

CODE OF ETHICS

**THE WAY**

*we*

**ACT**

L'ORÉAL

**4<sup>TH</sup> EDITION**



**L'Oréal was built on strong values and solid ethical principles. They must be embodied in the way we act.**

At L'Oréal, Ethics is built first and foremost on trust. Our Code of Ethics inspires our choices and helps us make better decisions. It is a constant challenge, but also a fantastic opportunity for continuous improvement.

Acting ethically creates trust with all our stakeholders. Without trust, L'Oréal cannot develop in the long term.

Because our culture of integrity is the guarantee of our sustainability, the ambition of the Board of Directors, shared by all, is to continue to be one of the most exemplary companies in the world.

**Jean-Paul Agon**  
**Chairman of the Board of Directors**

## FOREWORD

**Our strong ethical culture is one of the pillars of L'Oréal and deeply connected to our Sense of Purpose to Create the beauty that moves the world. The Code of Ethics exemplifies our leadership culture based on our demanding Ethical Principles. It is our compass, which empowers and guides us in a world of unprecedented uncertainty and transformations, where it can be difficult to find landmarks.**

Our ethics programme is widely recognised and places us amongst the leading companies in the world. We have updated our Code of Ethics to reflect the world we operate in and the new challenges that our teams are facing.

Respect of our Code of Ethics and our Ethical Principles in our strategic priorities and transformation is our licence to operate. This is why we will always support our employees and partners when they wish to raise a concern regarding the respect of our ethical commitments. L'Oréal's reputation, the trust of our stakeholders and the greater society rely on our capacity to sincerely live up to our responsibility.

Together with the Executive Committee, I make a personal commitment to follow this Code in letter and in spirit. We count on you to do the same.

*Live it and pass it on.*

**Nicolas Hieronimus**  
CEO





THE WAY  
I ACT



THE WAY  
I ACT



THE WAY  
I ACT



# THE WAY we ACT

**At L'Oréal, we share a common Sense of Purpose to Create the beauty that moves the world. Ethics is at the heart of our purpose and of everything we do and how we do it.**

**The way we act and the choices we make as individuals and as a Group define us and are the tangible embodiment of our Ethical Principles.**

Ethics guides us. It helps us answer important questions, like what we will always, or on the contrary, never do. Ethics elevates the role we play in society and as a global citizen at Group level. We rely on ethics when there are no laws to guide us, when the situation is opaque and unprecedented. By simply asking "What is the right thing to do?", we see clearer and take better decisions. Every time.

# CONTENTS

## *Introduction*

---

WHY DO WE HAVE A CODE OF ETHICS?	06
HOW TO USE OUR CODE	07
OUR ETHICAL PRINCIPLES	08
ETHICAL DECISION TREE	09
RESPECTING HUMAN RIGHTS	10
SPEAK UP: HOW TO RAISE AN ETHICAL CONCERN	11

## AS A *Business*

---

MAKING SAFE, QUALITY PRODUCTS	14
CONDUCTING RESEARCH AND INNOVATION WITH INTEGRITY	16
COMMUNICATING RESPONSIBLY	18
PROMOTING RESPONSIBLE USAGE OF TECHNOLOGY	20
HANDLING PERSONAL DATA WITH CARE	22
PROTECTING CONFIDENTIAL INFORMATION	24
BUILDING STRONG RELATIONSHIPS WITH OUR BUSINESS PARTNERS	25
TREATING OUR COMPETITORS FAIRLY	27
PROTECTING L'ORÉAL'S REPUTATION	29
ENSURING THE RIGHT USE OF COMPANY RESOURCES	31
BEING OPEN ABOUT CONFLICTS OF INTEREST	33
FIGHTING CORRUPTION	34
PREVENTING FRAUD AND OTHER ILLICIT ACTIVITIES	35

## AS AN *Employer*

---

ENSURING THE RIGHT WORKING CONDITIONS	38
THE LEADERS' AND MANAGERS' ROLE	40
PROMOTING DIVERSITY, EQUITY AND INCLUSION (DE&I)	42
ENSURING RESPECT AT WORK	44

## AS A *Responsible Corporation*

---

RESPECTING PLANETARY BOUNDARIES	46
CONTRIBUTING TO A BETTER SOCIETY	48
PROMOTING RESPONSIBLE LOBBYING	49
BEING A RESPONSIBLE TAX CITIZEN	51



**INTRODUCTION**

ETHICAL PRINCIPLES  
HUMAN RIGHTS  
SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

# Introduction

<b>WHY DO WE HAVE A CODE OF ETHICS?</b>	<b>06</b>
<b>HOW TO USE OUR CODE</b>	<b>07</b>
<b>OUR ETHICAL PRINCIPLES</b>	<b>08</b>
<b>ETHICAL DECISION TREE</b>	<b>09</b>
<b>RESPECTING HUMAN RIGHTS</b>	<b>10</b>
<b>SPEAK UP: HOW TO RAISE AN ETHICAL CONCERN</b>	<b>11</b>



## INTRODUCTION

ETHICAL PRINCIPLES  
HUMAN RIGHTS  
SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

# WHY DO WE HAVE A CODE OF ETHICS?

**Our Code of Ethics is our daily guide. It helps us understand what is expected from each of us as members of the L'Oréal community, and identify the topics which require special care so that we can live up to our demanding Ethical Principles and our commitments.**

L'Oréal operates in many countries – each home to a wide variety of cultural and legal environments. We as a business and as individuals must always respect the laws and regulations of the countries in which L'Oréal operates.

The Code of Ethics helps us ensure that we apply the same ethical standards wherever we operate. There may be instances when the Code is at variance with the local law or customs of a particular country. If that is the case, where local law or customs impose higher standards than those set out in the Code, local law and customs should always apply. When faced with conflicting requirements between local laws and our Code of Ethics, we will always seek ways to honour the standards set out in our Code, unless this results in illegal activity.

**The standards set out in this Code are not optional: we must respect them.**

We set the example: L'Oréal's reputation and the trust of our stakeholders depend on each of us.

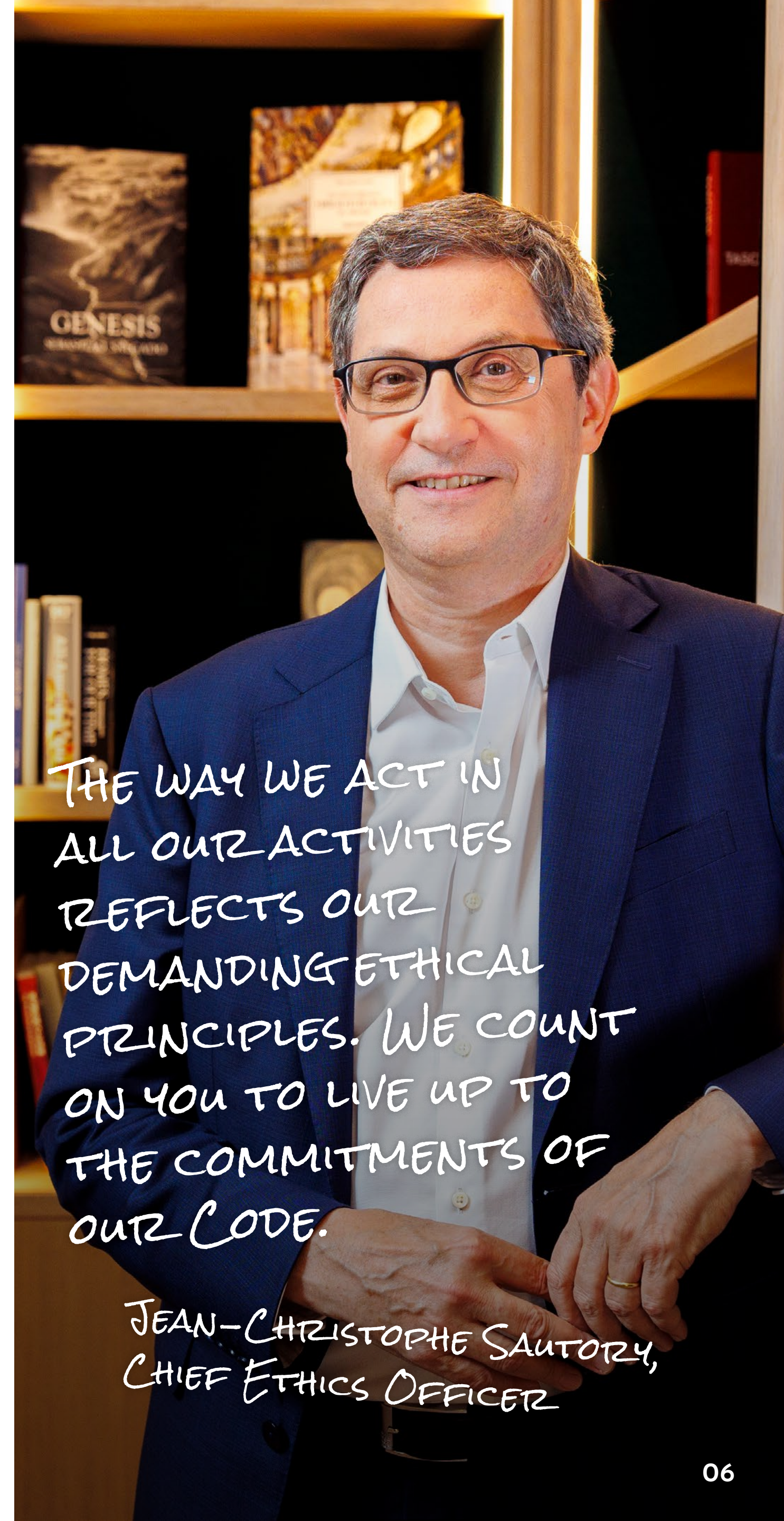
We are evaluated not only on what we do, but also on how we do it.

No document can anticipate and address every situation that may arise. Over the next decade, we will probably face new ethical dilemmas. We recognise that in some situations, making decisions is not easy. Our Code of Ethics sets standards for the Group and offers guidance in a number of 'grey areas' where an informed decision is required.

**The golden rule is to disclose and consult. Discuss the matter openly with your manager, internal experts or Ethics Correspondent before acting.** Our Ethical Decision Tree can also help deal with unexpected situations.

The Code of Ethics applies to all employees of the L'Oréal Group and its subsidiaries worldwide. It also applies to all corporate officers and members of the Executive and Management Committees of the L'Oréal Group and its subsidiaries worldwide as well as all employees and corporate officers of the Fondation L'Oréal. In case of breach of this Code, L'Oréal reserves the right to take the action deemed appropriate in the situation.

We actively seek out and favour business partners who share our ethical standards as described in this Code with regards to human rights, working conditions, environmental stewardship and business integrity. We are committed to supporting partners in meeting these standards whilst having the courage, if necessary, to end relationships with those who are unwilling to meet them.



THE WAY WE ACT IN ALL OUR ACTIVITIES REFLECTS OUR DEMANDING ETHICAL PRINCIPLES. WE COUNT ON YOU TO LIVE UP TO THE COMMITMENTS OF OUR CODE.

JEAN-CHRISTOPHE SAUTORY,  
CHIEF ETHICS OFFICER



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

# HOW TO USE OUR CODE

The code is split into three sections, each with multiple chapters.

*Business*  
*Employer*  
*Responsible Corporation*

Each chapter specifies what we will and will not do. For example:

### WE WILL

- ✓ Provide clear information on our products and ingredients.

### WE WILL NOT

- ✗ Put any product on the market which does not respect our high safety and quality standards.

