

L'ORÉAL

Vigilance Plan 2025

The Vigilance Plan was published in L'Oréal's 2025 Registration Document in accordance with the regulations. This document is published in this format to improve its accessibility, given the expectations of certain stakeholders in this matter.

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1 Introduction

L'Oréal is built on strong Ethical Principles that guide its development: Integrity, Respect, Courage and Transparency. These Principles form the foundation of its policies on sustainability, corporate social responsibility, and corporate philanthropy. L'Oréal promotes respect for all internationally recognised Human Rights and Fundamental Freedoms.

In line with the United Nations Guiding Principles on Business and Human Rights, L'Oréal's particular points of reference are the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the Fundamental Conventions of the International Labour Organization.

L'Oréal's Vigilance Plan (the "Plan") meets the obligations of the French law of 27 March 2017 on the duty of vigilance for French parent companies and order-giver companies. It contains reasonable due diligence measures intended to prevent the risk of serious adverse impacts on Human Rights and Fundamental Freedoms and Health, Safety and the Environment within the framework of a best efforts obligation. It applies to L'Oréal, the parent company of the Group, and to the subsidiaries controlled directly or indirectly by L'Oréal (the "Subsidiaries"), as defined by Article L. 233-16 of the French Commercial Code, and to suppliers and subcontractors with which the companies of the Group have a "permanent commercial relationship", i.e., a direct, ongoing and stable commercial relationship based on the definition in

French case law (the "Suppliers"), depending on the risk level as identified in the Plan. It is understood that in its own activities, L'Oréal complies with the rules and procedures contained in the Plan, even when L'Oréal is not expressly mentioned therein. The Plan contains the rules applied to prevent the risk of serious adverse impacts on Human Rights and Fundamental Freedoms, the Health and Safety of people and the Environment resulting from the activities of L'Oréal, its Subsidiaries and Suppliers (see section 4). It also includes reasonable measures for the effective application of these rules by L'Oréal and its Subsidiaries and Suppliers as well as regular assessment procedures to evaluate their compliance (see section 5). It provides a whistleblowing and reporting system (see section 6) and presents a report on the plan's implementation (see section 7). The actions to support, encourage and prevent the risk of serious adverse impacts on Human Rights, Fundamental Freedoms, Health, Safety and the Environment contained in the Plan constitute reasonable efforts to be implemented by Suppliers and Subsidiaries. Given the diversity of the businesses of the Subsidiaries and Suppliers, the Plan contains common measures for them.

In addition to these common measures, L'Oréal and its Subsidiaries voluntarily conduct additional actions on these same issues. These initiatives are described in other chapters of the 2025 Universal Registration Document, in particular chapter 4. Suppliers voluntarily conduct additional actions on these issues and L'Oréal encourages them to do so.

2 Continuous improvement process

As part of a continuous improvement process, the Plan is regularly reviewed by the Ethics, Risk and Internal Control Department, the Operations Department (Environmental, Health and Safety and Purchasing), the Human Relations Department, the Corporate Social Responsibility Department and the Legal & Compliance Department. Each of these representatives leads a local network (Ethics and Human Rights Correspondents, Environmental, Health and Safety, Purchasing, and Human Relations teams, managers from

Internal Control, and Sustainability Leaders) around the world, making it possible to take into account feedback from the field when improving the Plan.

L'Oréal regularly consults with internal stakeholders, such as the employee representatives in the context of the European Works Council (Instance Européenne de Dialogue Social) and qualified outside stakeholders (NGOs and members of civil society). The Audit Committee and the Board of Directors are informed each year of the update to the Plan's content.

3 General risk analysis framework

The risks of serious adverse impacts on Human Rights and Health, Safety and the Environment have been analysed on the basis of the business of L'Oréal, its Subsidiaries and its Suppliers. The risk analysis was used, first, in the definition of the Applicable Rules (defined hereafter) and, second, to the measures for effective application and monitoring of these Rules.

L'Oréal's activity consists of producing cosmetic products and distributing these products to the Group's clients.

3.1 Manufacturing of finished products

L'Oréal manufactures the vast majority of the finished products that it sells in its own factories, and is mainly present in major growth markets. Its network of 37 factories is equipped with the very latest technologies and advances in automation and adapts constantly, and with agility, to incorporate acquisitions and embrace external innovations.

