

# L'ORÉAL

## GRI cross-reference table

### 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.

Theme	Standard number	Disclosure title	Additional information	Level of compliance	Location of information in L'Oréal's 2022 URD
<b>GENERAL DISCLOSURES</b>					
<b>General Disclosures</b>	2-1	Organizational details		Full compliance	1.2.2 1.2.6 1.2.9 1.3.1.3
	2-2	Entities included in the organization's sustainability reporting		Full compliance	1.4.
	2-3	Reporting period, frequency and contact point		Full compliance	1.1
	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. 1.2.1 1.2.2 1.2.3
	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	2.2.1. 2.2 2.3
	2-11	Role of the highest governance body in overseeing the management of impacts		Full compliance	2.3
				Full compliance	

	2-12	Delegation of responsibility for managing impacts		Full compliance	
	2-13	Role of the highest governance body in sustainability reporting		Full compliance	2.3.4
	2-14	Conflicts of interest		Full compliance	1.1.3.4
	2-15	Communication of critical concerns		Full compliance	1.5 3.5.
	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	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	4.1.2.
	2-29	Approach to stakeholder engagement		Full compliance	4.1.2.
	2-30	Collective bargaining agreements		Full compliance	4.3.2 .4
<b>MATERIAL TOPICS</b>	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	202-1	Direct economic value generated and distributed		Full compliance	1.2
	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	
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	
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 anticorruption 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			
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
	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"> <li>• Intra-group Transactions &amp; Customs, which ensures compliance with tax and customs standards and secures the prices of intra-group transactions and the related documentation;</li> <li>• Analytics &amp; Compliance, which analyses, verifies and informs on the Group's compliance and global tax liability;</li> <li>• Mergers and Acquisitions (M&amp;A), which assists and provides tax advice on proposed merger-acquisition projects;</li> <li>• 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.);</li> </ul>	Full compliance	4.3.5

			<ul style="list-style-type: none"> <li>Tax Governance, which ensures the correct deployment of the Group's tax policy; and</li> <li>Digital Taxation and E-commerce which assists and advises on the tax implications of e-commerce and digital projects.</li> </ul> <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>		
	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.</p> <p>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> <p>Non-European Countries : 1,535 millions euros EU countries : 871 millions euros</p>	ongoing compliance	4.3.5
MATERIALS	301- 1	Materials used by weight or volume	<p><u>Raw materials</u></p> <ul style="list-style-type: none"> <li>Palm: In 2022, L'Oréal consumed 284 tonnes of palm oil and 88,156 tonnes of palm oil and palm kernel derivatives.</li> <li>Soy: In 2022, L'Oréal consumed 309 tonnes of soybean extract and 2,098 tonnes of soybean extract derivatives.</li> <li>Paper/cardboard: Regarding materials used by L'Oréal for its packaging, the paper used for product leaflets and the cardboard used for boxes are certified as coming from sustainably managed forests</li> </ul> <p>In addition, one may mention that the volume of the raw materials used by L'Oréal coming from green chemistry was 28%. This represents 665 raw materials. During the same year, 82% of the newly registered raw materials were renewable. Furthermore, 13 new raw materials based on green chemistry principles were registered, representing 24% of the total.</p> <p><u>Packaging materials</u></p> <p>L'Oréal used 172,158 tonnes of plastic in its primary, secondary and tertiary packaging.</p>	Full compliance	4.3.1.3.1
	301- 2	Recycled input materials	<p>In 2022, 94,230 tonnes of recycled materials, including 58,142 tonnes in</p>	Full compliance	4.3.1.3.1