**FAQs** In each chapter, you will find some Q&As, concrete illustrations of how we implement our commitments in daily situations.

Additionally, you will find proof points of how L'Oréal puts ethics in action and ways in which you can do the same with useful resources and points of contact.

*Ethics in action*  
*How can you act?*

**Our network of Ethics Correspondents around the world are a resource for you if you have questions on ethics.** Their role is to mobilise, counsel and coordinate with local teams and experts. They have a direct functional reporting line to the Chief Ethics, Risk & Compliance Officer.

Because the world changes fast, we need to update the Code of Ethics regularly. The Code may be amended at any time when deemed appropriate.

The English version of the Code is the reference document. The Code is available in written and in audio format in English and French. Additional local translations are available. It is publicly available on L'Oréal's corporate website.

The Code aims to provide a framework for all our internal policies and standards. In particular, ethical policies and the Fundamentals of Internal Control are available to provide guidance on specific topics.





## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

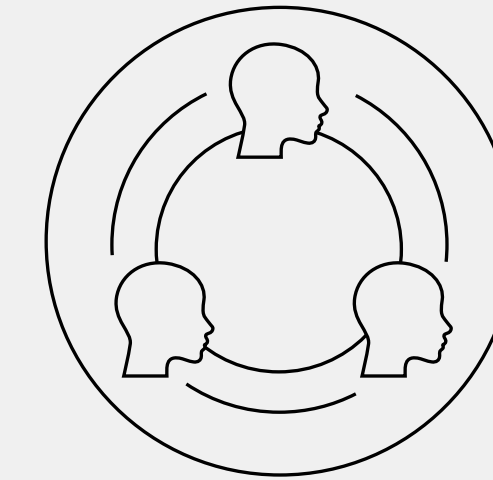
# OUR ETHICAL PRINCIPLES

Our Ethical Principles show people what they can expect from us and guide our commitments and responsibilities. They contribute to our reputation as a trustworthy and respected ethical business, and, together, they underpin our shared desire to Create the beauty that moves the world.



## Integrity

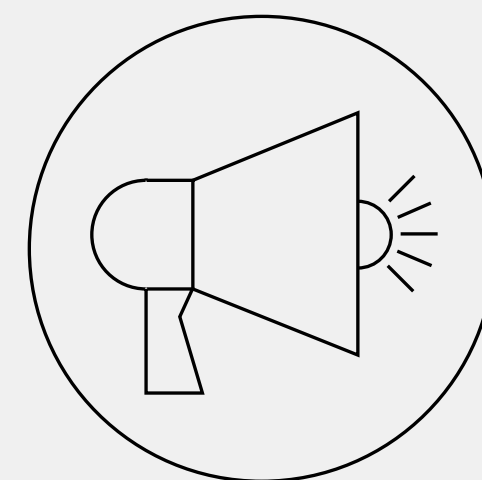
Because acting with integrity is vital to building and maintaining trust and good relationships.



## Respect

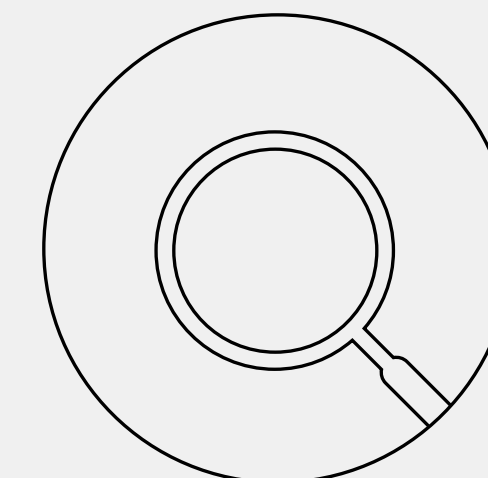
Because we strive to have a positive impact on our stakeholders.

L'ORÉAL  
G R O U P E



## Courage

Because ethical questions are rarely easy but need to be addressed.



## Transparency

Because we must always be sincere and justify our actions.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

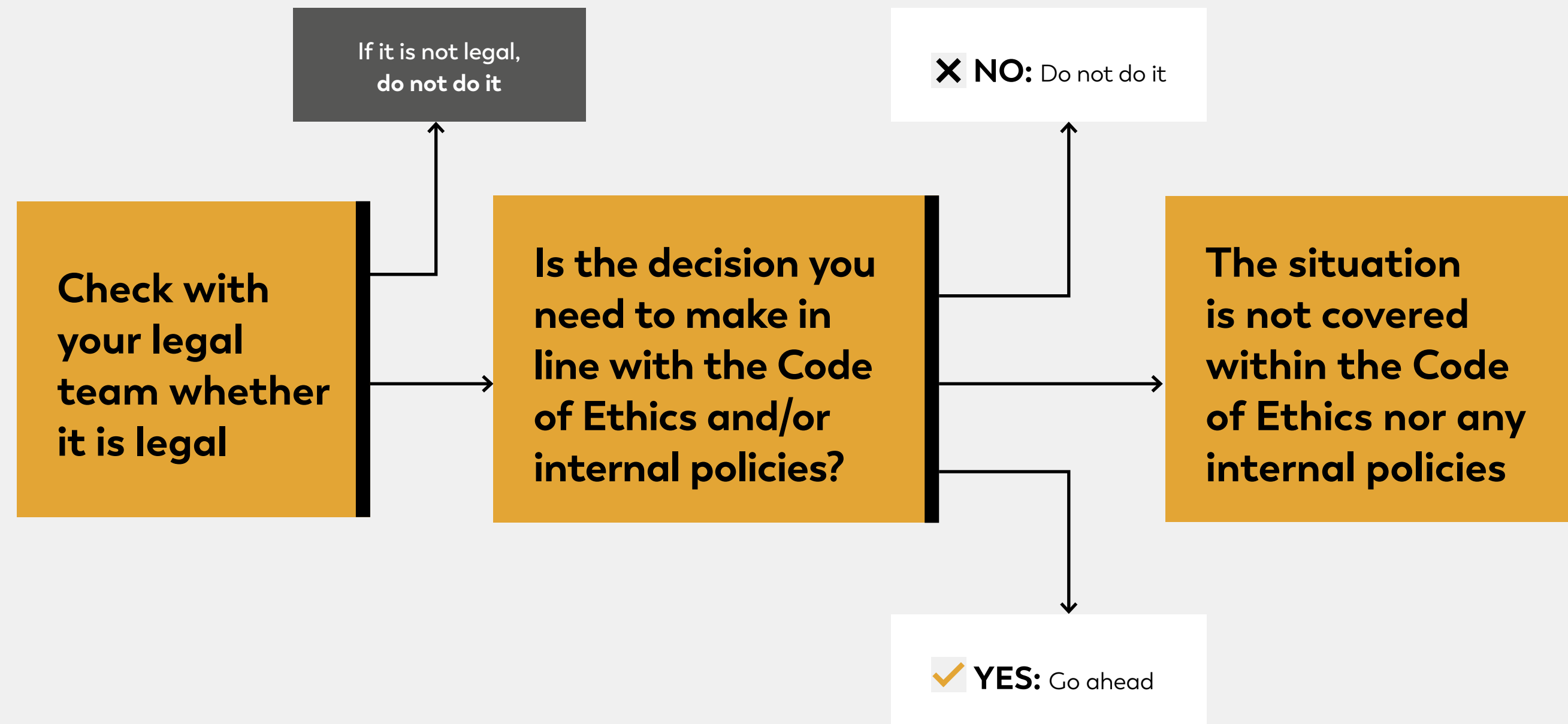
CONTACT

# ETHICAL DECISION TREE

Are you facing a situation and are not sure which decision you should make?

This Ethical Decision Tree can help you work out the right approach, in line with our Code of Ethics, internal policies and Ethical Principles.

In any case, all your actions and decisions must be in line with your local laws and regulations.



## Our Ethical Principles can help you navigate through these situations. Ask yourself:



### Integrity

Are you doing the right thing without exception?  
Would this impact the trust of our partners or consumers?



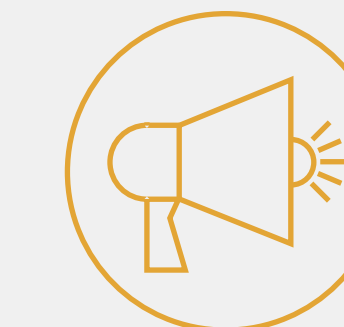
### Respect

Are you treating others as you would like to be treated?  
Would it negatively impact people or the planet?



### Transparency

Would you like to see this all over the internet?  
Would you be able to easily justify your decision?



### Courage

Are you standing up for the way we act?  
Would this be considered appropriate years from now?

**ETHICAL QUESTIONS ARE NOT EASY BUT MUST BE ADDRESSED. YOU ARE NOT ALONE!**

Discuss the situation openly with your manager or Ethics Correspondent.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

# RESPECTING HUMAN RIGHTS

**We are committed to respecting human rights, wherever we operate.**

Our respect for human rights is based on all internationally recognised human rights standards, in particular the International Bill of Human Rights (1948 Universal Declaration of Human Rights and the two covenants), on the 2011 United Nations Guiding Principles on Business and Human Rights and on the International Labour Organization's Core Conventions.

### What human rights mean

Human rights are relevant to everyone and impact us all on a daily basis. L'Oréal promotes respect for all internationally recognised human rights and fundamental freedoms, including the right to:

**Not be discriminated against**

**Have a decent job**

**Freedom of expression**

**Health**

**Life and safety**

**Privacy**

## HOW WE RESPECT HUMAN RIGHTS

### Mitigating our impacts

L'Oréal is a company made up of human beings whose actions and products impact people as well as our planet. As such, it is our responsibility to ensure that we respect human rights, by mitigating negative impact resulting from our activities and by developing our positive impact where we can.

### Mapping and managing issues

We aim to ensure respect for human rights within our own operations and with our business partners, by trying to find out who we impact the most and how (i.e. human rights due diligence process). To help us embed our commitments, we work with internal and external human rights experts to identify and address parts of our business where we impact people the most (i.e. our salient human rights issues).

### Developing a culture of transparency

We are transparent about our achievements and challenges. We encourage our stakeholders, including the most vulnerable ones, to raise any human rights-related concerns or issues they may be facing because of our activities, through various grievance mechanisms, and in particular through our **Speak Up** policy. We engage with NGOs to help us embed our commitments.

We do not inhibit the lawful actions of human rights defenders or restrict their freedom of expression, freedom of association, or right to peaceful assembly, including those who actively campaign on issues that may be linked to our business. We share this policy with our business partners.

## *Human Rights in action*

When sourcing our raw materials, we check if this could impact Indigenous Peoples and if this is the case, we make sure that their rights are respected, in particular rights related to their land, in line with Free Prior Informed Consent Principles, as well as their traditional knowledge.

We are committed to ensuring that all employees receive at least a living wage covering their basic needs and calculated in line with best practices. By 2030, 100% of our strategic suppliers' employees will also be paid at least a living wage.

## *How can you act?*

Several chapters of the Code of Ethics help us ensure we respect our human rights commitments, namely **Making safe, quality products, Communicating responsibly, Handling personal data with care, Building strong relationships with our business partners, Ensuring the right working conditions, Promoting Diversity, Equity & Inclusion, Ensuring respect at work, Respecting planetary boundaries, and Contributing to a better society.**

Read our **Group Human Rights** policy and **Employee Human Rights** policy.

