board considers this strategy to be an integral part of L'Oréal's growth model; it supports its implementation and regularly measures the advances made.

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. In 2019, the UK Ethics correspondent delivered a presentation on the UK Ethics Score, and agreed next steps with the local Management Committee to maintain high levels of awareness of the topic throughout the business. Employees, as well as all other stakeholders, can also use the L'Oréal Speak Up website as a secure mechanism for raising concerns directly with the Chief Ethics Officer.

Country Managers are in charge of implementing the L'Oréal human rights policy in their country and the Chief Ethics Officer meets systematically with new Country Directors and Human Resource Directors to raise their awareness of human rights issues. Human Resource teams are responsible for ensuring that the human rights of employees are respected. Purchasing teams are responsible for ensuring that the human rights of workers at the sites of suppliers and sub-contractors are respected and are accountable for ensuring that the L'Oréal Social Audit programme has been explained to and implemented by suppliers. Purchasing teams are also responsible for individual supplier performance and strategic supplier performance against our policies. We have a robust process for ensuring that new suppliers meet our ethical requirements.

*[*L'Oréal initiated the 'Why we're standing up on international Human Rights Day' in December 2019](#)*

Our policies: 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 on line 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 Chairman and CEO about the application of the company's ethical principles (including on human rights). 'Ethics Chats' are organised locally with each country manager during the day, to give employees a chance to ask more locally-specific questions. In 2019, nearly 70% of the Group's employees took part in this process and over 7,000 questions were asked.

In the UK specifically, we had 66 questions raised during our 2019 Ethics Day activities. All were answered in writing and none of these related to Human Rights. These questions (alongside detailed answers from the UK country manager) were published to all employees. In addition to 'Ethics Day', we communicate regularly throughout the year on ethics and related topics. During the course of 2019, ethics communications focused on encouraging employees to utilise the Speak Up platform and our commitment to human rights. All communication was sent via our Country Manager and amplified across all internal channels including the intranet, our weekly all-employee newsletter and channels at each site such as digital screens/posters in areas with high footfall (for example, the lift lobby, cafeteria, reception). We activated ethics day across all six sites in the UK and Ireland, with a full communications campaign. At all times throughout the year, the pillar of "transparency" is referenced wherever possible to emphasise this important ethical commitment.

The Senior Vice President and Chief Ethics Officer also undertakes regular visits around different parts of the group to engage employees around the company's ethics programme. In 2019, within this framework, he visited 14 countries (he last visited the UK in 2016). Since the end of 2013, the Chief Ethics Officer has carried out 105 country visits. Employees also have access to a dedicated intranet site, which provides additional information on ethics, including human rights.

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 'Sharing Beauty With All' programme.

Our policies: L'Oréal Human Rights policy



L'Oréal Human Rights policy:

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

In addition to a Code of Ethics, the Group **published its first Human Rights Policy in Summer 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 all L'Oréal UK and Ireland employees twice in 2019.

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/governance/acting-ethically/human-rights-policy>

L'Oréal Human Rights Committee:

More recently, to continue our efforts in this important area, the L'Oréal Group has created a **Human Rights Committee**. This committee has representatives from all Geographic Zones, Product Divisions (Consumer Products, Luxury Products, Professional Products and Active Cosmetics) and Corporate Functions.

There is **active UK representation and participation** in this committee through the UK Human Resources Director. The Committee met in May and November 2019 to exchange views on a number of issues including the ways in which human rights are incorporated in the management of L'Oréal's supply chain. The UK HRD attended the Human Rights Committee meeting in May 2019.

Our policies: 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) must comply with the following minimum common core rules.

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.

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 direct or indirect 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 (Section 3.4.2.1, p121):

https://www.loreal-finance.com/system/files/2020-03/LOREAL_2019_Universal_Registration_Document_1.pdf

Our policies: 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 opposite.