		used	primary and secondary packaging, saved the equivalent amount of virgin materials. 78.1% of the volume of PET used by the Group worldwide is recycled PET, i.e., 33,912 tonnes.	Full compliance	4.3.1.3.1
	301-3	Reclaimed products and their packaging materials	In 2022, the percentage of refillable, reusable, recyclable or compostable plastic packaging was 38%.		
ENVIRONMENTAL ENERGY	302-1	Energy consumption within the organisation	Renewable electricity (MWh) : 514,457 Biogas (MWh) : 223,521 Other renewable energies (MWh) : 104,318 <i>Total renewable energy consumption (MWh) : 842,296</i> Non-renewable electricity (MWh) : 16,462 Gas (MWh) : 70,719 Fuel (MWh) : 6,880 Non-renewable heat, cooling and steam networks (MWh) : 8,022 <i>Total non-renewable energy (MWh) : 102,083</i> Total energy consumption (MWh) : 944,379	Full compliance	4.3.1.1.3.
	302-2	Energy consumption outside of the organization		Full compliance	4.3.1.1.3
	302-3	Energy intensity	Energy Intensity : 121 kWh / 1000 FP (industrial sites)	Full compliance	
	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	4.3.1.1.3
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	<u>Administrative sites and research centres</u> Total water withdrawal at the administrative sites and research centres came to 300 thousand m3 in 2022, down 27% compared with 2019. Water withdrawal was 653 litres per 100 hours worked in 2022, representing an increase of 14% compared with 2019 (-18% compared with 2021).  <u>Water withdrawal at industrial sites</u> As part of the L'Oréal for the Future programme, the Group has set itself the target for 2030 of reducing the water withdrawal at factories and distribution centres per unit of finished product by 30% compared with 2019. Total water withdrawal at the industrial sites came to 2,152 thousand m3 in 2022, down 1% compared with 2019, while the production of finished products increased by 5% over the same period. Water withdrawal was 0.33 litres per finished product in 2022, representing a decrease of 6% from 2019 (and a decrease of 1% from 2021).	Full compliance	4.3.1.1.4.
	303-4	Water discharge	As part of <a href="#">L'Oréal for the Future</a> , the Group has established an internal standard for the quality of industrial wastewater at the exit of the sites: by 2030, 100% of the wastewater at the exit of factories must not exceed a COD of 1,000 mg COD/l. If local regulations impose a lower threshold, the site must comply with the lower value. At year-end 2022, 24 factories were in compliance with this internal standard, representing 63% of the Group's factories.	Full compliance	4.3.1.1.4.
	303-5	Water consumption	Municipal water withdrawn (or another supplier) (m3) : 1,811,979 Rainwater (m3) : 0 Water withdrawn from groundwater (m3) : 256,370 Total withdrawal (m3) : 2,068,608 Wastewater at the exit of the site (m3) : 1,020,362 Water consumption (m3) : 1,048,245 Quantitative water footprint (m3 eq.) : 8,583,556	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 areas		Full compliance	4.3.1.1.5 3.4.4.2
	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		Full compliance	4.5.1.3.