A few interesting reference documents you may wish to read are:

UN Declaration on the Rights of Indigenous Peoples

Convention on Biological Diversity and the Nagoya Protocol on Access and Benefit Sharing

UN Declaration on Human Rights Defenders.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

**SPEAK UP**

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

# SPEAK UP: HOW TO RAISE AN ETHICAL CONCERN

**We speak. We progress.**

**Being able to quickly identify ethical misconduct is key to ensuring we live up to our Code of Ethics and our Ethical Principles throughout all our activities and geographies.**

We encourage a culture of openness where employees and our external stakeholders can raise their concerns.

It is important to ensure that all concerns are supported by consistent and detailed facts.

We recognise that speaking up is not always easy and can be intimidating. We have two channels that are trustworthy and in line with whistleblowing best practices. You can raise your ethical concern through the normal management channels (members of the Group's Executive Committee, members of a Group, Zone or Country Committee, Country Managing Director or Ethics Correspondent) or directly to the Global Ethics, Risk & Compliance department through our secure website [www.lorealpeakup.com](http://www.lorealpeakup.com). In addition to whatever protection is afforded by national laws in the countries in which we operate, our Speak Up policy sets a global framework providing clear guidelines.

Our Speak Up programme enables L'Oréal internal and external stakeholders to raise any serious ethical concerns they may have so that the Group and the Global Ethics department can address them. Speaking up gives us the chance to make things right where needed and ensures that we uphold our responsibilities.

In case of any doubt, don't hesitate to speak up: you should not assume your concerns are known at the right level of the organisation. If your concern is not admissible according to our **Speak Up** policy, we will redirect you to the appropriate department, with your prior consent, while always respecting the confidentiality of your identity.

## Speak Up Guidelines

### CONFIDENTIALITY

Confidentiality is key to ensure you feel safe to raise your concerns. Therefore, all Speak Up reports are only shared with the persons involved in handling the case strictly on a 'need-to-know' basis.

If someone shares confidential information regarding a past or ongoing investigation, please contact your Ethics Correspondent or the Global Ethics department directly. If you prefer, reports can be made anonymously via our public secure website: [www.lorealpeakup.com](http://www.lorealpeakup.com).

All investigations are managed on a dedicated system hosted on an encrypted platform, so that all information relating to investigations is protected.

### EQUAL TREATMENT

All Speak Up reports are reviewed, and, if required, corrective measures are taken regardless of the seniority level of the person involved or if they are internal or external stakeholders. Conclusions are only based on facts and tangible information gathered during the investigation.

### PROTECTION

Employees or external stakeholders making a Speak Up report or involved in an investigation should never be sanctioned for having shared their concerns in good faith. The reputation of people unjustly accused is also protected and Speak Up reports made in bad faith can lead to sanctions. In case of retaliation after speaking up, please contact directly the Global Ethics department or use the Speak Up platform.

### ACCOUNTABILITY

The Global Ethics department and Ethics Correspondents oversee all Speak Up investigations. The Group's Chief Ethics Officer directly handles any concerns relating to top management.

**SPEAK UP**

We speak. We progress



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

**SPEAK UP**

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

# SPEAK UP REPORTS IN ACTION

## STEP 1

### Reception

After receiving a concern, the person making a Speak Up report will usually be contacted to gather additional information.

## STEP 2

### Admissibility assessment

Based on the information received from the reporter, Ethics Correspondents or the Global Ethics department assess if the allegations fall under the scope of the **Speak Up** policy.

## STEP 3

### Investigation

An investigation is required to assess the reality of the facts based on evidence that can be gathered through interviews, witnesses and documentation. An investigation can last several months depending on its complexity.

## STEP 4

### Investigation report and remedial actions

Based on a report shared among the Global Ethics department, Human Relations and management, specific conclusions are communicated to the relevant people involved. Appropriate remediation actions, that can include individual sanctions, are undertaken by management and Human Relations.

## STEP 5

### Follow-up

If necessary, the reporter will be contacted after the investigation to ensure that they are not facing any retaliation from speaking up.

*Ethics in action*

You can go directly to [www.lorealsspeakup.com](http://www.lorealsspeakup.com) here.



We speak. We progress



Scan the QR code to access the L'Oréal Speak Up platform.

*How can you act?*

Contact your Ethics Correspondent and read the **Speak Up** policy.



# LIVING UP TO OUR COMMITMENTS AS A

# Business

INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

**AS A BUSINESS**

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

MAKING SAFE, QUALITY PRODUCTS	14
CONDUCTING RESEARCH AND INNOVATION WITH INTEGRITY	16
COMMUNICATING RESPONSIBLY	18
PROMOTING A RESPONSIBLE USAGE OF TECHNOLOGY	20
HANDLING PERSONAL DATA WITH CARE	22
PROTECTING CONFIDENTIAL INFORMATION	24
BUILDING STRONG RELATIONSHIPS WITH OUR BUSINESS PARTNERS	25
TREATING OUR COMPETITORS FAIRLY	27
PROTECTING L'ORÉAL'S REPUTATION	29
ENSURING THE RIGHT USE OF COMPANY RESOURCES	31
BEING OPEN ABOUT CONFLICTS OF INTEREST	33
FIGHTING CORRUPTION	34
PREVENTING FRAUD AND OTHER ILLICIT ACTIVITIES	35



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

### AS AN EMPLOYER

### AS A RESPONSIBLE CORPORATION

### CONTACT

# MAKING SAFE, QUALITY PRODUCTS

We are committed to ensuring the safety and quality of our products, everywhere and always. Since the beginning, innovation and ethics have been central to L'Oréal – starting with finding a way for people to dye their hair safely. Product safety and quality have always been paramount and the first building block of our consumers' trust. We ceased testing our products on animals in 1989 and strive to end this practice in our industry, contributing to the development and acceptance of alternative methods.

### WE WILL

- ✓ Provide clear information on our products and ingredients.
- ✓ Ensure that our sub-contractors and suppliers respect our safety and quality standards.
- ✓ Take action or Speak Up if we become aware of any product safety or quality issue.

### WE WILL NOT

- ✗ Put any product on the market which does not respect our high safety and quality standards.
- ✗ Forego our scientific integrity for the benefit of faster product development or influence or modify evaluation and test results.





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## FAQs

### What do we do with ingredients subject to controversy?

Safety is our number one duty towards our consumers. We want them to use our products with complete trust, safe in the knowledge that each ingredient has been meticulously selected and thoroughly vetted, thanks to rigorous systems allowing us to monitor every step of our development process.

We are transparent about the ingredients we use, notably through our platform **Inside our Products**. When there is a debate about the safety or environmental impact of an ingredient, we monitor this closely and work with our stakeholders to investigate further. If there is a proven or strongly suspected risk, we will stop using it, whatever the cost.

### How do we ensure that our new acquisitions or subcontractors really respect our standards?

When we acquire a new brand or plant or when we subcontract our manufacturing, there is always a review and, if necessary, an action plan to ensure the plant or the subcontractor measure up to our quality and ethical standards as quickly as possible. This can lead us to change subcontractors, if necessary.

### Why do people still believe that we test our products on animals?

We have been at the forefront of alternative methods for decades and we completely ceased testing our products on animals in 1989, 14 years before it was mandatory. Unfortunately, some health or consumer authorities in certain countries may decide to conduct animal tests themselves. This can make the situation difficult to understand sometimes. We are proud to be amongst the most active companies in promoting alternative methods.

## *Ethics in action*

Each L'Oréal product undergoes approximately 100 quality controls before being put on the market.

## *How can you act?*

Read our **Human Rights** policy and our ethical guides **The Way We Work with Scientific and Health Care Professionals**, **The Way We Conduct Cosmetic Predictive Evaluation** and **The Way We Conduct Cosmetics Studies Involving Volunteers or Consumers**. The **Inside Our Products** site also contains useful information.

There may be specific policies on product safety and quality that apply to your activity or in your entity. Contact your Quality Director or Scientific Director for more details.





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

# CONDUCTING RESEARCH AND INNOVATION WITH INTEGRITY

We are committed to ensuring the quality and relevance of our scientific projects, the objectivity, reliability and reproducibility of our data and the transparency and truthfulness of our scientific communication.

The ethics of our research and innovation activities and the integrity of our data have always been paramount and a guarantee that we make effective and unique products for consumers. Our responsible research, maintaining the reputation and credibility of science, is a building block of our consumers' trust.

## WE WILL

- ✓ Consider the impact of our projects with respect to people, society and the environment, in order to preserve the wellbeing, health, privacy and freedom of people as well as save natural resources.
- ✓ Be particularly vigilant using an algorithm: the approach must be proportional to the risk incurred, whether the algorithm is used to design or optimise a cosmetic material or formula or whether it is used to classify or issue recommendations for consumers.
- ✓ Act with respect and loyalty regarding the work and expertise of other scientists and be respectful in our interaction with external partners: scientific teams, service providers, subcontractors and suppliers.
- ✓ Base our scientific communication only on the formulation of scientific hypotheses and their factual verification, regardless of their value and nature.

## WE WILL NOT

- ✗ Take any risk with regard to safety, human health and the environment, considering current scientific understanding.
- ✗ Forego our scientific integrity for the benefit of faster product development or influence or modify evaluation and test results.

## *Ethics in action*

L'Oréal benefits from a Scientific Ethics Advisory Committee to address questions coming from R&I employees.

This Committee is based on an internal network of Scientific Ethics Referents.

## *How can you act?*

Read our ethical guides **Scientific Integrity of R&I**, **The Way We Work with Scientific and Health Care Professionals**, **The Way We Conduct Cosmetic Predictive Evaluation** and **The Way We Conduct Cosmetics Studies Involving Volunteers or Consumers**, **The Way We Work with Suppliers**, and **Principles for Trustworthy AI**. L'Oréal's policies **10 Points of Vigilance for Responsible Product Communication** and **10 Points of Vigilance for Data Privacy and Social Media** also contain useful information. Contact your Scientific Director for more details.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

### AS AN EMPLOYER

### AS A RESPONSIBLE CORPORATION

## CONTACT

## FAQs

### How can we create an 'out of the box' mindset to challenge scientific dogma?

In research, dogmas are made to be questioned. L'Oréal, and in particular its R&I, are by nature open to new ideas.

As scientists, we may have the impression that we are blocked when we submit proposals at odds with current programmes. In this case, we start by documenting our point of view.

We also build our argument by asking for the opinion of colleagues or experts in the field. Then, we explain our point of view within the framework of scientific debate. Once this debate has been held, we will respect management guidelines and we will follow the decision made on the choice of the project's scientific guidelines, complying with our Code of Ethics and the guide **Scientific Integrity of R&I**.

### What should I do if I observe that there are contradictory external scientific data or publications that could invalidate my own data?

Data contradicting our own findings may indeed exist in the literature. Above all, as scientists, we will carefully verify that our own research work relies on prior quality data. We know however that some scientific results are not reproducible and include biases.

If a publication is contradictory to our findings, we take this into account and demonstrate critical thinking. In addition, it is necessary to seek the reason for the inconsistency. This may be due to an error on our part in the management of the study or the interpretation of the findings, but also to biases in the publication.

### From my point of view, certain evaluation study data is clearly wrong and/or could create a bias against the product tested. What should I do?

Any data set is to be handled as is, without any changes. Under no circumstances may data disappear or be removed voluntarily because it creates a difficulty. Data regarded as abnormal must be identified as such, and their eventual non-inclusion in results processing must be duly justified and tracked, in agreement with the study manager.