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 are able to 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
The L'Oréal Spirit	This sets out the ethical commitment made by L'Oréal, 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 our entrances and meeting rooms in the UK.
The Way We Buy	This is a practical guide to the Group's ethical purchasing standards 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 and it is available in 12 languages.*
Ethical Commitment Letter (ECL)	This is a requirement that must be signed by all relevant suppliers and subcontractors (as identified during the risk assessment process - requirements to sign the ECL are based on a specific set of rules, based on known risks and business exposure). In the ECL they are asked to comply with the Fundamental Conventions of the ILO, and local labour laws. Those suppliers who have been identified as required to sign this letter cannot work for the company if they have not done so. This includes a requirement for no forced or bonded labour. It also includes the provision which requires that no one under the age of 16 is hired without prior permission. Resource to prison labour is only possible with prior agreement, provided that it is voluntary within the scope of a professional reinsertion programme, and if paid at the market rate. The ECL also covers working hours, and the prohibition of harsh treatment and discrimination. Suppliers are asked to ensure transparency, remedy non-compliance, drive continuous improvement and ensure satisfactory resolution for people who have experienced harm.
Suppliers' Child Labour Policy	This outlines the requirements for suppliers (and subcontractors) for preventing child labour.
L'Oréal Buy & Care Programme	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.
Purchase Commitments & Order Management	This aims to facilitate and strengthen L'Oréal's control over the spending and investments of the group.
General Terms of Purchase	The general terms of purchase, which include a requirement that goods and services supplied are not manufactured or sourced using forced labour.
L'Oréal Speak Up	In 2018, the Group's whistleblowing policy (Speak Up) was updated to clarify when and how L'Oréal employees, external staff as well as other stakeholders make a confidential Speak Up report about any areas of concern or areas for improvement. In 2019, 59 Speak Up reports were handled by L'Oréal UK and Ireland with 22 proven but none related to forced labour.

* https://loreal-dam-front-corp-en-cdn.damdy.com/ressources/afile/179690-657ee-resource_pdf-the-way-we-buy.pdf

** <https://www.loreal.com/group/governance/acting-ethically/code-of-ethics-and-speak-up-policy/speakuppolicy/list>

Our policies: 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 Ethical Commitment Letter (ECL).** 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 process: risk assessment

The systems for managing risks apply at a Group level and to all subsidiaries.

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 2018, 55% of subsidiaries, including L'Oréal UK, have carried out an ethics self-assessment.

An annual ethics reporting system enables us to monitor the implementation of L'Oréal's Ethics programme. On completion, countries are informed of their potential areas for improvement, by the Office of the Chief Ethics Officer, and implement measures to address any potential areas for concern.

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 2019 social audit, no incidents of forced or compulsory labour, or child labour, were identified for L'Oréal UK and Ireland's own operations.

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.

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**

Due diligence process: our 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 2019 alone, L'Oréal conducted 1,562 social audits. Since 2006, more than 12,400 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 was extended to cover a greater number of suppliers, has an updated list of high-risk countries (using the Verisk Maplecroft database), and now contains an updated and broader range of questions (including on the topics of child labour, forced labour and hours of work). A global database was introduced to facilitate the audit process.

L'Oréal is aware of the following areas associated with increased risks of slavery, which are validated through the risk assessment process:

- Third party labour agencies used to employ labour
- Third party labour agencies used to recruit labour for supplier sites (especially in Asia)
- Agricultural production
- Sub-contractors
- Logistics operations, particularly in shipping (areas which historically have had limited attention to labour practices).

1,562
SOCIAL AUDITS IN 2019

12,400
SOCIAL AUDITS SINCE 2006

Due diligence process: 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 up on the implementation of all CAPs by suppliers.

Sites rated as 'Zero Tolerance' must immediately halt production, and are subject to a follow-up audit that has ensured the relevant issues have been resolved. 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.

