



**UK Gender Pay Gap
Review 2023**

L'ORÉAL
UK & IRELAND



At L'Oréal, our aim is to be the most inclusive beauty leader. We strive to be as diverse as the people we serve and build a business with inclusivity at its heart.

Our long-term purpose-led Diversity, Equity and Inclusion strategy seeks to proactively cultivate an inclusive workplace culture, one where everyone feels welcome, valued and that they can thrive. A more inclusive culture and diverse representation amongst our teams also enables us to better meet the needs of our consumers today and tomorrow.

The L'Oréal Groupe has long been committed to achieving gender parity. We focus on equitable access to opportunities through enhanced data monitoring and tailored development programmes to improve internal representation. We promote colleague career journeys to boost the attractiveness of our industry for people of all identities and backgrounds as we strive for gender balance across the entire organisation.

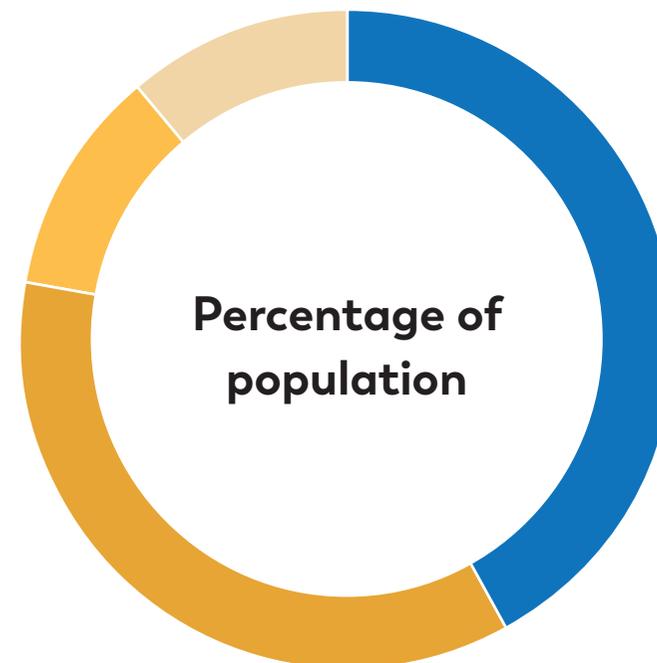
In this report we share our progress through the UK Government's Gender Pay Gap Analysis.

Thierry Cheval,
Managing Director, L'Oréal UK and Ireland

About the L'Oréal Groupe in the UK

Our L'Oréal UK workforce is made up of the following groups:

- **Beauty Advisors** (42% total population; 91% female/ 9% male), work in retail positions in department stores and our freestanding boutiques across the country for brands such as Lancôme, Kiehl's and NYX Professional Makeup.
- **Headquarter Employees** (36% total population: 72% female/ 28% male). These are office-based employees at our UK HQ in Gateway Central, White City, London, and our Wales office, working in functions such as HR, Finance, Marketing and Sales.
- **Field Based Employees** (11% total population; 73% female/ 27%, male). Individuals based across the country, undertaking roles, that include field-based sales and/or training.
- **Distribution Centre** (11% total population; 58% female/ 42% male). These team members are based in Bury, Nottingham and Trafford and are vital to our operations and supply chain.



● Beauty Advisors	42%
● Headquarter Employees	36%
● Field Based Employees	11%
● Distribution Centre	11%

Gender Pay Gap Reporting At A Glance

UK legislation introduced in 2017 requires all companies with more than 250 employees to publish data on their gender pay gap. This is L'Oréal UK's seventh annual UK Gender Pay Gap report, reflecting data captured on the snapshot date of 5 April 2023.

The Gender Pay Gap (GPG) compares the average pay of all working men and women and does not take into account the different roles that people occupy. GPG does not measure equal pay, which relates to what women and men are paid for the same or similar work of equal value. We regularly conduct our own internal audits and are committed to equal pay in the UK in line with Equality Act 2010.

All employees receive benefits as part of their remuneration package. L'Oréal provides all employees with various non-cash benefits including life assurance, pension, group income protection and competitive annual leave.

Alongside the UK Gender Pay Gap analysis, we also use independent auditors EDGE (Economic Dividends for Gender Equality), GEEIS (Gender Equality European and International Standard) and the National Equality Standards to ensure we regularly and robustly assess the status of our

current employees and the fairness of our hiring activity. We are proud to be recognised at Groupe level for our ongoing commitment and progress to gender equality:

- For the sixth consecutive year, we are recognised by Bloomberg's 2023 Gender-Equality Index (GEI). This global ranking tracks the performance of public companies committed to disclosing gender equality data and is based on criteria such as female leadership and talent pipeline, inclusive culture and equal pay.
- We received Equileap's 2023 Gender Equality Ranking where the Group ranks 11th worldwide among 3,500 companies in 23 countries. Equileap is the leading global provider of gender equality.

Our Gender Pay Gap Data

The gender pay gap data reflects the difference in average pay between men and women across the total UK organisation. In 2023, the median gender pay gap is 36%, with a mean gender pay gap of 30%. The business' median bonus pay gap is 23% with a mean bonus pay gap of 37%.