INTRODUCTION  
ETHICAL PRINCIPLES  
HUMAN RIGHTS  
SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## COMMUNICATING RESPONSIBLY

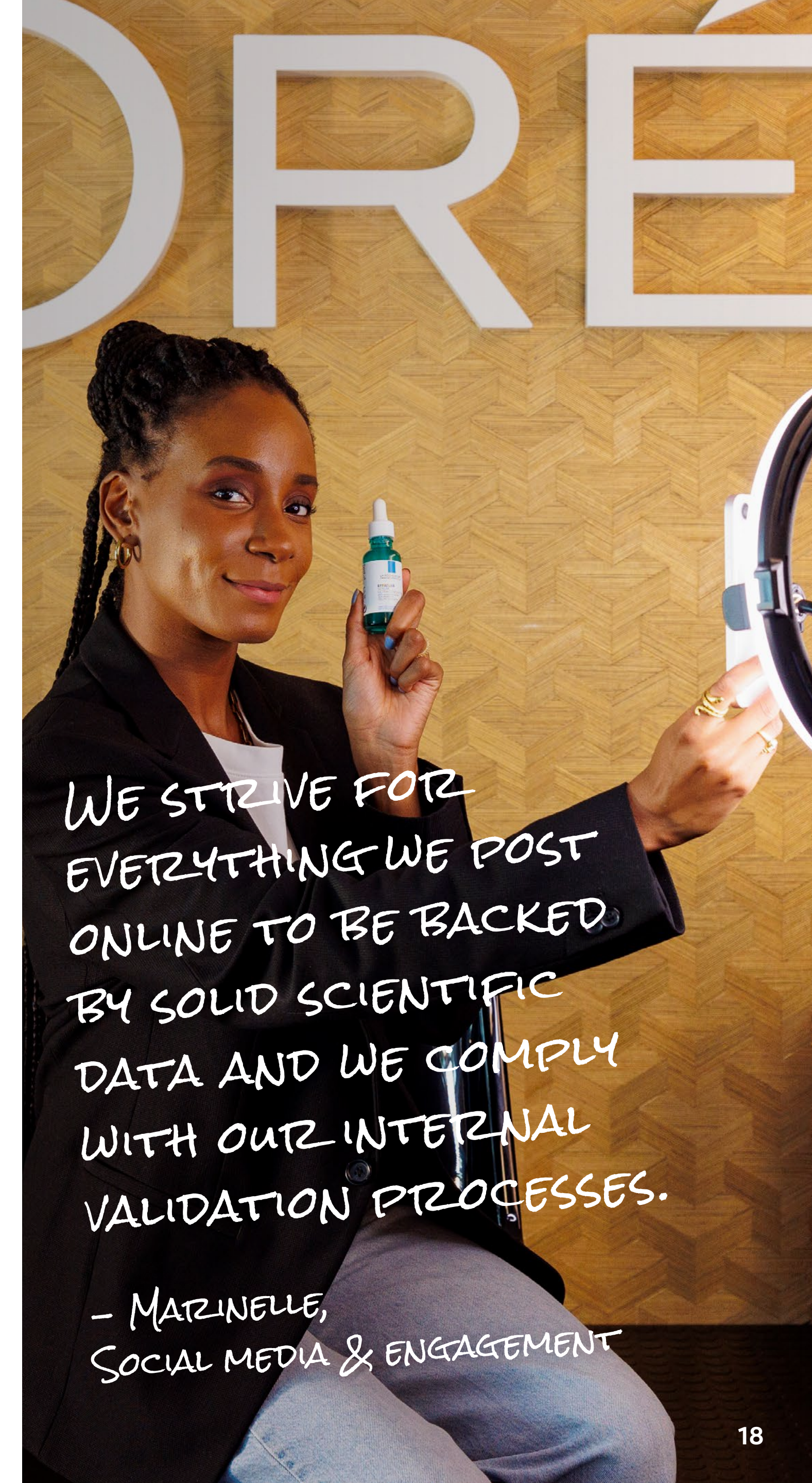
Transparency and integrity are key when communicating about L'Oréal, its brands and products. We are conscious of the beauty images we project and the impact they may have on the lives of millions of people around the world. Together with our agencies, we therefore need to ensure this impact is always positive and respecting and promoting the infinite diversity of beauty needs and desires.

### WE WILL

- ✓ Ensure that the advertisement and commercial communication on all media are sincere, true, non-misleading and decent.
- ✓ Aim to be inclusive towards people of every ethnicity, social background, religion, gender, sexual orientation, age or disability.
- ✓ Be extremely cautious when promoting products to children and young people.
- ✓ Carefully manage the relationship with people who recommend our products (e.g. influencers, social sellers, bloggers, vloggers, journalists, doctors) and be transparent about it.
- ✓ Ensure we respect advertising laws and the usage of third-party assets.
- ✓ Ensure that all copyrights, author rights, personality rights and usage rights are respected.
- ✓ Ensure all claims and statements are based on solid data and comply with our internal validation process.

### WE WILL NOT

- ✗ Promote unhealthy or unrealistic beauty aspirations and personal benefits.
- ✗ Seek to exploit our consumers' or stakeholders' lack of knowledge or lack of experience.
- ✗ Undermine human dignity in our advertising, present degrading stereotypes or disrespect minority communities.
- ✗ Deliberately exaggerate claims in our communications, including environmental or societal claims.
- ✗ Communicate in media environments which publish content linked to violence, incitation to hatred and sex.
- ✗ Specifically target young people under 16 except for dermatological, hygiene and sunscreen products.



WE STRIVE FOR  
EVERYTHING WE POST  
ONLINE TO BE BACKED  
BY SOLID SCIENTIFIC  
DATA AND WE COMPLY  
WITH OUR INTERNAL  
VALIDATION PROCESSES.

- MARINELLE,  
SOCIAL MEDIA & ENGAGEMENT



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## FAQs

### What can we say to people who feel that we are promoting an unrealistic model of beauty?

Beauty has always been aspirational and we embrace the infinite diversity of beauty aspirations. We aim to give a fair, precise and truthful description of our products and their effects. We cannot mislead our consumers to believe in unachievable effects of our products through the use of pre-production or post-production techniques. For example, we only use visual retouching techniques to correct technical issues such as untrue results due to lighting and never to enhance perceived product performance. We also seek to ensure the models we use are representative of a wide diversity of beauty types and do not use techniques to alter their physical appearance, age or skin tone.

### What is our position regarding advertising and children?

The only products we sell specifically aimed at children are dermatological, hygiene and sunscreen products. When children appear in our advertising, we are especially vigilant about their working conditions. We do not encourage the daily use of cosmetics for consumers under the age of 16. We do not use models aged under 16, except for our child-specific products. On online platforms, we adapt our advertising to take into account the age of users.

### What are we allowed to claim with regards to the presence or absence of a specific ingredient?

We cannot suggest that the presence or absence of a particular ingredient offers greater safety to consumers if we are simply respecting the law (e.g. no hexachlorophene). The presence of ingredients that have no effect in the formula cannot be used for claims. Finally, we are careful in the way we communicate on ingredients which could be perceived as controversial (e.g. hemp).

## *Ethics in action*

We do not work with models with a Body Mass Index (BMI) below 18.

## *How can you act?*

Read our [Human Rights](#) policy, our [Social Media](#) policy, the [L'Oréal Influencer Value Charter](#), the [L'Oréal Social Commerce Value Charter](#), [The Way We Work with Scientific and Health Care Professionals](#), [The Way We Do Philanthropy](#) guide as well as the [10 Points of Vigilance on Responsible Product Communication](#) and on [Advertising Law](#).

There may be specific advertising and communication policies that apply to your activity or in your entity. Contact your Chief Marketing Officer, Communication Director or Scientific Director for more details.



INTRODUCTION  
 ETHICAL PRINCIPLES  
 HUMAN RIGHTS  
 SPEAK UP

**AS A BUSINESS**

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

## PROMOTING RESPONSIBLE USAGE OF TECHNOLOGY

Over the past few years, L'Oréal has become a digital-first company. We leverage the power of technology to create a beauty that is more inclusive, responsible, sustainable and transparent for our consumers, but also for our communities and the planet. As a leader in the beauty industry, we aim to pave the way for the responsible development and use of digital marketing and Beauty Tech devices and services.

### WE WILL

- ✓ Act fairly and in accordance with our Ethical Principles when making decisions or using solutions based on AI algorithms in order to avoid unfair bias.
- ✓ Assess and act on the environmental footprint of our tech environment.
- ✓ Promote inclusive tech initiatives.

### WE WILL NOT

- ✗ Compromise on the safety or quality of our devices and services.
- ✗ Over rely on algorithmic decision-making without safeguards and human oversight.
- ✗ Violate human rights, notably privacy rights, nor cause restriction on individuals' freedom of choice when using AI systems.

ALL NEW SYSTEMS ARE ASSESSED FROM A SECURITY, DATA AND PRIVACY PERSPECTIVE TO SECURE THE INTEGRITY OF THE INFORMATION.

- CAMILO, BEAUTY TECH





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

**AS A BUSINESS**

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## FAQs

**From an ethical point of view, how can we ensure in our AI development that we do not take things too far?**

AI offers many opportunities but also raises many questions that we must address. These are not easy questions and we will adapt as we learn more. In collaboration with the Global Ethics department, we have defined our **Responsible Framework for AI** to ensure we develop and acquire AI systems that are trustworthy and respectful of all our users. We will implement a programme based on three steps: **Principles for Trustworthy AI**, Training & recruitment and Review & monitoring.

**Our brand developed a tool that identifies a consumer's skin concerns and allows us to recommend personalised products. However, as the tool does not perform as well for certain specific skin tones, we plan on offering this service only to specific consumers. Is this possible?**

We need to ensure we do not discriminate against our consumers in the access to our products and services. In this case, you should not put on the market a tool that does not serve all consumers.

**We use technology and digital services, while at the same time commit to limit the impact of our activities on carbon emissions. How can we do both?**

This is a challenging question. This is why we have built a dedicated sustainable IT & Tech roadmap whose objective is to make sure that the environmental impact of our Tech is under control, and that we leverage tech to reduce the impact of our business. As an illustration, we all have a role to play in limiting the environmental footprint of the usage of technology daily, by applying the digital tips. We work as well on Sustainable Tech by design to limit the impact of our tech initiatives.

## *Ethics in action*

As part of our **Principles for Trustworthy AI**, L'Oréal sets up internal operational processes and development milestones.

## *How can you act?*

Read our **Principles for Trustworthy AI**. There may be specific policies that apply to your activity or in your entity. Contact your Digital or Beauty Tech teams for more details.



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

## HANDLING PERSONAL DATA WITH CARE

We have a responsibility to uphold everyone's right to privacy. The way we collect, store and use personal data is an important factor in maintaining the trust of our stakeholders.

### WE WILL

- ✓ Make sure the people from whom we collect personal data are informed of the type of information we are collecting, how we plan to use it, who we may share it with and who they can contact if they have any questions.
- ✓ Only collect the personal data that is necessary and ensure that it is securely processed.
- ✓ Take into account the possible impacts of our use of new technologies.
- ✓ Ensure that all third parties from whom we obtain personal data or who collect, store or use personal data on our behalf, share our data privacy standards.
- ✓ Take action or Speak Up if we become aware of any data privacy issue.

### WE WILL NOT

- ✗ Collect sensitive information unless we are legally obliged to do so or with the consent of the person concerned.
- ✗ Use personal data in ways not explained in advance to the person from whom we collected the data.
- ✗ Keep personal data longer than is necessary to meet the legal or business need for which it was collected.
- ✗ Make decisions based solely on automated processing when this can significantly impact the people concerned.

