

# L'ORÉAL

The Norwegian Transparency Act – Due Diligence Report  
2023

L'Oréal Norge AS  
Org. No. 954 790 088

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## 1. INTRODUCTION

This due diligence assessment is carried out by L'Oréal Norge AS ("**L'Oréal Norway**") pursuant to Section 4 of the Norwegian Transparency Act ("**Due Diligence Report**" or "**Report**"). This Report covers the period 1 January 2023 to 31 December 2023. This Report will be made accessible on L'Oréal Norway's website pursuant to Section 5 of the Norwegian Transparency Act.

This Report describes in Chapter 2 L'Oréal Norway's organization and operations, the organization of L'Oréal Norway's work under the Norwegian Transparency Act, the Speak-Up Policy and the Reporting Channel. Chapter 3 describes how the L'Oréal Group, of which L'Oréal Norway is a subsidiary, has anchored its work with human rights and decent working conditions in Policies and Procedures. Chapter 4 provides information on L'Oréal Norway's risk assessments, findings, and measures under the Norwegian Transparency Act.

## 2. L'ORÉAL NORWAY

### 2.1 Organization

L'Oréal Norway is a company with almost 100 employees and with a total revenue higher than 1.4 billion NOK. L'Oréal Norway has its office at Lysaker in Bærum, Norway.

L'Oréal Norway is a wholly owned subsidiary of L'Oréal SA, France ("**L'Oréal**") and is part of the L'Oréal Group. The L'Oréal Group operates in 150 countries and employs approximately 87,000 people. The L'Oréal Group has 37 manufacturing facilities, 152 distribution centres, 20 research centres, 13 evaluation centres, and 1 advanced research centre.

The L'Oréal Group is the world's largest beauty company and operates as a global business, replicated at regional and local levels. L'Oréal Norway forms part of the L'Oréal Group's entities in the Nordics ("**L'Oréal Nordics**"). L'Oréal Norway is managed by the Nordic Management Committee based in Copenhagen and supported by the Norwegian Steering Committee based at Lysaker.

L'Oréal's goal is to offer each and every person around the world the best of beauty in terms of quality, efficacy, safety, sincerity and responsibility to satisfy all beauty needs and desires in their infinite diversity, under what L'Oréal names '*Create the beauty that moves the world*'.

### 2.2 Operations

L'Oréal Norway operates within the Norwegian cosmetics sector. Our operations are divided in four Divisions: Consumer Products, Luxe, Dermatological Beauty, Professional Products. The main categories of products are the following: Skin care and sun protection, makeup, fragrances, haircare, and hair colouring.

L'Oréal Norway's brand portfolio is organised by Division, each with its own specific vision of beauty, consumer universe and distribution channel.

L'Oréal Norway's distribution of products in Norway are covered by the L'Oréal Group's Integrated Production Model whereby products are manufactured in factories controlled and managed by L'Oréal SA or in minor cases, *via* contract manufacturers. This production is supported by centralised research and development, evaluation centres and raw material procurement functions which are managed by the centralised Operations Division for L'Oréal SA. L'Oréal Norway's main business activity is to distribute L'Oréal's products to retailers in Norway.

L'Oréal Norway purchases all products sold by the company to retailers in Norway from L'Oréal Danmark A/S, which in turn acquires the products from entities in the L'Oréal Group ("**Finished Goods**").

### ***2.3 L'Oréal Norway's organization of its work under the Norwegian Transparency Act***

L'Oréal Norway has established a Committee dedicated to the Transparency Act, which assesses the risks and the due diligences to be implemented relating to L'Oréal Norway's operations. The Committee is composed of the following functions: Human Rights, Ethics, Purchasing, Environment, Health & Safety, Sustainability, the Country Lead in Norway and Legal. The Committee accounts its conclusions and improvement proposals to the Steering Committee of L'Oréal Norway.

During 2023, L'Oréal Norway have received Due Diligence Questionnaires from our retailers and customers in Norway to which we have replied.

This Due Diligence Report is submitted to the Board of Directors of L'Oréal Norway for adoption and approval.

### ***2.4 Speak-Up Policy – Reporting Channel***

The L'Oréal Group's Speak Up Policy is implemented in Norway. This Speak Up Policy is available to employees and external partners to make a Speak Up (whistleblowing) report for suspicion of violations of our Policies and Procedures on Human Rights. Following such reports, investigations are carried out and appropriate actions are taken.

## **3. L'ORÉAL'S POLICIES AND PROCEDURES ON HUMAN RIGHTS**

### ***3.1 Introduction***

The L'Oréal Group and its subsidiaries, including L'Oréal Norway, respects all internationally recognised Human Rights and Fundamental Freedoms. The L'Oréal Group has adopted due diligence measures, intended to identify, prevent and mitigate the risk of serious adverse impacts on Human Rights and Fundamental Freedoms.