UK Gender Pay Gap			
	2021	2022	2023
Median	32.87	26.45	36.70
Mean	32.87	25.14	30.30

UK Gender Bonus Gap			
	2021	2022	2023
Median	57.27	17.66	23.55
Mean	49.74	36.14	37.74

Gender By Pay Quartile				
	2022		2023	
	M	F	M	F
Upper	31.0	69.0	31.0	69.0
Upper Middle	23.9	76.1	27.0	73.0
Lower Middle	19.5	80.5	21.7	78.3
Lower	14.9	85.1	5.6	94.4

Understanding the Pay Gap

Our gender pay gap is largely driven by our workforce profile, with analysis showing that the pay gap is mostly reflective of factors common across the beauty industry and retail environment in the UK more generally. This means that for a more accurate reflection of our GPG we need to look at our different workforce populations separately:

When we consider our workforce populations separately our Head Office Corporate Employees Median GPG is -1% and the Mean is 12.7%. Our Beauty Advisor population has a Median GPG of 11.64% and a Mean of 11.4%.

Almost half (42 %) of our UK -based employees are Beauty Advisors working in retail environments such as department stores and boutiques. Although these roles are competitively paid at or above the UK Real Living Wage*, they reflect the salary norms of the retail environment.

*We are committed to ensuring that all our employees are paid a living wage, calculated according to local context and a list of criteria outlined by an independent body (household size, number of average income earners etc.). This was implemented on 22 April 2022 after our gender pay gap figures were captured for this report

Most of our Beauty Advisors are female (91%) and almost half (54%) opt to work in part-time roles. This impacts our bonus pay gap as the reported pay gap compares pay and bonuses for full-time and part-time employees without accounting for this difference. While the number of women in part-time positions impacts our figures, access to benefits, including parttime and other flexible work arrangements, is an important part of our diversity and inclusion approach.

Actions to Drive Gender Equity

1 IMPROVING GENDER BALANCE

We are committed to achieving gender-balance at all levels of the business. Currently, [69%] of our corporate teams and [91%] of our Beauty Advisors identify as women. This is also the case for the majority of applicants for entry and mid-level roles at L'Oréal UK and the broader retail beauty industry. As such, we have initiatives to ensure we work towards a better gender balance for all positions.

The work we have continued in this area includes:

- Ensuring that gender balanced candidate shortlists are presented to hiring managers and we have gender balance on our interview panels.
- We ensure that all hiring managers receive training before recruiting onto their teams. This includes training on how to mitigate unconscious bias.
- Ensuring our job advertisements, including where they are placed and employer branding content promotes equal opportunities, including gender neutral language.

2 DEVELOPING FEMALE LEADERSHIP

L'Oréal provides regular leadership training to all employees, and dedicated initiatives to help develop and nurture female leaders to progress to senior leadership positions.

In 2023 both the UK Executive Leadership Team and the L'Oréal UK Board of Directors were gender balance.

Examples of our work in this area include:

- Our dedicated female leadership programme, Ignite, is designed to nurture future female leaders to help them progress into senior leadership positions, specifically trying to break down some of the common barriers faced by females when progressing through organisations.
- Over representation of female talent in our Ivy House course, a 6-month executive leadership programme for emerging talent which includes workshops, mentoring and coaching.
- Access to high impact executive coaching for females when moving into leadership positions.

Our Approach To Reducing The Gender Pay Gap

3 FOSTERING AN INCLUSIVE WORK ENVIRONMENT FOR ALL

L'Oréal is working to foster an inclusive workplace where people of every ethnicity, social background, religion, gender, age, sexual orientation or disability - visible or invisible - feel welcomed and valued.

In the UK and Ireland, we have six Employee Resource Groups (ERGs) to help us on our journey:

- GEN (Gender Equality Network)
- GROW (Parents and Carers)
- E&M (Ethnicity & Multiculturalism)
- Proud at L'Oréal – (LGBTQIA+)
- Mental Health & Wellbeing
- D&N (Disability/Neurodiversity)

Run by our passionate employees, our ERGs provide support and feedback on our DE&I strategy. They also drive a proactive agenda initiative focused on community upskilling, education, awareness and outreach.

We continue to offer flexible, accessible and supportive working practices in our business. This includes our flexible working policies to achieve a greater work-life balance. We continue to collaborate with our working parents and the carers' community to pioneer new working approaches. We offer competitive parental support packages, including maternity and paternity leave, paid fertility leave, and adoption leave, and provide flexible return-to-work policies and access to coaching support.

We offer support for specific challenges around reproductive health and conditions that women specifically encounter, like Menopause. In 2023 we expanded our offer to include on-demand support via Peppy Health, in addition to dedicated training to raise awareness and enhance support on Menopause for the HR community and all Line Managers. We also offer individual and group support for women who would like guidance, further support or a connection from those within the community facing similar experiences.

Statutory Disclosure Summary

Males/Females Employees	22/78
Median Gender Pay Gap	36.7
Mean Gender Pay Gap	30.3
Median Bonus Pay Gap	23.5
Mean Bonus Pay Gap	37.7
Males/Females receiving a bonus payment	98/98
Upper Quartile* (male/female)	31/69
Upper Middle Quartile* (male/female)	27/73
Lower Middle Quartile* (male/female)	21.7/78.3
Lower Quartile* (male/female)	5.6/94.4

We confirm that our data is accurate and has been calculated in accordance with the statutory requirements as required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Thierry Cheval,
Managing Director, L'Oréal UK and Ireland