

L'ORÉAL

Employee Human Rights Policy



2020

PREAMBLE

In accordance with our Code of Ethics, our four Ethical Principles – **Integrity**, **Respect**, **Courage** and **Transparency** – and our global Human Rights Policy, we are committed to respecting the internationally recognised Human Rights of our employees.

This Employee Human Rights Policy builds upon our global Human Rights Policy.

We are a signatory of the United Nations Global Compact (UNGC) since 2003 and our approach is based in particular on the 1948 Universal Declaration of Human Rights (UDHR), the International Labour Organization (ILO) 1998 Declaration on Fundamental Principles

and Rights at work, the ILO Core Conventions and the 2011 United Nations Guiding Principles on Business and Human Rights (UNGPs). We support the UN Women's Empowerment Principles.

CONVICTION

Our conviction is that every employee's Human Rights must be respected, regardless of their job or location.

In most places in which we operate, complying with local law allows us to ensure that we respect our employees' Human Rights. However, this may not always be sufficient, which is why we have decided to set out the best possible standards applicable to all our employees.

In many places in which we operate, such standards are already met and often exceeded in our Human Resources practices. Where this is not yet the case, we will work towards reaching such standards as quickly as possible.

Where local law imposes higher standards than those set out in this policy, local law will always apply. If, by contrast, this policy provides for a higher standard, it will prevail. When faced with conflicting requirements between local law and internationally recognised Human Rights, we seek ways to honour these international standards.

BENEFICIARIES

This policy applies to all full and part-time employees, corporate officers and members of the Executive and Management Committees of the L'Oréal Group, its subsidiaries worldwide and the L'Oréal Foundation.

With the support of management, the Human Resources teams are in charge of ensuring the respect of employees' internationally recognised Human Rights and are informed of L'Oréal's Employee Human Rights Policy by their management.

MONITORING

We put into place management systems to ensure that we conduct our activities in compliance with all laws applicable to our employees as well as the present policy.

We carry out regular audits of our facilities with the help of an external specialised audit firm to ensure respect of the minimum standards set out in this policy.

THE INTERNATIONAL LABOUR ORGANISATION CORE CONVENTIONS

ARTICLE 1 – FORCED LABOUR

We will not tolerate any form of forced labour (including bonded labour, human trafficking and modern slavery) in our operations.

We ensure that all employees have an official employment status. All employees receive a document setting out their work conditions and salary and working hours in a language they understand prior to starting work at L'Oréal.

Employees are free to resign subject to a reasonable notice period. This will be clearly communicated to them prior to starting employment.

We do not retain employees' personal documents (ID card, passports, etc.). Unless we are legally obliged, we do not retain other personal documents. If letters of release or other documents are needed for the employee to leave employment, such letters are issued without delay.

We do not require payments or any monetary deposits from employees as a condition of employment.

When we require foreign workers to come from abroad, we bear the cost of employment eligibility fees, including recruitment fees. If we use security personnel, they are only used to ensure the security of persons and assets.

Employees are free to move about their workplace (except in areas restricted for safety or confidentiality reasons) and to leave company premises during breaks and at the end of their shift.

We do not use labour from agencies or firms involved in unacceptable employment practices such as human trafficking or other forms of bonded labour or modern slavery. Agencies or firms with whom we work are made aware of and agree to abide by our standards, namely with regards to migrant employees.

In particular, agencies or firms must not retain personal identity or travel documents and ensure that candidates and workers do not pay any fees, expenses or deposits in connection with their employment. Workers are provided with a document setting out their working conditions and in particular salary and working hours in a language they understand.

ARTICLE 2 – CHILD LABOUR

In our operations, we prohibit employing individuals who are under the legal minimum hiring age, the compulsory schooling age or the age of 16, whichever is highest.

We check employees' age upon hiring and a copy of an official document showing the employee's name, age and photo is kept in their HR file. In regions where it is not possible to keep copies of such documents, alternative age verification systems are put in place. If necessary, HR teams are trained on commonly used forms of identification forgery.