EMPLOYEES SHARE WITH US THEIR PERSONAL DATA, AND WE ABSOLUTELY NEED TO PROTECT THEM WHILST CREATING BETTER SERVICES.

- LAURENT,  
HR DATA &  
ANALYTICS





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

**AS A BUSINESS**

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## FAQs

### What do we mean by sensitive information and why do we need to use it?

This includes any information related to biometric data (e.g. retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry), health data, genetic data, ethnic origin, political opinions, religious or philosophical beliefs, trade-union membership, data concerning an individual's sex life or sexual orientation. We rarely process this type of data except when there is a legal obligation or for the purpose of clinical or evaluation studies with volunteers who test our products.

### I hear that there is money to be made from selling data to other companies. Do we do this at L'Oréal?

We only collect personal data for our own business or research purposes. We do not sell personal data we collect. We sometimes share data with third parties, for example when helping a university on a research project, but in such cases the data is always anonymised.

### Is it true that HR and IT can review all my emails and files?

In principle, we can only use the equipment put at our disposal for professional reasons. When we join L'Oréal, we are made aware of all workplace monitoring and its purpose. Employees' emails and files are only accessed when L'Oréal has a legitimate business reason. There are very strict rules on when personal information is subject to review.

## *Ethics in action*

L'Oréal wishes to promote the responsible use of AI, notably to avoid algorithmic bias.

## *How can you act?*

Read the [Data Privacy 10 Points of Vigilance](#) in the [Fundamentals of Internal Control](#), the [Digital Technology User Charter](#), our [Principles for Trustworthy AI](#), [Group Human Rights](#) policy and [Employee Human Rights](#) policy.

There may be specific policies on data privacy that apply to your activity or in your entity. Contact your local Data Privacy Officer for more details.





## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

### AS AN EMPLOYER

### AS A RESPONSIBLE CORPORATION

### CONTACT

# PROTECTING CONFIDENTIAL INFORMATION

We must protect the confidential information of L'Oréal and our business partners. Disclosing such information could not only harm our reputation but also affect our stakeholders' trust.

## WE WILL

- ✓ Respect the Group's rules on information protection, use of digital technology and insider trading which aim to limit the disclosure of non-public information to people with a legitimate 'need to know'.
- ✓ Immediately inform our manager if we have inadvertently disclosed confidential information or if we discover that confidential information has been disclosed.
- ✓ Be careful not to disclose confidential information when third parties are present (i.e. visiting our premises, when we are travelling, etc.).

## WE WILL NOT

- ✗ Discuss or work with confidential information in a public area where conversations can be overheard or data compromised.
- ✗ Disclose a previous employer's confidential information.
- ✗ Keep any confidential information when leaving L'Oréal.

## FAQs

### How can we balance transparency with business confidentiality?

Being transparent does not mean that we should be an open book. We have a legitimate reason to protect certain information. It's mostly a question of mindset. We should systematically ask ourselves if we can be more transparent but also recognise that it is our duty to protect confidential information. In case of any doubt, ask your manager or Communication Director.

### Sometimes we need to ask for confidential information from third parties, for example start-ups. How can we make sure they trust us?

Showing that we know how to handle confidential information is key to building trust. Only ask for the information you really need, explain why you need it, what information you will give in return, how you will use this information and with whom and how you will keep it safe.

## Ethics in action

All L'Oréal employees are required to follow specific training on how to ensure information is kept safe.

## How can you act?

Read our ethical guides **The Way We Work with Start-Ups**, **The Way We Work with our Suppliers** regarding our relationship with suppliers and **The Way We Compete** on our relationship with competitors and clients, our **Information Security** policy and **Social Media** policy as well as our **Stock Market Code of Ethics**. There may be specific policies on confidential information that apply to your activity or in your entity. Contact your manager or Ethics Correspondent for more details.

### At L'Oréal, we love to chat in corridors, while having a coffee etc. Can we really avoid visitors from hearing something they should not without becoming paranoid?

The easiest way to avoid this is to use designated meeting rooms for meetings with visitors or to warn your colleagues if you are expecting to take a visitor to your office. Again, if confidential information is leaked, we all suffer.



INTRODUCTION  
ETHICAL PRINCIPLES  
HUMAN RIGHTS  
SPEAK UP

## AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## BUILDING STRONG RELATIONSHIPS WITH OUR BUSINESS PARTNERS

We want to build a sustainable ecosystem with our business partners based on trust and mutual benefit. We are committed to having transparent and fair selection criteria and to giving honest and respectful feedback. We also seek and support business partners who share our ethical standards.

### WE WILL

- ✓ Respect our commitments to our business partners (for example paying suppliers or delivering to clients on time) and be open and diligent if we face any difficulties in doing so or if there are any legitimate reasons for not doing so.
- ✓ Show understanding when our business partners encounter difficulties, particularly in times of crisis.
- ✓ Avoid our business partners being overly economically dependent on L'Oréal business.
- ✓ Explain our ethical expectations and support business partners in meeting them while having the courage to end relationships with those who are unwilling to meet them.

### WE WILL NOT

- ✗ Impose abusive conditions on business partners (namely in terms of payment, deadlines, changing orders etc.).
- ✗ Ask our business partners to do what we are not able or willing to do ourselves.



WE CONDUCT HUNDREDS  
OF AUDITS EVERY YEAR  
TO PARTNER WITH THE  
RIGHT SUPPLIERS, WHO  
ADHERE TO OUR ETHICAL  
STANDARDS.

- KATHY, SOURCING



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

**AS A BUSINESS**

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## FAQs

### **How can we ensure that all our business partners share our ethical standards?**

The best way is to lead by example and to share our best practices whenever it is relevant. For example, with our clients, we seek to build partnerships on subjects on which we have shared interests, such as protecting our planet or respecting human rights. With regards to our suppliers, we go further and ask them to commit to respecting certain minimum ethical standards which we monitor closely. We do this, too, with our distributors.

### **I have found a really good supplier, but they are just starting up their business and L'Oréal is, for the moment, their only client. Can I work with them?**

The objective we have is to avoid creating long-term dependency. We can of course work with small suppliers but we have to make sure that they find other customers in order to develop themselves to exist without us.

### **One of our clients is criticised on social media for its working conditions. Can we continue to supply them?**

We should reach out to this client to hear their side of the story and to understand how they are addressing the issue. We should monitor this closely to see if any other measures need to be taken.

## *Ethics in action*

L'Oréal carries out several hundred audits every year to ensure its suppliers respect its ethical and human rights standards.

## *How can you act?*

Read **The Way We Work with our Suppliers**, **The Way We Compete**, **The Way We Work with Start-Ups**, **The Way We Work with Scientific and Healthcare Professionals** ethical guides, the **Fundamentals of Internal Control** and our supplier **Mutual Ethical Commitment Letter**. More information on how we work with our suppliers is contained in our **Buy & Care** programme. There may be specific policies regarding business partners which apply to your activity or entity. Contact your Legal department, Purchasing Manager or Ethics Correspondent for more details.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

### AS AN EMPLOYER

### AS A RESPONSIBLE CORPORATION

### CONTACT

## TREATING OUR COMPETITORS FAIRLY

Healthy competition stimulates innovation and ensures our consumers get the best deal in terms of price and product. Manipulating the market would unfairly break the balance between competitors, compromise the trust of our consumers and lead to serious legal sanctions. As a leader of the cosmetic industry, we need to set a good example. We will treat our competitors with respect, as we would like them to treat us. This is the only way we can take a stand if we feel someone is not respecting the rules of the game.

### WE WILL

- ✓ Only collect information about our competitors through transparent and lawful means.
- ✓ Immediately inform our manager if we inadvertently find ourselves with confidential information relating to our competitors.
- ✓ Notify our Legal department of meetings with competitors (including professional trade associations) or before taking any actions which could prevent a company from buying or selling to one of our competitors.

### WE WILL NOT

- ✗ Allow competitors' ex-employees, who have joined L'Oréal, to share any confidential information about their past employer.
- ✗ Interfere directly or indirectly in our clients' pricing policy.
- ✗ Make disparaging comments about our competitors.
- ✗ Be in contact with competitors where confidential information is discussed.





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

**AS A BUSINESS**

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## FAQs

**My colleagues in the commercial teams are often using aggressive language with regards to our competitors. Isn't it just part of the game?**

There is no need to make fun of our competitors or use strong language to gain market share. It is a waste of energy.

**At a friend's party, I happened to be sitting next to someone who works for one of our competitors. It was not a formal business meeting and we did not talk about work much. Do I still need to tell my manager about it?**

To be on the safe side, do tell your manager so that they can speak with the Legal department if they feel it is necessary.

**Can I follow our competitors on social media (for example, liking their Facebook page or following a competing brand on Twitter, Instagram etc.)?**

Yes, as soon as the competitor publishes freely accessible information on the internet and social media, you cannot be criticised for having obtained this information, provided however that the site concerned does not stipulate specific restrictions of access for competitors. Always check the conditions of use in case of doubt.

## *Ethics in action*

To support the sales teams, we have defined very simple helpful tips in the business-to-business (BTB) customers' resales prices and margins **10 Points of Vigilance on Business-to-Business Customers' Resales Prices and Margins** which can be found in the **Fundamentals of Internal Control** accessible on in the resource section of the Code of Ethics Microsite.

## *How can you act?*

Read **The Way We Compete** guide as well as the **Social Media** policy. There may be specific competition policies that apply to your activity or in your entity. Contact your Legal department for more details.



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

# PROTECTING L'ORÉAL'S REPUTATION

Over the last 100 years, L'Oréal and its brands have become household names. While we should all encourage transparency, sincerity and constructive criticism, we should also always ask ourselves what is the possible impact of our actions on L'Oréal's reputation. L'Oréal's reputation depends on the behaviour of each and every one of us.

## WE WILL

- ✓ Ensure L'Oréal's Ethical Principles are reflected in our professional behaviour at all times.
- ✓ Ensure that third parties who represent us, such as our spokespeople and influencers, are also required to respect our Ethical Principles.
- ✓ Avoid any possible confusion between our personal opinions and those of L'Oréal.
- ✓ Always keep in mind that nothing is secret or private or forgotten on the internet.
- ✓ Escalate to our management or Communications teams any incident which we feel may impact L'Oréal's reputation.

## WE WILL NOT

- ✗ Speak or make any commitments on behalf of L'Oréal unless duly authorised.
- ✗ Speak or write about topics related to the Group that are outside our field of expertise.
- ✗ Make untrue statements in a short-term effort to protect L'Oréal's reputation.

INTEGRITY AND  
TRANSPARENCY  
ARE KEY IN OUR  
PARTNERSHIPS  
WITH SPOKESPEOPLE  
AND INFLUENCERS.

- REEM, CORPORATE  
AFFAIRS & ENGAGEMENT





## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

### FAQs

**I am saddened by the criticisms addressed to L'Oréal and its brands on the internet and often end up getting into quite heated arguments with people online. How can I help protect our reputation?**

At L'Oréal, protecting the reputation of the Group is everyone's responsibility/role. We do it by respecting common Ethical Principles, by communicating in a sincere and transparent way, but also by involving the right people internally when needed. There are dedicated teams whose mandate is to defend the Group's reputation. If you identify a situation or content that may affect the Group's or one of our brand's reputation, please refer to the relevant team and they will support or directly handle it.

