

The GRI standard

The GRI standards framework was launched in 2002, becoming one of the first global standards dedicated to sustainability reporting. Initiated by the Global Reporting Initiative (GRI), it aims to help businesses, governments, and other organizations understand and communicate their impacts on issues such as GHG emissions, socials or governance issues. Nowadays, the GRI reporting framework contributes to enhancing the transparency of organisations by fostering high quality disclosure of material sustainability information that meets stakeholders' needs.

Our commitment

L'Oréal has a long-standing commitment to disclose its extra financial performance. Accordingly, our former answers to the GRI standards can be found in the past Universal Registration Documents. To ease our stakeholders access to the reporting, we decided to share our answer to the framework as a stand-alone document for 2023 data.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location if information in L'Oréal's 2023 URD
General disclosures					
General disclosures	2-1	Organizational details		Full compliance	1.3.2. 1.3.3. 1.3.8. 1.4.1.3.
	2-2	Entities included in the organization's sustainability reporting		Full compliance	1.3.4.
	2-3	Reporting period, frequency and contact point		Full compliance	1.1.

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	2-4	Restatements of information		Full compliance	4.6.5.
	2-5	External assurance		Full compliance	4.7.1.
	2-6	Activities, value chain and other business relationships		Full compliance	1.1.2. 1.3.1. 1.3.2. 1.3.3.
	2-7	Employees		Full compliance	4.3.2.
	2-8	Workers who are not employees		Full compliance	4.3.2.
	2-9	Governance structure and composition		Full compliance	2.2.
	2-10	Nomination and selection of the highest governance body		Full compliance	2.2. 2.3.
	2-11	Chair of the highest governance body		Full compliance	2.2.1. 2.2.2.
	2-12	Role of the highest governance body in overseeing the management of impacts		Full compliance	2.3. 4.1.2.
	2-13	Delegation of responsibility for managing impacts		Full compliance	2.3.4. 4.1.2.
	2-14	Role of the highest governance body in sustainability reporting		Full compliance	2.3.4.
	2-15	Conflicts of interest		Full compliance	1.1.3.4. 2.1.2.2. 2.2.1.5. 2.3.5. 2.3.6.
	2-16	Communication of critical concerns		Full compliance	1.5. 3.5.

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	2-17	Collective knowledge of the highest governance body		Full compliance	2.3.
	2-18	Evaluation of the performance of the highest governance body		Full compliance	2.3.5.
	2-19	Remuneration policies		Full compliance	2.4.1.1.
	2-20	Process to determine remuneration		Full compliance	2.4.1.1. 2.3.4.
	2-21	Annual total compensation ratio		Full compliance	2.4.2.4. 4.3.2.
	2-22	Statement on sustainable development strategy		Full compliance	4.1.
	2-23	Policy commitments		Full compliance	3.4.1.
	2-24	Embedding policy commitments		Full compliance	3.4.1. 3.4.5.1.
	2-25	Processes to remediate negative impacts		Full compliance	4.3.1.2.1.
	2-26	Mechanisms for seeking advice and raising concerns		Full compliance	4.3.3.1.
	2-27	Compliance with laws and regulations		Full compliance	3.5.3.3.
	2-28	Membership associations		Full compliance	4.1.5.
	2-29	Approach to stakeholder engagement		Full compliance	4.1.5.

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	2-30	Collective bargaining agreements		Full compliance	4.3.2.4.
Material topics					
	3-1	Process to determine material topics		Full compliance	4.1.
	3-2	List of material topics		Full compliance	4.1.
	3-3	Management of material topics		Full compliance	4.1.
Economic performance	201-1	Direct economic value generated and distributed		Full compliance	1.3.
	201-2	Financial implications and other risks and opportunities due to climate change		Full compliance	4.3.1.4.3.
	201-3	Defined benefit plan obligations and other retirement plans		Full compliance	4.3.2.5.
	201-4	Financial assistance received from government		Full compliance	
Market presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Full compliance	4.3.2.6.
	202-2	Proportion of senior management hired from the local community		Full compliance	

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Indirect economic impacts	203-1	Infrastructure investments and services supported		Full compliance	3.4.4.1.
	203-2	Significant indirect economic impacts		Full compliance	4.3.3.6.
Procurement practices	204-1	Proportion of spending on local suppliers		Full compliance	4.3.1.2.2.
Anti-corruption	205-1	Operations assessed for risks related to corruption		Full compliance	3.5.3.3. 4.3.4.
	205-2	Communication and training about anti-corruption policies and procedures		Full compliance	4.3.4.
	205-3	Confirmed incidents of corruption and actions taken			
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Full compliance	12.2.2.