As a wholly owned subsidiary of L'Oréal SA, the procedures and actions described in this Chapter 3, and in the Annual Report of the L'Oréal Group, apply to L'Oréal Norway.

### ***3.2 Respecting Human Rights and decent working conditions***

Each year, since 2003, L'Oréal renews its commitment to the United Nations Global Compact. These commitments are also set out in the L'Oréal Group's Code of Ethics and the Human Rights and Employee Human Rights Policy applicable to all L'Oréal's subsidiaries.

L'Oréal's commitment to Human Rights is based in particular on the Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organization.

The international community, through the United Nations, agreed on 30 Human Rights, including the right to life, liberty and security, but also some basic social and economic rights, such as the right to fair and favourable conditions of work, and to living wages.

The international sustainability programme of the L'Oréal Group, L'Oréal for the Future program, which was launched in 2020, includes a demanding commitment ensuring that all employees of the L'Oréal Group are paid a living wage and that all employees of the Group's strategic suppliers are paid

at least the level of a “living” wage by 2030. Calculated by region and aligned with the best local practices, these standards must allow employees to cover their basic needs and those of their family for decent housing, food, education and any other needs and, in many countries, this “living” wage goes beyond the legal minimums.

### ***3.3 Human Rights Commitments***

L’Oréal Norway, as all L’Oréal’s subsidiaries, must comply with the applicable local legislation and the minimum common core of the rules in order to prevent the risk of serious adverse impacts on Human Rights and fundamental freedoms. When local laws and/or the internal rules of subsidiaries provide more stringent standards than L’Oréal rules, such standards must take precedence. If, however, the L’Oréal rules provide for stricter standards, these take precedence unless they result in an unlawful activity. In the event of contradictions between local laws and internationally recognised Human Rights, L’Oréal works to comply with the international standards.

### ***3.4 Human Rights in our supply chain***

A Vigilance Plan, published according to French law as applicable to the parent company of the L’Oréal Group, L’Oréal SA, contains due diligence measures intended to prevent the risk of serious adverse impacts on Human Rights and Fundamental Freedoms. It applies to L’Oréal, and to the subsidiaries controlled directly or indirectly by L’Oréal (see pages 129 to 155 - section 3.4 of the L’Oréal Group’s Vigilance Plan), including L’Oréal Norway.

Beyond the risk assessment of the L’Oréal Group, our commitment is to assess the local risk at our value chain and to deploy a related action plan.

### ***3.5 Employee Human Rights Policy***

In 2020, the L’Oréal Group launched our Employee Human Rights Policy, because setting an example starts from within, by assuring universal social standards for the people who make up L’Oréal: [employee-human-right-policy.pdf \(loreal.com\)](https://www.loreal.com/employee-human-right-policy.pdf)

### ***3.6 Human Rights Policy***

#### **A commitment of the entire organization**

The L’Oréal Group’s Chief Corporate Sustainability Officer, a member of the Executive Committee of the Group, is responsible for overseeing the respect of human rights and fundamental freedoms in the L’Oréal Group. This mission has been entrusted to her by L’Oréal’s Chief Executive Officer, to whom she reports. She chairs the Group’s Human Rights Committee. She relies on a dedicated team of Human Rights experts and has a budget to carry out her work. The Group’s Human Rights commitments are rolled out across all markets through a network of Human Rights Correspondents. L’Oréal’s Human Rights Committee is composed of representatives from the various Zones, activities, and departments (including Purchasing, HR, CSR, Safety, Security, etc.). The Committee is responsible for coordination and exchange on the implementation of the Group’s Human Rights Policy. Its primary objective is to facilitate the emergence of a human rights culture within the L’Oréal Group.

The L’Oréal Group has structured its Human Rights Policy around employees and suppliers. Since 2003, L’Oréal has been a member of the United Nations Global Compact and is committed to respecting all internationally recognized human rights. This commitment is supported each year at the highest level

of the company by its Chief Executive Officer and by the Chief Sustainability Officer. L'Oréal has set itself ambitious goals in respect of human rights, through various internal or public documents.

The full detailed actions and risk procedure is published in the Annual Report of the L'Oréal Group:

[https://www.loreal-finance.com/system/files/2024-03/LOREAL\\_2023\\_Universal\\_Registration\\_Document\\_en.pdf](https://www.loreal-finance.com/system/files/2024-03/LOREAL_2023_Universal_Registration_Document_en.pdf)

#### **4. L'ORÉAL NORWAY'S ASSESSMENTS, FINDINGS AND MEASURES UNDER THE NORWEGIAN TRANSPARENCY ACT**

As described above, L'Oréal Norway is a distributor which belongs to the L'Oréal Group, which has proper Human Rights Policies and Procedures in place along the value chain. L'Oréal Norway's operations in Norway is distribution of Finished Goods to retailers in Norway.