Young employees aged between 16 and 18 benefit from special working conditions that take into account their age and their educational needs. Carrying out of hazardous work (e.g. involving heavy loads, dangerous substances or machinery) or night work are prohibited for young employees. Each market has a list of job functions that cannot safely be performed by such employees.

If we feel that we have a legitimate and socially responsible reason (for example within an apprenticeship scheme) to employ persons under the age of 16, we require a waiver from the Group Chief Ethics Officer.

In all cases, such work cannot affect their health and safety or their regular attendance at school.

Should any child labour without a waiver be identified within our operations, we provide adequate support to enable the child to return to school, and, if necessary, ensure their dependents are compensated for the resulting loss of income until the end of schooling. This includes making an offer of reemployment to the child when he/she reaches the permissible age.

ARTICLE 3 – NON-DISCRIMINATION

We are an equal opportunity employer and ensure that employment-related decisions are based on relevant and objective criteria.

We do not support or engage in discrimination in hiring, remuneration, access to training, company benefits and services, promotions, terminations or retirement 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.

Our commitment to non-discrimination may require identifying different types of discrimination, including those rooted in formal structures and cultural traditions.

We are particularly vigilant about individuals and groups (e.g. women, LGBTQIA+, migrant employees or indigenous populations) whose Human Rights are more likely to be at risk.

In line with our Share & Care programme, we ensure that maternity or paternity leave does not negatively impact employees' pay and careers. Pay increases during the maternity and paternity leave are assured as if the concerned employees were at work. Furthermore, terminating employment of women whose pregnancy has been medically confirmed is never acceptable, except for reasons unrelated to their pregnancy.

We regularly ensure that pay is based on objective factors and is implemented in a non-discriminatory way, for example by having a written description stating the salary level and the qualifications required for each job category.

We ensure that employment advertisements do not reference discriminatory criteria and we do not ask applicants for information about their marital status, pregnancy, intent to have children, number of dependents or similar information that may lead to discriminatory hiring decisions. We also do not carry out any pregnancy or HIV test or any other medical pre-hire test that is not legally mandatory or necessary for the position for which the candidate is applying (e.g. vision test). Hiring managers receive training regarding our non-discrimination policies.

We also take measures to enable qualified persons with disabilities or health conditions to gain employment opportunities, for example by providing wheelchair access, longer breaks, flexible working hours etc.

Subject to business continuation, company benefits and vacation policies allow for observance of different cultural and religious holidays and we allow employees to dress in traditional cultural garments if the clothing is appropriate for business, does not increase the risk of accidents and maintains an inclusive working-environment.

Training programs and company literature are culturally appropriate, gender neutral and respectful of diversity.

ARTICLE 4 – FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We respect employees' freedom of association and right to collective bargaining

If employees wish to be represented by authorised employee representatives, these representatives are elected by employees without company interference, preferably via secret ballot. Subject to the company's legitimate confidentiality interests and safety rules, we allow employee representatives access to the workplace, to consenting employees, to collective bargaining agreements as well as to relevant company documentation as locally required to fulfil their duties.

We also ensure that we have procedures in place to ensure regular collective bargaining with authorised employee representatives concerning workplace-related issues.

We provide reasonable notice of impending changes in operations that affect employment such as mergers and layoffs.

If requested by employees, employee representatives are allowed to participate with employees in any disciplinary or grievance hearing.

We will not tolerate any discrimination or adverse actions against employee representatives for participating in lawful trade union activities. We also prohibit any discrimination or adverse actions against employees for participating in or refraining to participate in such activities.

In situations or locations where independent trade unions are discouraged or restricted, we allow employees to gather independently to discuss workplace-related problems.

This includes allowing employees to engage as reasonably necessary in employee-only meetings within normal working hours to discuss workplace-related issues, and to meet with management to discuss these issues and any concerns or complaints employees may wish to raise.