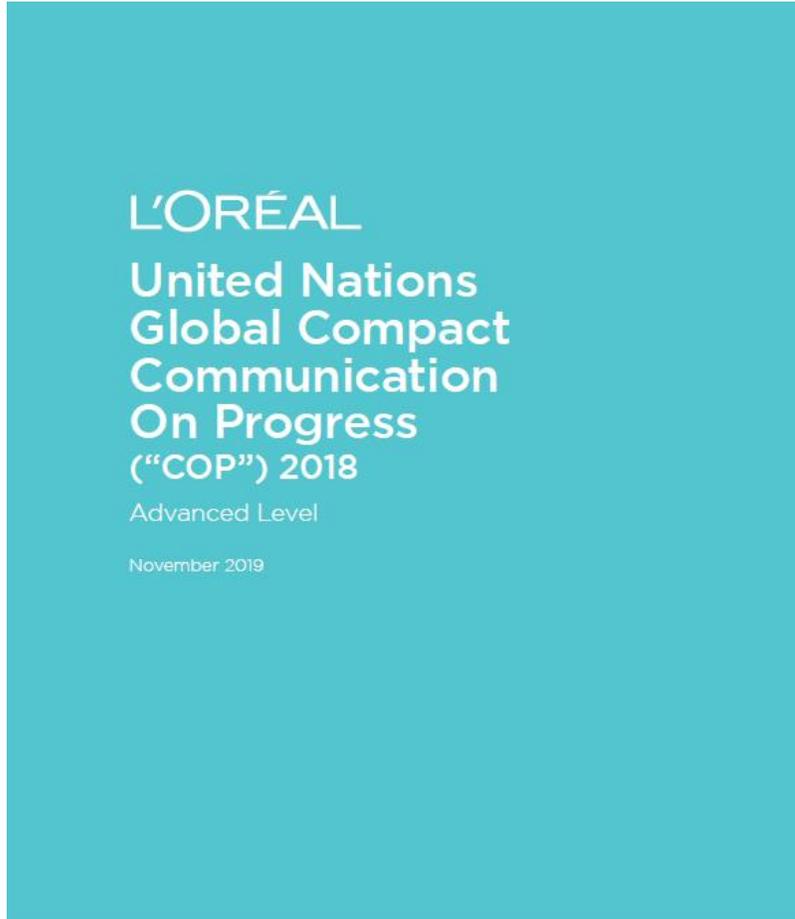
The Purchasing team will also have to align with the Corporate Sourcing Director, before any resumption of production takes place.

Please see the matrix opposite for examples of non-compliant behaviours.

In the UK, the L'Oréal purchasing team did not run any CAPs in 2019 as all audits were clear.

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

L'Oréal and the UN LGBTI Standards of Conduct



In 2018, L'Oréal officially announced its support of the United Nations LGBTI Standards of Conduct of Business. We believe we are the first company to have a specific report on how we support the UN LGBTI Standards of Conduct. An excerpt from the report is below:

“These Standards are designed to guide the business community in fighting discrimination against lesbian, gay, bi, trans and intersex (LGBTI) people.

This initiative is in line with the Group’s Ethical Principles, its longstanding commitment in favour of Human Rights and in its long-term and proactive Diversity and Inclusion strategy.

L'Oréal is particularly vigilant on issues related to the promotion of inclusion in the workplace and welcomes the UN Global LGBTI Standards of Conduct for Business, as they are useful and practical frameworks, which will help to accelerate change.

Although there is at present no reporting standard on this commitment, we have chosen to include specific information on our actions in this report.”

Policies and Practices related to supporting LGBTI rights in the workplace:

- The Code of Ethics Prohibits any discrimination on the basis of sexual orientation. L'Oréal also prohibits discrimination on the basis of gender identity.
- Senior executives have engaged with LGBTI inclusion.
- Diversity Training Workshops are being run worldwide for management and employees.



Read the full report: <https://loreal-dam-front-corp-en-cdn.damdy.com/ressources/afile/182845-1bc8a-resource-united-nations-global-compact-communication-on-progress-cop-2018.pdf>

Worldwide Human Rights Campaign

On 10 December 2019*, the United Nations International Human Rights Day, we launched a **Worldwide Human Rights campaign**, sharing the stories of some of the people working at L'Oréal working on human rights issues.

Watch our video here:



On the United Nations International Human Rights Day we shared what human rights means at L'Oréal and the stories of some of the people at L'Oréal working on human rights issues. Here is an extract from our international campaign which focused on respecting human rights in the value chain:

“Human rights can seem like an abstract subject, but the reality is that they are relevant to all of us and impact us all daily. There are 30 Human Rights internationally defined by the United Nations, including the right to life and safety, to health, to privacy, to freedom of expression, the right to have a decent job, and more.