**It is important for me to express my personal opinions on social media and I sometimes see some colleagues taking some radical political stands on their personal social media accounts. What would L'Oréal do if somebody was to complain about this?**

L'Oréal does not make any statements which could be construed as support or criticism of any political party. We respect employees' freedom of expression so long as there is no confusion between the position of L'Oréal and their personal

convictions. This will depend on the position they hold within L'Oréal and who they are talking to. We should always ask ourselves the question: "Could an internet user think I was speaking on behalf of L'Oréal?".

**Can we ask our friends and family to write five-star reviews on our newly launched products?**

No, this is strictly forbidden. Their opinions may be confused with that of other consumers that have no relationship with L'Oréal. We could be accused of trying to unfairly influence consumers because of a lack of transparency. We want the reviews of our products to reflect our consumers' sincere opinion.

## *Ethics in action*

We developed a **Social Media** policy to help our employees when communicating on social platforms.

## *How can you act?*

Read our **Social Media** policy and visit our **Inside our Products** website.

There may be specific policies on external communications that apply to your activity or in your entity. Contact your Communication Director or Ethics Correspondent for more details.



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

## ENSURING THE RIGHT USE OF COMPANY RESOURCES

Resources are made available to all employees in order to perform their missions in the best conditions. Each of us is responsible for taking care of these resources to ensure the operational performance of L'Oréal.

### WE WILL

- ✓ Safeguard resources from loss, damage, theft, waste and improper use.
- ✓ Respect Group security practices.
- ✓ Ensure we implement good cybersecurity practices.

### WE WILL NOT

- ✗ Use these assets for a purpose contrary to our Ethical Principles.
- ✗ Unreasonably use resources for personal purposes.







## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

### FAQs

#### **I would like to install an application on my workstation. What can I do?**

L'Oréal provides you with applications to support you in your work and you can find them in the L'Oréal catalogue. To respect the rights of use of those applications, if you need any additional tools on your workstation for professional reasons, you must contact your manager and the IT team. Moreover, on your smartphone and tablet only install mobile applications from official public app stores.

#### **Can I resell the products purchased via our on-site or online company store on online sales sites such as Ebay?**

Reselling these products is prohibited. The products that you can purchase on our site are strictly reserved for your personal use and that of your relatives only.

#### **I suspect that one of my team members has been running an outside consulting business during company time, using their workstation and email to do so. I mentioned it to a friend in IT. He can access the guy's email and has offered to help me do a bit of sleuthing to find out what's going on. Is it OK to do so?**

The use of company resources for personal activities is forbidden. If you have suspicions of this kind, you should raise them directly with your manager. There are specific procedures for accessing employee email accounts in connection with a misconduct investigation. Even though your friend in IT has access to these accounts, he should not use it for this purpose without proper authorisation through official company channels.

## *Ethics in action*

L'Oréal has a charter for the proper use of information and communication technologies.

L'Oréal has a Security charter and Security Management System (SMS) detailing the main security requirements and protection measures for employees, assets and information.

Cybersecurity Awareness Month is an international campaign held annually to help employees implement good cybersecurity practices.

## *How can you act?*

Read our **Charter of Information and Communication Technologies**.

Read the **10 Points of Vigilance on Security in the Fundamentals of Internal Control and The 5 Golden Rules of Cybersecurity**.

There may be specific policies that apply to your activities or in your entity. Contact your HR or IT teams for more details.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

# BEING OPEN ABOUT CONFLICTS OF INTEREST

All of us may at one time or another find ourselves in a situation where our personal or financial interests might appear to be in conflict with the interests of L'Oréal. Being transparent ensures it does not become an ethical issue.

### WE WILL

- ✓ Immediately disclose to our management any personal relationships, outside activities or financial interests which might influence or appear to influence our judgments or decision-making.
- ✓ Seek advice if we are not sure we understand what might be considered a conflict of interests.

### WE WILL NOT

- ✗ Use our position within L'Oréal to favour in any manner our direct personal interests or indirectly those of our friends or family.
- ✗ Use company resources to carry out or support our personal activities or those of our friends or family.

### FAQs

#### **Can I have a personal beauty blog? Is it possible if I am transparent about my status as a L'Oréal employee?**

No. These blogs are only of interest if they reflect the point of view of consumers who can express themselves freely. But, as a L'Oréal employee, it is not possible for you to criticise L'Oréal products or to talk about competing products. You can, of course, produce blogs on other subjects that interest you: travel, cookery, lifestyle, etc.

#### **I have a friend who owns a great catering company. Can I send their details to all my work colleagues and can I put them in contact with the Purchasing department?**

You can, of course, talk to the Purchasing department about your friend's company but you should let them contact her if they're interested. You must disclose the fact that this vendor is a friend of yours and not interfere in any way in the vendor selection process. You cannot, however, use the company's email system to advertise your friend's business.

#### **I am dating someone who works for one of our clients. We met through work. I've heard that this has resulted in all types of rumours. Am I not allowed to have a private life?**

"Vive l'amour" as they say in France. But in some cases, L'Oréal has a legitimate interest to ask you to disclose personal relationships. To avoid any rumours of favouritism, you need to discuss this with your manager or your HR department who will handle the situation in a confidential and respectful manner.

## *Ethics in action*

Every year, the Board of Directors evaluates the situation of Directors with the aim of preventing conflicts of interest.

## *How can you act?*

Read our **Employment of Family and Friends** policy, **Conflicts of Interest** policy, our **Responsible Lobbying** policy and our **Social Media** policy.

There could be specific conflicts of interest disclosure procedures in place in your local entity. Contact your Human Resources manager or Ethics Correspondent for more details.



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

# FIGHTING CORRUPTION

In order to carry out our business with **Integrity**, we have a zero-tolerance policy with regards to corruption. Not only is corruption illegal everywhere we operate but it also causes poverty, discrimination and harm to the environment.

## WE WILL

- ✓ Immediately Speak Up if we become aware of any action that might be contrary to our zero-tolerance policy on corruption.
- ✓ In all countries, make sure our business partners and any person representing us with public authorities agree to comply with our anti-corruption policy.
- ✓ Encourage our business partners to adopt similar standards.
- ✓ Without delay, inform our manager of any gift or hospitality we receive, regardless of their value and nature.

## WE WILL NOT

- ✗ Promise, or give anything of value (money, gifts, entertainment etc.), to any representative of a public authority, political party or trade union, except with prior waiver according to Group policy.
- ✗ Accept or give any gifts or entertainment in breach of L'Oréal's Gift and Entertainment Employee Guide.
- ✗ Use others (intermediaries, suppliers, etc.) to do something that we are not allowed to do directly.

## FAQs

### Would we really delay a product launch if the products were stuck in customs and if it would cost us a small amount to get them released?

The answer is simple: we do not pay bribes, big or small, even if it means we lose business opportunities.

### The gift policy is just for us normal employees. I'm sure top management gets lots of gifts and invitations to 5-star dinner and golfing trips and no one does anything about it.

The Members of the Group Executive Committee, Group Managing Committee members and Country Managers are subject to the same rules as everyone else and must copy our Chief Ethics Officer when they ask for authorisation to accept a gift or invitation.

## Ethics in action

Our zero-tolerance policy covers 'facilitation payments', i.e. payment of small amounts to public authority representatives to accelerate legitimate routine actions.

## How can you act?

Read L'Oréal's Corruption Prevention policy, **The Way We Prevent Corruption** guide, **The Way We Work with our Suppliers**, **The Way We Work with Scientific and Health Care Professionals** and **The Way We Do Philanthropy** guides as well as our **Responsible Lobbying** policy. Contact your Internal Control Manager or CFO for more information on how the Group corruption prevention programme is implemented in your entity.

### What about the gifts we give to best customers, journalists, doctors etc. Is this corruption?

If handled sensibly, exchanging gifts and entertainment can help build understanding and improve working relationships. Our **Gift and Entertainment Employee Guide** in **The Way We Prevent Corruption** helps us ensure that any gifting we do is legitimate and will not affect the recipient's decision-making or their opinion of L'Oréal.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

### AS AN EMPLOYER

### AS A RESPONSIBLE CORPORATION

### CONTACT

# PREVENTING FRAUD AND OTHER ILLICIT ACTIVITIES

As an ethical company, we have a duty to fight against fraud, which can happen like in any other large corporation. We must keep accurate financial and business records and run our business with **Integrity**. Moreover, we need to perform due diligence to know our business partners and ensure compliance with international trade policies.

## WE WILL

- ✓ Comply with internal policies put in place to prevent fraud (internal control framework, segregation of duties, fraud awareness training, payment fraud prevention, etc.).
- ✓ Ensure company assets are not stolen, lost, damaged or misused, loaned, transferred, sold or donated without authorisation.
- ✓ Investigate all suspicion of frauds, according to our ethical standards.
- ✓ Follow internal due diligence procedures in order to work with reliable business partners.
- ✓ Maintain accurate financial and business records and follow any guidelines on record.

## WE WILL NOT

- ✗ Make purchases on behalf of the company without respecting our procurement processes.
- ✗ Manipulate sales or financial reporting to gain direct or indirect rewards.
- ✗ Work with countries and partners which are subject to sanctions and embargoes.
- ✗ Disclose inside information nor buy or sell shares if we have inside information at that time.

## *Ethics in action*

Every year, all entities are made aware of our fraud prevention programme. Investigations and action plans are implemented when needed.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

### AS AN EMPLOYER

### AS A RESPONSIBLE CORPORATION

## CONTACT

## FAQs

### Isn't most fraud carried out by third parties rather than employees? Do we really need so many rules that may slow us down?

There are many types of fraud. Some are due to employees, such as stealing assets of the company, manipulating expense claims or misstating of financial statements. Some are due to outsiders such as payments with stolen credit cards or cyberattacks. L'Oréal has a comprehensive fraud prevention programme to protect the company, and everyone has a role to play to fight against all types of fraud.

### Some teams have access to lots of free products and take them home, no questions asked. Isn't this stealing from the company?

Everyone understands that if you are working on a specific product, you can take some of them for your personal use. What is important is reasonableness, absence of sense of entitlement and **Transparency** with your manager. Of course, resale of products is totally forbidden. When necessary, a local policy can frame the access to free products for employees.

### How can we make sure that our presentations and reports are really accurate and do not try to make reality more attractive, thereby leading to a wrong decision?

This is where we can demonstrate three of our Ethical Principles – **Integrity, Transparency and Courage**. If you are feeling any pressure to present information inaccurately, Speak Up.

## *How can you act?*

Read the **Fundamentals of Internal Control and Stock Market Code of Ethics**.

Fraud/anti-money laundering/embargo policies apply to your activities in your entity. Contact your Legal Manager, Internal Control Manager or CFO for more details.



# LIVING UP TO OUR COMMITMENTS AS AN

# Employer

INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

**AS AN EMPLOYER**

AS A RESPONSIBLE  
CORPORATION

CONTACT

ENSURING THE RIGHT WORKING CONDITIONS	38
THE LEADERS' AND MANAGERS' ROLE	40
PROMOTING DIVERSITY, EQUITY AND INCLUSION (DE&I)	42
ENSURING RESPECT AT WORK	44



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

**AS AN EMPLOYER**

AS A RESPONSIBLE  
CORPORATION

CONTACT

## ENSURING THE RIGHT WORKING CONDITIONS

The health, safety, wellbeing and security of each individual is our priority. We take care to protect the physical and mental health of our employees, whether they are working from home, at the office or travelling for work. We offer a high quality and fulfilling life at work.