WORKING CONDITIONS

ARTICLE 5 - HEALTH, SAFETY & SECURITY

We go beyond local regulatory standards through the application of our Global Health & Safety management system, based on best practices and international standards.

We provide safe, suitable, sanitary, violence-free, caring and healthy working facilities for all employees in those premises under our control and we take appropriate precautionary measures to anticipate dangers in the workplace and to protect employees from workplace-related hazards.

This includes having effective systems, tools and procedures in place, with clearly defined roles and responsibilities for health and safety at all levels.

We routinely monitor production processes, machinery and equipment to ensure that they are safe and in good working order. Working areas are to be clean and comfortable, including suitable temperature, ventilation and lighting, with gender-appropriate restrooms and changing areas. We provide employees with safe drinking water and an on-site or easily accessible place where employees can eat and we contribute to the cost of meals to facilitate access, at a reasonable price, to daily healthy food, being sensitive to employees' dietary restrictions (e.g. allergies, ethical and religious).

Where relevant, we put in place special health and safety precautions for new, expectant and nursing mothers, employees with disabilities, employees working at night, young employees and other vulnerable groups.

We manage risk in our premises through appropriate risk assessment and controls. All employees are trained for the tasks for which they are responsible prior to new assignments. We ensure that employees are not exposed to harmful processes, chemicals, substances or techniques. However, when such exposure is unavoidable, all habilitated employees likely to be exposed are provided with the necessary personal protective equipment and training, at no cost to the employee.

Health & Safety training is provided for all employees, including new employees, with a specific focus on any hazards associated with their particular activity. We keep accurate records of who has been trained and for what tasks.

Training is delivered in a language and form employees understand and includes response to workplace emergencies. First aid kits and fire extinguishers are readily available and

escape exits are clearly marked and free from obstruction.

Training may be repeated for reassigned employees, where incidents have occurred and when changes in technology and/or introduction of new machinery presents new risks to the health and safety of employees.

Health & Safety professionals stay informed of scientific and technological developments and climate change impacts regarding health and safety, including protective equipment.

We actively involve employees in health and safety at work. This can be done through health and safety committees with safety representatives for relevant employee groups freely elected in line with local law or, in the absence of such committees, by consulting them directly.

Health and safety incidents, including near-misses must be reported and investigated, as appropriate, through the health & safety reporting system, to help improve health & safety and prevent recurrences. We monitor injury frequency rates.

In case of a work-related injury, we provide suitable first aid and assist employees in obtaining follow-up medical treatment. Health and safety accidents are monitored including hours lost as a result of injury or illness e.g. compared to total hours worked (lost time injury frequency).

All employees have the right to remove themselves from imminent serious danger of injury without seeking permission from management. Violations of health and safety standards may give rise to disciplinary measures.

ARTICLE 6 – HARASSMENT & BULLYING

We protect employees from bullying and physical, verbal, sexual or psychological harassment, abuse or threats, including when determining and implementing disciplinary measures.

Employees are informed of their obligation to refrain from violent, threatening or abusive conduct and managers receive training on how to use appropriate management techniques to combat such behaviour and on how to identify and deal with instances of harassment.

All complaints of workplace harassment are to be investigated in line with our Speak Up policy and appropriate preventive and disciplinary action is taken, which can include reporting criminal actions to the appropriate authorities.

ARTICLE 7 – EMPLOYEE PRIVACY

We respect employee privacy when gathering private information or monitoring the workplace.

We have a procedure stating which kind of data collection and monitoring is allowed, what kind of personal employee data is retained, where it is stored, who has access to it and why the information is necessary.

Employees are made aware of all workplace monitoring and its purpose. They have access to all personal data collected about them by L'Oréal (excluding confidential management information related to performance evaluation, salary negotiations, promotions, rotation and similar employment decisions).

We do not collect information from persons with whom employees have a privileged relationship i.e. partner, religious counselor, doctor, lawyer without the employee's prior written consent. Monitoring and data collecting (in particular medical data) are conducted in a non-discriminatory manner.