		conservation list species with habitats in areas affected by operations			
EMISSIONS	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>CO2 emissions – Scope 1 of industrial sites: 18.9 thousands of tonnes of CO2 equivalent</li> <li>CO2 emissions – scope 1 of administrative sites and research centres: 0,9 thousands of tonnes of CO2 equivalent</li> </ul>	Full compliance	4.3.1.1.3.
	305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>CO2 emissions – Scope 2 of industrial sites: 2,5 thousands of tonnes of CO2 equivalent</li> <li>CO2 emissions – scope 2 of administrative sites and research centres: 2,9 thousands of tonnes of CO2 equivalent</li> </ul>	Full compliance	4.3.1.1.3.
	305-3	Other indirect (Scope 3) GHG emissions	For 2022, L'Oréal Group's Scope 3 is estimated at 11,245 thousands of tonnes of CO2 equivalent	Full compliance	4.3.1.4.1.
	305-4	GHG emissions intensity	<p>GHG emissions intensity (perimeter: industrial sites)</p> <ul style="list-style-type: none"> <li>Intensity of direct CO2 emissions: 2,9 g eq. /CO2 / FP</li> <li>Change in the intensity of direct CO2 emissions compared with 2019: - 55 %</li> <li>Intensity of indirect CO2 emissions: 0,4 g eq. /CO2 /FP</li> <li>Change in the intensity of indirect CO2 emissions compared with 2019: - 74 %</li> <li>Intensity of CO2 emissions CO2: 3,3 g eq. /CO2 /FP</li> <li>Change in the intensity of CO2 emissions (direct + indirect) vs 2019: - 59 %</li> </ul>	Full compliance	
	305-5	Reduction of GHG emissions	CO2 emissions – Scopes 1 and 2 of industrial sites : -57% vs 2019 CO2 emissions – Scopes 1 and 2 of administrative sites and research centres : -87% vs 2019	Full compliance	4.3.1.1.3
	305-6	Emissions of ozone-depleting substances (ODS)	In addition to greenhouse gases, L'Oréal works continually to control its atmospheric emissions. Every month, the Group's sites collect data in order to calculate the quantity of SO2 emitted into the atmosphere. In addition, each factory updates the mapping and inventory of volatile organic compounds (VOCs) emitted during its operations annually. The operation and maintenance of atmospheric emission collection and treatment facilities are subject to specific procedures and instructions. The quantity of VOCs emitted by the Group's factories in 2021 totalled 156 tonnes. The quantity of SO2 emitted by all the sites operated by the Group totalled 0.1 tonnes in 2022	Full compliance	4.3.1.1.2
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<p>0,1t of SO2</p> <p>Environmental risk assessment surveys are conducted annually at L'Oréal factories by a mandated external insurance company, on a rotating basis within the context of the Environmental Liability Insurance policy of the Group. These surveys include the assessment of the operational management of the potential sources of air pollution (NOx, SO2x, VOC and other particles.), and the related prevention or protection measures established by the factory.</p>	Partial compliance	4.3.1
WASTE	306-1	Waste generation and significant waste-related impacts	<p><u>Generation of transportable waste from industrial sites:</u> In 2022, 83,199 tonnes of waste were generated at industrial sites (excluding sludge), an increase of 2% compared to 2019. Over the same period, the production of finished products increased by 5%. This represents 12.9 grams per finished products representing a 3 % decrease compared with 2019 (-2% compared with 2021).</p> <p><u>Generation of transportable waste from administrative sites and research centres:</u> Waste generation for the administrative sites and research centres was 5,073 tonnes in 2022 (excluding sludge), representing a 21% decrease compared with 2019. This represents 11.0 kilograms per 100 hours worked, an increase of 23% compared with 2019 (-25% compared with 2021). Changes in waste generation intensity (in relation to the number of hours worked on site) have been significantly affected by changes in work organisation. Indeed, since the lockdown periods (still in place in China for several months of 2022), the on-site attendance rate has fallen sharply due to the extensive use of remote working. Moreover, industrial pilot, laboratory and pre-launch testing activities, which are more related to research and development projects and new product launches, generate waste regardless of the number of employees present.</p>	Full compliance	4.3.1.1.1.6.
	306-2	Management of significant waste-related impacts		Full compliance	4.3.1.1.6.
	306-3	Waste generated	<u>Generation of transportable waste from industrial sites</u> In 2022, 83,199 tonnes of waste were generated at industrial sites (excluding sludge), an increase of 2% compared to 2019. Over the same period, the production of finished products increased by 5%. This represents 12.9 grams per finished products representing a 3 % decrease compared with 2019 (-2% compared with 2021).	Full compliance	4.3.1.1.6.

			<u>Generation of transportable waste from administrative sites and research centres</u> Waste generation for the administrative sites and research centres was 5,073 tonnes in 2022 (excluding sludge), representing a 21% decrease compared with 2019. This represents 11.0 kilograms per 100 hours worked, an increase of 23% compared with 2019 (-25% compared with 2021).		
	306-4	Waste diverted from disposal	94% of the waste generated by administrative sites and research centres was recovered in 2022. In 2022, 41 administrative sites and 5 research centres had a recovery rate of 100%. In addition, 19 factories and 24 plants have a recovery rate of 100%.	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
SOCIAL EMPLOYMENT	401-1	New employee hires and employee turnover		Full compliance	
	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 2018	403-1	Occupational health and safety management system		Full compliance	4.3.2.1
	403-2	Hazard identification, risk assessment, and incident investigation		Full compliance	3.5.3.1.
	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
	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 and Equal Opportunity		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 labour 408-1 Operations and suppliers	408-1	Operations and suppliers at significant risk for incidents of child labor		Full compliance	3.4.4.1.
Forced labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		Full compliance	4.3.1.2.1 3.4.5.2.
Security practices	410- 1	Security personnel trained in human rights policies or procedures		Full compliance	
Rights of Indigenous People	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.
	416- 2	Incidents of non-compliance concerning the health and safety impacts of products and services		Not disclosed	4.3.1.3.2
Marketing and labelling	417-1	Requirements for product and service information and labelling		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
<b>GRI FOUNDATION</b>	N/A	Exigence 7: Publish a GRI content index		Full compliance	Website Loreal.com