### WE WILL

- ✓ Respect the balance between professional and personal life.
- ✓ Ensure that we are aware of and respect the various health, safety, wellbeing and security rules that apply to our activities.
- ✓ Provide the right equipment and services to ensure a safe and secure environment.
- ✓ Ensure the safety and security of our business partners and visitors while on our premises.

### WE WILL NOT

- ✗ Ignore our health, safety and security rules regardless of business pressure.
- ✗ Put ourselves or others at risk by our actions.
- ✗ Ignore excessive workload situations.

BALANCING MY  
PROFESSIONAL AND  
PERSONAL LIFE IS  
IMPORTANT TO ME. MY  
MANAGER SUPPORTS  
ME, TRUSTS ME AND  
RESPECTS MY TIME.

- MONTSERRAT,  
COMMUNITY ANIMATION



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

### FAQs

#### **Many health problems are associated with stress. What is L'Oréal's action plan on this subject?**

Under the Share & Care programme, training sessions in stress prevention are being addressed throughout our operations worldwide. Our annual employee survey, Pulse, also aims to help measure this and put in place corrective action plans.

#### **How will the company embrace quality and fulfilling life at work?**

We aim to support each employee in order to help them optimise their level of performance and fulfilment in all its components such as physical, mental and emotional health, professional/ personal life balance and working conditions. We elevate our workspaces to the highest level of collaboration, agility and efficiency to fit new ways of working and offer each employee a healthy and fulfilling office experience. We extend flexibility of work organisation and consider new ways of working on a hybrid basis as it is based on the best of both worlds – meaning the best of work on site and when working from home.

#### **How does the company ensure the right and safe working conditions for employees?**

Health, safety and security are core responsibilities for the company. The Security, Environment, Health and Safety teams are responsible for supporting line management in taking the necessary measures to allow all people to work in a safe environment. They are communicated and explained through the various training courses. When health crises such as COVID occur, reinforced protection measures are taken immediately and must be applied by all employees. We all have a responsibility to intervene if we see health and safety concerns that could result in illness or injury.

## *Ethics in action*

L'Oréal's Share & Care programme is founded on four pillars: Protection, Health, Balance and Workplace.

It aims to give new perspectives and features to fully adapt to an increasingly changing environment and to stay in tune with the present times.

## *How can you act?*

Read our **Human Rights** and **Employee Human Rights** policies and our **Security Management System** documentation.

Read our **People Security** policy and our **Business Travel Security** guidelines.

Get involved with your local health, safety and wellbeing initiatives.

There may be specific health, safety, wellbeing and security policies that apply to your activity or in your entity. Contact your local Health and Safety Manager for more details.





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

CONTACT

## THE LEADERS' AND MANAGERS' ROLE

Leaders and managers have additional responsibilities because they set the example. Through their leadership, managers have a key role to promote an ethical culture and support all employees to act upon our Ethical Principles.

### HOW CAN I BEST SET AN EXAMPLE?

Beyond your daily behaviour, we expect you to create the conditions for ethical questions to arise and be discussed. There are simple actions to show the importance you attach to ethics at L'Oréal, such as:

- ✓ Find times during the year (and not only during Ethics Days) to discuss ethical issues (your Ethics Correspondent could also be invited).
- ✓ Stay available to listen to your team's concerns.
- ✓ Make sure that your team and more particularly new employees are aware of the Code of Ethics and relevant practical guides, and that they have understood them.
- ✓ Regularly share with your team the ethical dilemmas you have faced or that may arise in your work as well as the answers you have provided.
- ✓ As soon as you have the opportunity, recognise and value an ethical and courageous behaviour.
- ✗ Never ask or even suggest to your team that they do not respect the Code of Ethics.

### HOW CAN I BEST ANSWER MY TEAM'S QUESTIONS?

Ethical issues are rarely simple, but they should not be avoided. Because all ethical questions are worth asking and because nobody should stand alone faced with an ethical concern:

- ✓ Take time to listen to your employees; it is not easy for them to raise an ethical question.
- ✓ Give help and advice with humility. Ethical questions are not simple and you may not have the answer. You can acknowledge it. The relationship of trust will be strengthened.
- ✓ If you do not know how to answer their questions, direct them to the person who is best able to provide advice.



ETHICS IS AT  
THE CORE OF A  
MANAGER'S MISSION.  
WE SHOULD BE FULLY  
AVAILABLE TO LISTEN TO  
ANY CONCERNS FROM  
TEAM MEMBERS.

- THOMAS, DATA &  
PROGRAMME GOVERNANCE



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

### HOW DO I INCLUDE ETHICS IN MY DECISION-MAKING PROCESS?

- ✓ Be able to question the situation you are exposed to.
- ✓ When you have to make a decision, refer to the Ethical Decision Tree and ethical policies.
- ✓ Completing the Ethics e-learning also helps you to make the best ethical decisions.
- ✓ If you made a decision for ethical reasons, and subject to our rules of confidentiality, share it with your team so that they can benefit from your knowledge and follow your example.

### HOW CAN MANAGERS DEMONSTRATE THEY SUPPORT SPEAK UP?

This is part of every manager's role.

They should:

- ✓ Ensure their team has read the **Speak Up** policy.
- ✓ Regularly and explicitly encourage their team to Speak Up if necessary.
- ✓ Invite their Ethics Correspondent to explain the Speak Up process to their team.

## *Ethics in action*

The Ethical Leadership Self-Assessment is a personal and confidential development tool that enables senior managers to assess their level of ethical leadership and provides suggestions for improvement.



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

## PROMOTING DIVERSITY, EQUITY AND INCLUSION (DE&I)

We aim to be as diverse as the people we serve and we fight against all forms of discrimination. We promote fair treatment, access, advancement and opportunities for all. We are committed to creating a culture of inclusion and belonging that gives all employees the space to thrive and unleash their potential.

### WE WILL

- ✓ Prohibit discrimination in all decisions including recruitment, training, promotion, continued employment and working conditions, as well as in our relationships with business partners.
- ✓ Strengthen our vigilance towards people and groups who are more likely to experience discrimination (e.g. people with disabilities, members of the LGBTQIA+ community, refugees or indigenous populations).
- ✓ Expect and promote an inclusive workplace where mutual respect and understanding between people with different personal situations or backgrounds is strengthened.
- ✓ Accelerate professional integration of people with disabilities and underrepresented socio-economic and/or cultural origins.

### WE WILL NOT

- ✗ Discriminate based on gender, gender identity, sexual orientation, disability, age, political or philosophical opinions, religion, union membership, ethnic, social, cultural or national origin or on any other grounds prohibited by national law.
- ✗ Engage in or tolerate racist, sexist, anti-Semitic, homophobic, transphobic or religiously intolerant remarks or behaviours.





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

**AS AN EMPLOYER**

AS A RESPONSIBLE  
CORPORATION

CONTACT

## FAQs

### **Can I ask L'Oréal to adapt my working hours to suit my religious beliefs?**

We try to reasonably accommodate employees' observance of different cultural and religious requirements so long as it does not create any health and safety issues, is compatible with business requirements and contributes to maintaining an inclusive working environment. You need to discuss this with your manager and HR to see what is possible in your specific case.

### **I sometimes hear indecent jokes at work (about women, LGBTQIA+, religions, etc.) and I do not know how to react. I am afraid I'll be rejected by my team if they think I do not have a sense of humour.**

We do not think such jokes are funny either. Try and have a conversation with your colleagues who may not realise that what they feel is harmless fun is actually hurtful and inappropriate. You can also seek help from HR or DE&I Leads or your Ethics Correspondent, or raise a concern through Speak Up.

### **I am over 50 and feel that L'Oréal does not value experience. Only young people are taken seriously, no matter how they do their job. Is it ethical to promote diversity and leave out aspects of age?**

Competencies and skills are not intrinsically linked to the age of the person. All employees, whatever their age, benefit from a personalised career discussion. We work to offer everyone professional opportunities based on individual aspirations and performance. We promote reverse mentoring programmes as well as share the contributions of experienced employees in order to foster an inclusive workplace.

## *Ethics in action*

L'Oréal reports every year on its progress under the United Nations Women Empowerment Principles and LGBTIQ+ Standards of Conduct for Business.

## *How can you act?*

Read our [Human Rights](#) policy, our [Employee Human Rights](#) policy and our [DE&I Manifesto](#).

See how we ensure diversity in our advertising and marketing in the chapter 'Communicating responsibly'.

There may be specific diversity policies that apply to your activity or in your entity. Contact your Human Resources Manager or Diversity, Equity and Inclusion Leads for more details.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

# ENSURING RESPECT AT WORK

We want a workplace that is free of harassment or bullying, gaslighting, hostility, and of any form of sexual harassment or sexist behaviour and where everyone can work and thrive in a collaborative and respectful environment. We have a zero-tolerance policy towards harassment.

### WE WILL

- ✓ Treat each other with respect, dignity and fairness, and continue to succeed through effective teamwork and collaboration.
- ✓ Behave respectfully towards others during events organised by L'Oréal, both outside and within our premises.
- ✓ Recognise other people's ideas and contributions and share successes as well as failures.
- ✓ Give and receive feedback in a constructive and respectful mindset.

### WE WILL NOT

- ✗ Tolerate any hostile work environment including psychological or physical abuse.
- ✗ Start or repeat malicious rumours about our colleagues.
- ✗ Blame a person who expressed discomfort about a disrespectful situation.

### FAQs

#### What exactly does L'Oréal mean by 'bullying'?

We consider physical abuse or insults unacceptable. Moreover, in the absence of more protective legislation, bullying can also include acting in a way intended to cause distress, deliberately setting a person up to make mistakes, humiliating someone in front of others or physical or social isolation (the so-called 'silent treatment').

#### What exactly does L'Oréal mean by 'sexist behaviour' or 'sexual harassment'?

Depending on the circumstances, certain behaviours can be considered inappropriate. This includes unwelcome or inappropriate physical contact, emails, jokes, looks and other gestures, comments, invitations or requests of a sexual nature and distributions or displaying of documents, posters, objects, etc. of a sexual nature. Sexual harassment can affect all genders and is not limited to hierarchical links. We consider that conditioning job advancement or any other benefit of employment on sexual favours is unacceptable.

## Ethics in action

Every year, L'Oréal communicates to all its employees on the number of bullying, sexual harassment and discrimination cases. Appropriate measures are taken to ensure everyone feels safe Speaking Up.

## How can you act?

Read our [Human Rights](#) policy, our [Employee Human Rights](#) policy and the [Simplicity Manifesto](#). There may be specific policies which apply to your activity or in your entity. Contact your Human Resources Manager for more details.

#### We all know cases of a senior manager or colleague who is known to be a bully or a flirt. Do these rules apply to everyone?

If you know of any person who is acting inappropriately, do not assume that management knows or that someone else will deal with it. Speak Up and the matter will be investigated. No one, whatever their level in the organisation, is above the rules.



## LIVING UP TO OUR COMMITMENTS AS A

# Responsible Corporation

INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

**AS A RESPONSIBLE  
CORPORATION**

CONTACT

RESPECTING PLANETARY BOUNDARIES	46
CONTRIBUTING TO A BETTER SOCIETY	48
PROMOTING RESPONSIBLE LOBBYING	49
BEING A RESPONSIBLE TAX CITIZEN	51



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

**AS A RESPONSIBLE CORPORATION**

CONTACT

## RESPECTING PLANETARY BOUNDARIES

We are committed to respecting the limits of the planet and to adapt to what it can withstand, as defined by environmental science. We have set quantifiable objectives to limit the impact of all our activities on climate, water, biodiversity and natural resources. Beyond the transformation of our business model, we want to help address the world's most pressing environmental challenges, thus we are investing in the regeneration of ecosystems and the development of the circular economy. We will continue to communicate transparently about our achievements as well as our challenges.