ARTICLE 8 – FREEDOM OF EXPRESSION

We respect our employees' freedom to express their personal opinions (including philosophical opinions and religious beliefs) inside as well as outside of the workplace, subject to their duty of loyalty to L'Oréal and the need to protect the Group's reputation and to maintain an inclusive working-environment.

We promote respect for every person and harmony in the workplace. Freedom of expression can be circumscribed by clear criteria such as safety, health, operational imperatives as well as respect for dignity and the diversity of opinions.

Proselytism (i.e. attempting to convert others) as well as expression of hatred (i.e. racism, homophobia, anti-semitism) are contrary to the values of L'Oréal and prohibited.

ARTICLE 9 – WAGES, HOURS, LEAVE AND BENEFITS

We ensure that our employees benefit from a universal set of social protections and we strive to enable them to balance their personal and professional lives.

The normal work week is limited to 48 hours (fewer if provided by national law, collective agreement or industry standards).

Overtime is compensated at a premium rate and does not exceed the level set by local law and in any case 12 hours per week or 36 hours per month. Overtime cannot be compelled through threat of pay deduction or other sanctions. We also regularly evaluate whether the number of employees is sufficient to meet targets in order to limit excessive overtime.

Employees are allowed at least 24 consecutive hours of rest in every seven-day period or 48 consecutive hours of rest in every fourteen-day period (or more if provided by national law or industry standards).

Employees are granted reasonable breaks while working. They are allowed to use toilet facilities whenever necessary and not just during designated breaks.

For employees not subject to working time monitoring, the balance between personal and professional life is taken into account.

We ensure that all employees receive at least the minimum wage required by local law or by applicable bargaining agreement and that they are paid a living wage covering their basic needs and calculated in line with best practices.

Our pay system emphasizes internal equity and is competitive externally within a defined job market.

We pay wages at regular intervals, preferably to the employee's account, do not permit deductions not allowed by national law and avoid deductions for disciplinary reasons.

Part-time employees receive wages that are proportionate to those of full-time employees. We do not use an excessive number of part-time positions as a method to avoid paying full wages and benefits to employees.

We promote our employees' development through various means, including training.

We grant employees at least 3 weeks of paid holiday leave per year (or more if required by national law or collective agreements) after 1 year's seniority. Part-time and short-term employees are provided with paid holiday leave proportionate to the number of hours

worked, at a rate equal to that of permanent full-time employees.

Sick leave is paid for the duration provided by national law and it cannot be deducted from employees' holiday time. If sick leave is not provided for in national law, we establish alternative means of protection in case of illness or injury.

In line with our Share & Care program, we provide a minimum maternity leave of 14 weeks paid at 100% of the salary and a minimum paternity leave of 10 days paid at 100% of the salary. We also provide employees (or their families) with at least twenty-four months' salary in the event of death or permanent incapacity and an access to major medical treatments with a reimbursement of at least 75% of related costs.

We grant compassionate leave as well as parental leave to employees who have recently adopted a child or children or have taken on the responsibility to care for foster children or other dependents.

GRIEVANCE MECHANISMS AND OUTSOURCING

ARTICLE 10 - OUTSOURCING

We do not use labour-only contracting arrangements, consecutive short-term contracts, false apprenticeship or other schemes to avoid meeting our Human Rights obligations.

ARTICLE 11 - GRIEVANCE MECHANISMS

We provide accessible reporting mechanisms, namely via L'Oréal's secure Speak Up website.

www.lorealpeakup.com

We promote the proper use of these mechanisms so that all L'Oréal employees can report suspected incidents of Human Rights abuse.

Confidentiality and protection from retaliation is guaranteed to those who use these mechanisms in good faith. Both Speak Up and this policy are available in many languages.

Suspected incidents of Human Rights abuse are immediately escalated to the Chief Ethics Officer, investigated and action is taken when necessary.

We apply fair, reasonable and legal disciplinary practices.