“At L'Oréal, we are a company made up of human beings whose actions and products impact human beings as well as our planet. As such, it's our responsibility to ensure that we respect Human Rights by avoiding negative impacts on people and planet from our activities, and by making positive impacts where we can.

“In 2017, we adopted our **global Human Rights Policy**, in line with UN standards. In 2020, it was time to add our **Employee Human Rights Policy**, because setting an example starts from within, by assuring universal social standards for the people who make up L'Oréal.

“Many of L'Oréal's employees work hard on human rights issues in their day to day. In honor of this year's International Human Rights Day, we're shining the spotlight on four of our employees whose work shows how this commitment is key to how we do business. Of course, this is not an exhaustive list – many more of our employees are working on human rights worldwide, stay tuned for more of their stories coming soon.”

Watch the video to:

- Find out more about how we're promoting access to employment and social inclusion.
- Find out more about our commitment to supporting women and climate
- Find out more about our sustainable sourcing programs.
- Find out more about Diversity and Inclusion at L'Oréal.

At L'Oréal our ambition is Beauty for All, and beauty can't exist without respect for everyone's rights.

Human Rights violations are still much too frequent in the world, but at L'Oréal – as a company, as a community of coworkers and as individual people – we are committed to doing all we can to put a stop to Human Rights abuse.

Working all together, we have the power to end human rights abuse in our lifetimes. Together, we can end it. #wecanendit

Eradicating Modern Slavery: a continuing journey

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 Vismay Sharma,
Managing Director L'Oréal (UK) Limited.
18 June 2020

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).
- 75% of all L'Oréal UK and Ireland staff have confirmed that they have completed 'Ethics eLearning'
- 100% questions Answered: In our 2019 Ethics Day, the UK Senior Leadership team responded in writing to all 66 questions raised
- In 2019, 59 Speak Up reports were handled by L'Oréal UK and Ireland with 22 proven. None related to forced labour.

Setting future targets: our global 2020 vision

The L'Oréal Group has made public, **global commitments*** in many areas related to Modern Slavery, as part of the Sharing Beauty With All programme. Current progress against relevant targets as announced in our 2019 Annual Review is shown below:

- 87% of the Group's strategic suppliers** have been assessed and selected to date on the basis of their environmental and social performance
- 90,635 people from socially or economically disadvantaged communities gained access to employment
- 89% of brands have assessed their environmental and social impact
- 57% of brands have conducted a consumer outreach programme to raise awareness of its commitments
- 94% of the Group's permanent employees benefit from health cover that reflects best practices in their country of residence.

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. We will also continue to **mandate that where applicable, suppliers and subcontractors sign up to our Ethical Commitment Letter which is 100% mandated, tracked and audited.** 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.

* Source: 2019 Annual Report https://www.loreal-finance.com/system/files/2020-03/LOREAL_2019_Annual_Report_3.pdf

** '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.

Additional resources:

L'Oréal Group: Our Values & Ethical Principles

<https://www.loreal.com/group/who-we-are/our-values-and-ethical-principles>

L'Oréal Group: Code of Ethics

<https://www.loreal.com/group/governance/acting-ethically/code-of-ethics--a-guide-for-action>

L'Oréal Group: Human Rights Policy

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

L'Oréal Group: *New* 2020 Employee Human Rights Policy

https://loreal-dam-front-corp-en-cdn.damdy.com/ressources/afile/183247-c0883-resource_pdf-human-right-policy.pdf

L'Oréal Group: Company Reference Document

https://www.loreal-finance.com/system/files/2020-03/LOREAL_2019_Universal_Registration_Document_1.pdf

L'Oréal Group: 2019 Annual Report

https://www.loreal-finance.com/system/files/2020-03/LOREAL_2019_Annual_Report_3.pdf

L'Oréal UK: Modern Slavery Act Statement 2016, 2017 and 2018 Reports

<https://www.loreal.co.uk/miscellaneous/uk-modern-slavery-act-transparency-statement.htm>