### WE WILL

- ✓ Whatever our role within L'Oréal, be proactive in finding ways to limit our impact on the environment.
- ✓ Take into account the environmental impact of every decision we make.
- ✓ Seek out suppliers who share our commitments.
- ✓ Embark our partners and consumers on our sustainable journey.

### WE WILL NOT

- ✗ Leave harmful or wasteful practices unaddressed or unresolved, such as accidental pollution.
- ✗ Seek exemptions from or lobby against environmentally respectful legislation.



WE ARE TRANSFORMING THE WAYS WE GET OUR PRODUCTS TO CONSUMERS TO MEET OUR AMBITIOUS SUSTAINABILITY TARGETS.

- NICOLAS,  
PHYSICAL DISTRIBUTION



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

### FAQs

**If an equipment failure could lead to any kind of pollution in one of our factories and it will take three days to obtain parts and make a repair, can we really afford to halt production when we have a huge backlog of orders to fulfil?**

We have no choice. Our commitment to protecting our planet is more important than short-term profits or production schedules. And experience shows that in the medium/long term, being a responsible company is a licence to operate. We can lead by example.

**How do we justify some of the excessive packaging we use in many of our products?**

Reducing packaging material is one of our biggest challenges. The Group has an ambitious Sustainable Packaging policy which seeks to reduce (by redesigning, resizing and reusing) the amount of material used, replace impactful materials with materials that have a better environmental footprint and recycle more. We have set ambitious

targets towards 2030: by 2030, 100% of the plastics used in our packaging will be either from recycled or bio-based sources.

**One supplier has been badly rated on our environmental standards following a social audit. According to L'Oréal rules, I cannot continue working with them unless they agree to a corrective action plan and undergo a follow-up audit. But they are refusing to do this because they know that they are the most cost-effective supplier for providing the products I require. What can I do?**

You should seek help from your management to see if they can help you convince the supplier. If the supplier still refuses to cooperate, our policy at L'Oréal is to have the courage to end relationships if a supplier persistently fails to meet our ethical standards or shows no wish to improve. It is our responsibility as a leading company not to compromise on ethical, environmental and social standards for the sake of costs.

## *Ethics in action*

L'Oréal's sustainable development targets on climate, water, biodiversity and natural resources – set out in our L'Oréal for the Future programme – are amongst the most ambitious in our industry.

## *How can you act?*

Read more about our 2030 ambitions. There may be specific environmental policies which apply to your activity. Contact your Sustainability Leader for more details.





INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE CORPORATION

CONTACT

## CONTRIBUTING TO A BETTER SOCIETY

We are an industry leader and a successful company. We feel our responsibility to have a positive impact in the countries and communities in which we operate. Our philanthropic investments are mainly focused on supporting women all around the world. Beyond financial contribution, we are committed to including all along our value chain people in difficulties or to direct a proportion of our global purchases to suppliers who employ people from vulnerable communities.

### WE WILL

- ✓ Support non-profit public-interest organisations.
- ✓ Pursue the integration in our value chain of vulnerable communities, in particular in the activities of our suppliers.
- ✓ Carry out due diligence to ensure that our partners and projects meet the Group's standards and have a meaningful impact.
- ✓ Ask our partners to update us regularly on progress, use of funds or resources allocated and their impact.

### WE WILL NOT

- ✗ Engage in actions or partnerships that do not reflect our Ethical Principles.
- ✗ Make a commitment before we have checked that we have the financial, human and technical resources to support our philanthropic project over the long term.
- ✗ Use our charitable contributions or other philanthropic activities as a way to influence a public decision in our favour.

### FAQs

**The hospital at which I volunteer each week is asking everyone to help recruit new volunteers and would like me to get L'Oréal more involved. Several of my colleagues might be interested. Should I speak with them directly?**

If you only approach a small circle of your friends within the company, do not put any pressure on them and avoid any proselytizing, then that is fine. Moreover, if this hospital represents an opportunity in line with L'Oréal's philanthropy strategy, you should speak to the person in charge of philanthropy in your entity to see if you can engage the company in a partnership with the hospital.

**What exactly do we mean by a 'long-term' commitment? And what about when we want to make some urgent, one-off product donations?**

Except in emergency situations, favouring long-term commitments is always preferable in terms of philanthropy to ensure greater impact. Generally, a three- to five-year partnership is necessary to bring about effective change.

**Can we ask suppliers to buy tickets to a fundraising gala held by an organisation fighting poverty with which we have been working for years?**

Unless it is a supplier with whom we are already involved in philanthropic activities, this is not allowed: even if you explain that there is no obligation, they will probably feel obliged to buy tickets for the sake of maintaining a good business relationship.

## Ethics in action

The Fondation L'Oréal supports and empowers women to shape their future and make a difference in society, focusing on three major areas: scientific research, inclusive beauty and climate action.

## How can you act?

Read our [Human Rights](#) policy and [The Way We Do Philanthropy](#) guide. There may be specific philanthropy policies which apply to your activity or in your entity. Contact your Sustainability Leader for more details.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

# PROMOTING RESPONSIBLE LOBBYING

L'Oréal does not contribute financially or in kind to political parties, politicians or related institutions. However, L'Oréal, as a leader in the cosmetics industry, believes it is its duty to be proactive and take part in the public policy decision-making process in the countries where it operates.

L'Oréal respects its employees' right to participate as individuals in the political process so long as they make sure that, in doing so, they do not represent the company or cannot be perceived as doing so.

### WE WILL

- ✓ Communicate transparently on our main positions.
- ✓ Support adoption of lobbying best practices, in particular within the professional associations of which we are members.
- ✓ Clearly specify that we do not represent L'Oréal in any way if we participate in personal political activities.
- ✓ Inform our manager if our participation in political activities could prevent us from fulfilling our duties at L'Oréal or create confusion between our personal political views and those of L'Oréal (see the chapter 'Being open about conflicts of interest').

### WE WILL NOT

- ✗ Collect information through illegal means nor communicate deliberately biased information.
- ✗ Enter into discussions with representatives of public authorities and/or political appointed and elected representatives with regards to local, national or international regulations without the express authorisation of our Country and our Entity Manager and subject to being registered on the lobbyists' register when one exists.
- ✗ Use the workplace as a political platform.

## *Ethics in action*

In 2014, L'Oréal initiated and signed the Common Statement on Lobbying alongside seven other members of Transparency International France.

## *How can you act?*

Read our **Responsible Lobbying** policy and our practical guide **The Way We Prevent Corruption**. There may be specific policies that apply to your activity or in your entity. Contact your Corporate Affairs Director for more details.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

### FAQs

**What exactly is 'lobbying'? When we hear about it in the media, it does not always have a good reputation.**

Lobbying is an activity that involves contributing to the public policy decision-making process related to policies and regulations likely to affect our activities so that the public decision-maker can understand how these regulations could impact us. L'Oréal regularly undertakes dialogue with policy makers on topics that are key to the Group in order to inform and educate. L'Oréal strictly respects all relevant applicable laws, codes of conduct and standards and we expect our third parties who act on our behalf to also respect them.

**My sister is running for political office in her region. During the last family lunch, she asked if I could help her by distributing flyers next weekend and if L'Oréal could financially support her campaign fees. As she is really dedicated, I want to help her. Who can I contact internally to raise funds?**

L'Oréal does not make contributions of any kind to any political parties or politicians, even aspiring ones. During your free time, you can support your sister's political activities as long as you make it clear that you do not do so on behalf of L'Oréal nor use the resources of the company (paper, printer, email, etc.). Keep in mind that the office is not a political platform.

**I would like to take part in my local city council. But I am afraid I will be then treated differently within the company. Do I have to disclose this to my manager?**

L'Oréal respects your right to participate in the political process. You will not be affected by your personal political views or your choice of political contribution. You need to ensure this is in your personal capacity and does not involve the company. Unless this political contribution would prevent you from fulfilling your job at L'Oréal, you do not have to disclose this to your manager. If you are being treated differently because of your political opinions or political contributions, please Speak Up.



## INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

## AS A BUSINESS

## AS AN EMPLOYER

## AS A RESPONSIBLE CORPORATION

## CONTACT

# BEING A RESPONSIBLE TAX CITIZEN

We aim to be a responsible corporation and to pay our fair share of taxes in all countries in which we operate. This means scrupulously complying with tax laws and paying in full all local and national taxes. It also means being **Transparent** about our tax strategy including how we manage tax risks and our attitude to tax planning.

### WE WILL

- ✓ Complete our tax declarations and pay our taxes by the deadlines.
- ✓ Establish and maintain constructive relationships with tax and customs authorities based on **Transparency** and **Respect**.
- ✓ Be vigilant regarding anti-fraud and anti-evasion rules.
- ✓ Legitimately apply the most relevant tax treatment, in accordance with the economic reality, operational objectives and the applicable laws.

### WE WILL NOT

- ✗ Engage in any aggressive or artificial tax planning with the purpose of evading or avoiding our tax obligations.
- ✗ Engage with tax advisors who are unaware of our ethical tax standards.

### FAQs

**If a supplier offers to reroute the paperwork via a third country to avoid us paying sales tax (VAT), can we say “Yes”?**

We have to say “No”. Any attempt to evade meeting our tax obligations in full is unethical (and probably illegal, too).

**If we discover we made a mistake on a tax declaration a few years back that reduced our tax expense at that time, should we tell the tax authorities?**

We want to be considered trustworthy by the tax authorities. Talk about it with your Finance Director, Country Tax Director, and Zone Tax Director so that they can check if it is truly an error, and, if so,

decide how to approach the tax authorities as well as decide which steps to take to ensure that this error is not reproduced in the future.

**Some of our business partners have been criticised for their tax policies. Why do we continue working with them?**

We want to work with business partners who share our ethical standards. When one of our business partners is criticised for their aggressive tax policy, we monitor this closely and ensure that we are not in any way indirectly contributing to their behaviour. We may also discuss this with them if we feel it is appropriate.

## *Ethics in action*

Our presence in certain so-called ‘tax haven’ countries is justified for operational reasons, not for tax purposes.

## *How can you act?*

Read L’Oréal’s Tax Charter.

There may be specific tax policies which apply to your activity or in your entity. Contact your Tax Manager or CFO for more details.



INTRODUCTION

ETHICAL PRINCIPLES

HUMAN RIGHTS

SPEAK UP

AS A BUSINESS

AS AN EMPLOYER

AS A RESPONSIBLE  
CORPORATION

**CONTACT**

## CONTACT

---

### **PUBLISHED BY:**

Group Ethics, Risk & Compliance department  
L'Oréal

### **HEADQUARTERS:**

41, rue Martre  
92117 CLICHY CEDEX  
France

### **REGISTERED OFFICE:**

14, rue Royale  
75008 PARIS  
France

To access the Ethics intranet site, visit [ethics.loreal.com](https://ethics.loreal.com)

To raise a concern, visit [loreal speakup.com](https://loreal speakup.com)

### **DESIGN:**

Given Agency  
[www.givenagency.com](https://www.givenagency.com)

**MARCH 2023**

**CODE OF ETHICS**

4<sup>TH</sup> EDITION

**THE WAY**  
*we*  
**ACT**

**L'ORÉAL**