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Tax	207-1	Approach to tax	<p>L'Oréal considers that taxation is an integral part of its social, environmental and societal responsibility and constitutes a way to participate positively to the development of the countries in which the Group operates. The L'Oréal Group's tax policy forms part of the sustainable development of its business. It is based on three pillars, which are defined in the Internal Tax Charter prepared and distributed around the world: Compliance, Transparency and Legitimacy.</p> <p>L'Oréal completes its tax declarations and pays its taxes, respecting the deadlines, in compliance with the laws and regulations in the countries in which the Group operates.</p> <p>The Group's tax footprint is consistent with its operational and geographical footprint: L'Oréal is located in countries where it conducts a real operational and commercial activity. If applicable, the Group's presence in certain so-called "tax haven" countries is justified for operational reasons and the development of its activity, and not for tax purposes.</p> <p>The Group will not engage in any aggressive or artificial tax planning with the purpose of evading or avoiding its tax obligations (Code of Ethics).</p> <p>L'Oréal ensures that transactions between Group companies are carried out in compliance with the arm's length principle defined by the OECD and the UN and satisfies increasingly digitalized reporting obligations (transfer pricing documentation, country-by-country reporting, etc.).</p> <p>L'Oréal aims for excellence in tax compliance.</p>	Full compliance	4.3.5.

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	207-2	Tax governance, control, and risk management	<p>Centralized expertise and a strong geographical presence of the tax function in the Countries ensure compliance with these three pillars. The Chief Financial Officers are responsible for tax compliance, backed up and relayed by the Tax and Accounting Departments. These Departments monitor changes in tax regulations to ensure that the Group complies with these regulations. They are assisted, where applicable, by external advisors.</p> <p>Within the Department of Operational Finance, the Group Tax Department ensures compliance with the Tax Policy in collaboration with the Finance Departments, through intermediaries in the form of different group-wide tax experts:</p> <ul style="list-style-type: none"> • Intra-group Transactions & Customs, which ensures compliance with tax and customs standards and secures the prices of intragroup transactions and the related documentation; • Analytics & Compliance, which analyses, verifies and informs on the Group's compliance and global tax liability; • Mergers and Acquisitions (M&A), which assists and provides tax advice on proposed merger-acquisition projects; • Tax Digitalisation, which enables the Group to meet the new requirements for digitalization imposed by the tax authorities (e-returns, e-invoicing, e-audits, etc.); • Tax Governance, which ensures the correct deployment of the Group's tax policy; and • Digital Taxation and E-commerce which assists and advises on the tax implications of e-commerce and digital projects. <p>In an evolving international tax environment, the positions taken by the Group may be questioned and subject to tax and customs audits by local authorities. If there is disagreement with a Tax or Customs Authority, L'Oréal is able to legitimately defend its interpretation of the law, prove its good faith and as needed, bring the disputes to court.</p> <p>A regular review of tax risks, carried out by the Group's Tax Department in contact with the local financial teams, enables the risks to be assessed, resulting, if applicable, to the recognition of a provision. The main risks are reported to the General Management and the Audit Committee.</p> <p>In 2022, L'Oréal has strengthened the distribution of roles and responsibilities of tax and accounting functions and their interactions, in order to harmonize the standards and processes that relate to tax compliance by the Group.</p> <p>L'Oréal has a public Code of Ethics that describes the process to report any concerns in relation to tax.</p>	Full compliance	4.3.5.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location if information in L'Oréal's 2023 URD
	207-3	Stakeholder engagement and management of concerns related to tax	<p>L'Oréal establishes and maintains relations with Tax and Customs Authorities based on transparency, pursuant to the Group's "zero tolerance" rule on corruption.</p> <p>L'Oréal also develops a constructive relationship with Tax and Customs Authorities, a relationship based on the principles of co-operation and mutual respect. L'Oréal responds appropriately and promptly to requests from the tax authorities regarding the exchange of information, in compliance with tax conventions.</p> <p>Where permitted to do so by governments, L'Oréal joins the cooperative compliance programs launched by the tax authorities. For example, the trust relationship ("relation de confiance") with the French tax authorities.</p> <p>The Group may contribute to the analysis of legislative changes at the request of Tax and Customs Authorities, or professional associations involved. For example, the Group takes part in OECD working groups relating to Pillars 1 and 2. L'Oréal is a member of the European Business Tax Forum (EBTF), a European companies association that seeks to increase transparency in the tax debate.</p> <p>The Group may contribute to the analysis of legislative changes at the request of Tax and Customs Authorities, or professional associations involved. Consequently, the Group takes part in OECD working groups relating to Pillars 1 and 2.</p>	Full compliance	4.3.5.
	207-4	Country-by-country reporting	<p>L'Oréal does not disclose a breakdown of taxes by country but goes beyond the Country-by-country reporting by publishing corporate income tax and operational taxes with a breakdown between EU and Non-EU.</p> <ul style="list-style-type: none"> • Non-European Countries : 1.569 million euros ; and • EU countries : 1.024 million euros. 	Ongoing compliance	4.3.5.
Materials	301-1	Materials used by weight or volume		Full compliance	4.3.1.3.1.
	301-2	Recycled input materials used		Full compliance	4.3.1.3.1.
	301-3	Reclaimed products and their packaging materials		Full compliance	4.3.1.3.1.
Energy	302-1	Energy consumption within the organization		Full compliance	4.3.1.1.3.