The Policies, Procedures and actions described in Chapter 3 above, and in particular in the Annual Report of the L'Oréal Group, apply to L'Oréal Norway. For the risk assessment at Global level, we refer to the above description and documents.

##### ***What does this mean for L'Oréal Norway, and for the risks of L'Oréal Norway?***

**Firstly**, when it concerns L'Oréal Norway's employees, all our employees are regularly trained in the Employee Human Rights Policy as well as the L'Oréal Group Policy 'The way we trade' in our relationships with our suppliers. All new employees receive a copy of the Code of Ethics and confirm that they have read and understood it.

L'Oréal Norway has an Ethics Correspondent and a Nordic Human Rights Correspondent. The Ethics Correspondent supports the functions in Norway and acts as a local point of contact for all ethics related issues. The Human Rights Correspondent is responsible for contributing to solving and reporting on Human Rights related issues or cases and supporting management in implementing action plans to address salient human rights issues.

A new version of the specific, compulsory e-learning course on ethics and human rights was launched in July 2023. In this version, the tool provides a reminder of the respect that the Group's top management has for Human Rights and offers varied and interactive content and exercises. Notably, it includes practical case studies to resolve, some of which can be customized according to the role selected by the user. L'Oréal Norway's employees have completed this course to approx. 85% as of 31 December 2023.

The L'Oréal Group arranges an annual Ethics Day for all employees world-wide. In addition, the Ethics Correspondents in the Nordics arrange an annual Ethics Day for all employees in the Nordics. These Ethics Days enable the employees to discuss matters such as respect for human rights and fundamental freedoms via a webchat with L'Oréal's Chief Executive Officer, other members of L'Oréal's Executive Committee, the General Manager in the Nordics, and other relevant functions in the Nordics, and in Norway.

The L'Oréal Group's Speak Up Policy is implemented in Norway. The Norwegian employees are represented in the Working Environment Committee (AMU).

The L'Oréal Group arranges annually a PULSE-survey among all employees concerning the working environment. Employees of L'Oréal Norway take part in the survey and each Division has established

action plans to follow up. The working environment and working conditions in Norway appear satisfactory.

The L'Oréal Group, L'Oréal Nordic, and L'Oréal Norway, have in 2023 focused on the mental health and psychological safety of our employees. We have organized and implemented several awareness events and training sessions for our employees on mental health and to promote psychological safety in our workplace.

**Secondly**, when it concerns L'Oréal Norway's operations, all L'Oréal Norway's products (Finished Goods) sold in Norway are acquired from L'Oréal Danmark A/S, which in turn acquires the Finished Goods from entities in the L'Oréal Group. All these entities are bound by the L'Oréal Group Policies as described in the L'Oréal Group's Vigilance Plan (see description in Chapter 3 above).

**Thirdly**, when it concerns L'Oréal Norway's suppliers, L'Oréal Norway has a very limited number of local suppliers in Norway. L'Oréal Norway requires the Mutual Ethical Commitment Letter to be signed by the supplier before a relationship can be established (see description above). This Mutual Ethical Commitment Letter requires that the supplier adheres to L'Oréal's requirements on the following topics:

- Respect of local laws
- Prevention of Child Labour
- Prevention of Force/Bonded Labour
- Health & Safety measures
- Requirements on working conditions
- Non-discrimination
- Freedom of Association and Collective Bargaining
- Environmental Stewardship
- Animal welfare
- Business Integrity
- Supply Chain

Reference is made to L'Oréal's Mutual Ethical Commitment Letter for suppliers, which is available here: <https://www.loreal.com/en/articles/commitments/loreal-mutual-ethical-commitment-letter/>

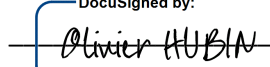
If a supplier provides any products or services indicated within the L'Oréal Group's Vigilance Plan *an audit* will be performed before the relationship can take place between that supplier and L'Oréal. Depending on the outcome of this audit, several actions are taken to ensure compliance with the extensive ethical standards of L'Oréal and engagement with our stakeholders.

L'Oréal Norway has conducted risk assessments of its Norwegian working environment, its operations, and suppliers. During 2023, L'Oréal Norway did not identify risks that need to be remedied related to the Norwegian Transparency Act.

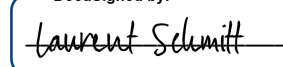
13 June 2024

The Board of L'Oréal Norge AS

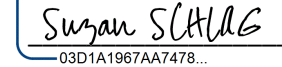
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Laurent Schmitt

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