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	302-2	Energy consumption outside of the organization		Full compliance	4.3.1.1.3.
	302-3	Energy intensity		Full compliance	4.3.1.1.3.
	302-4	Reduction of energy consumption		Full compliance	4.3.1.4.1. 4.3.1.4.3.
	302-5	Reductions in energy requirements of products and services		Full compliance	4.3.1.3.1.
Water and effluents	303-1	Interactions with water as a shared resource		Full compliance	4.3.1.1.4.
	303-2	Management of water discharge-related impacts		Full compliance	4.3.1.1.2.
	303-3	Water withdrawal		Full compliance	4.3.1.1.4.
	303-4	Water discharge		Full compliance	4.3.1.1.2. 4.3.1.1.4.
	303-5	Water consumption		Full compliance	4.3.1.1.4.
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected		Full compliance	4.3.1.1.5. 3.4.4.2.

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	304-2	Significant impacts of activities, products and services on biodiversity		Full compliance	4.3.1.3.1.
	304-3	Habitats protected or restored		Full compliance	4.3.1.1.2.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Full compliance	4.5.1.3.
Emissions	305-1	Direct (Scope 1) GHG emissions		Full compliance	4.3.1.1.3. 4.3.1.4.1.
	305-2	Energy indirect (Scope 2) GHG emissions		Full compliance	4.3.1.1.3. 4.3.1.4.1.
	305-3	Other indirect (Scope 3) GHG emissions		Full compliance	4.3.1.4.1.
	305-4	GHG emissions intensity		Full compliance	p.52 4.3.1.4.1.
	305-5	Reduction of GHG emissions		Full compliance	p.52 4.3.1.4.1.
	305-6	Emissions of ozone-depleting substances (ODS)		Full compliance	4.3.1.1.2.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Partial compliance	4.3.1.
Waste	306-1	Waste generation and significant waste-related impacts		Full compliance	4.3.1.1.6.

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	306-2	Management of significant waste-related impacts		Full compliance	4.3.1.1.6.
	306-3	Waste generated		Full compliance	4.3.1.1.6.
	306-4	Waste diverted from disposal		Full compliance	4.3.1.1.6.
	306-5	Waste directed to disposal		Full compliance	4.3.1.1.6.
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria		Full compliance	4.3.1.2.1.
	308-2	Negative environmental impacts in the supply chain and actions taken		Full compliance	4.3.1.2.1.
Employment	401-1	New employee hires and employee turnover		Full compliance	4.3.2
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Full compliance	4.3.2.5.
	401-3	Parental leave		Full compliance	4.3.2.4.
Labor/management relations	402-1	Minimum notice periods regarding operational changes		Full compliance	
Occupational health and safety	403-1	Occupational health and safety management system		Full compliance	4.3.2.4. 4.3.1.1.1.
	403-2	Hazard identification, risk assessment, and incident investigation		Full compliance	4.3.1.1.1.

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	403-3	Occupational health services		Full compliance	4.3.2.4.
	403-4	Worker participation, consultation, and communication on occupational health and safety		Full compliance	4.3.1.1.1. 4.3.2.1.
	403-5	Worker training on occupational health and safety		Full compliance	3.4.5.1.
	403-6	Promotion of worker health		Full compliance	4.3.1.1.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Full compliance	3.4.5.2.
	403-8	Workers covered by an occupational health and safety management system		Full compliance	4.3.1.1.1.
	403-9	Work-related injuries		Full compliance	4.3.2.1.
	403-10	Work-related ill health		Full compliance	4.3.2.1.
Training and education	404-1	Average hours of training per year per employee		Full compliance	4.3.2.3.
	404-2	Programs for upgrading employee skills and transition assistance programs		Full compliance	4.3.2.3.

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	404-3	Percentage of employees receiving regular performance and career development reviews		Full compliance	4.3.2.5.
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees		Full compliance	4.3.2.6.
	405-2	Ratio of basic salary and remuneration of women to men		Full compliance	4.3.2.6.
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken		Full compliance	3.4.7.
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Full compliance	4.3.1.2.1.
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor		Full compliance	3.4.4.1.
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Full compliance	4.3.2.1. 3.4.5.2.
Security practices	410-1	Security personnel trained in human rights policies or procedures		Full compliance	

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Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples		Full compliance	4.3.3.1.
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs		Full compliance	4.3.3.6.
	413-2	Operations with significant actual and potential negative impacts on local communities		Full compliance	3.5.3.2.
Supplier social assessment	414-1	New suppliers that were screened using social criteria		Full compliance	4.3.1.2.1.
	414-2	Negative social impacts in the supply chain and actions taken		Full compliance	3.4.7.3.
Public policy	415-1	Political contributions		Full compliance	4.3.4.
Customer health and safety	416-1	Assessment of the health and safety impacts of product and service categories		Full compliance	4.3.1.3.1. 4.3.1.3.2.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Not disclosed	4.3.1.3.2.

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Marketing and labeling	417-1	Requirements for product and service information and labeling		Full compliance	4.1.
	417-2	Incidents of non-compliance concerning product and service information and labeling		Full compliance	4.3.2.6.
	417-3	Incidents of non-compliance concerning marketing communications		Full compliance	4.3.2.6.
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Full compliance	4.3.3.2.
GRI Foundation	N/A	Exigence 7: Publish a GRI content index		Full compliance	Loreal.com website