This network is rounded out by production subcontracting, mainly to meet temporary demand peaks for specific technologies (make-up pencils, soaps, etc.). L'Oréal's contracts prohibit cascade subcontracting. Subcontractors, who need to subcontract a portion of their L'Oréal production to meet manufacturing constraints must first obtain consent from L'Oréal. When, in certain cases, the subcontractor is

authorised to subcontract a portion of its production, the same contractual rules are applied to the subcontractors of the subcontractors.

To meet their production needs, L'Oréal's factories purchase various raw materials, packaging components and equipment from third-party Suppliers. These Suppliers have specific expertise, develop their products and have the infrastructure necessary to produce them. They act with complete independence from L'Oréal, without depending on L'Oréal's instructions or expertise.

The manufacture of packaging components is not part of L'Oréal's activity. The packaging components used are purchased from companies specialising in this area. The same is true for production equipment.

3.2 Product distribution

Products are distributed by the Subsidiaries and independent third-party distributors in the countries or regions where the Subsidiaries are not present. In order to ensure this distribution, warehouses are operated by the Subsidiaries directly, or these services are entrusted to third-party logistics service providers that render services on the same type of activity: storage and preparation of orders in warehouses that they lease or own.

4 Applicable Rules resulting from the risk analysis

The Subsidiaries and Suppliers must comply with the applicable local legislation and the minimum common core of the rules listed below (the "Applicable Rules") in order to prevent the risk of serious adverse impacts on Human Rights and Fundamental Freedoms, Health and Safety of people and the Environment. When local laws and/or the internal rules of Subsidiaries and Suppliers provide more stringent standards than the Applicable Rules, such standards must take precedence. If, however, the Applicable Rules provide for stricter standards, the Applicable Rules take precedence unless they result in an unlawful activity. In the event of a contradiction between local laws and internationally recognised Human Rights, L'Oréal works to comply with these international standards.

4.1 Risks and Applicable Rules for the prevention of serious violations of Human Rights and Fundamental Freedoms **CSRD**

Risk Analysis and risks identified relating to Human Rights and Fundamental Freedoms

The Group expanded its risk mapping by identifying the potential key Human Rights risks worldwide and in all markets⁽¹⁾. L'Oréal referred to the reporting framework of the Guiding Principles on Business and Human Rights (UNGP

Reporting Framework). This identification process takes into consideration the severity, scale, remediability and likelihood of its impacts for people throughout its value chain. These analyses were conducted with an NGO specialised in the area, providing independent input, and are regularly reviewed. As a result of the analyses, the following salient risks were identified in the context of the application of the French Law on Duty of Vigilance:

- child labour among the employees of the Group's Suppliers;
- forced labour among the employees of the Group's Suppliers;
- job discrimination because of gender, gender identity, age, disability and sexual orientation of the employees of L'Oréal and the employees of the Group's Suppliers;
- Suppliers' employees not receiving a living wage⁽²⁾; and
- lack of a whistleblowing system for social dialogue, freedom of association and collective bargaining among the employees of the Group's Suppliers.

Other potential risks identified concern respect for the environment (see "Additional actions intended for suppliers" in section 4.2), the right to access water, consideration of Human Rights in the choice of raw materials and, in particular, respect for free, prior and informed consent of indigenous peoples and local communities.

(1) This section incorporates by reference the information required by the CSRD standard (S2-4) for the Sustainability Report (sections 4.9.1 and 4.9.2.1) – see the 2025 Universal Registration Document.

(2) The International Labour Organization defines a living wage as: "the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work."

Applicable Rules on Human Rights

Subsidiaries and Suppliers must comply with the minimum core rules, which consist of the following rules that result from an analysis of the risks related to the business activities of the Group and its Suppliers.

Child labour: L'Oréal's presence in certain regions of the world that are particularly at risk for child labour, including Asia and Latin America, has led the Group to identify this issue as a priority. To take into consideration the vulnerability of young workers, L'Oréal sets the minimum age for employment based on the highest standard among (i) the legal minimum age for recruitment, (ii) the age of compulsory education or (iii) the age of 15 or, for its own employees, the age of 16. L'Oréal prohibits night work and work hazardous to health and safety for employees younger than 18 in its Subsidiaries.

Forced or compulsory labour: L'Oréal refers to the definition of forced labour set out in Convention 29 of the International Labour Organization: *"all work or service which is exacted from any person under the threat of any penalty and for which the person has not offered himself voluntarily"*. In certain regions of the world where L'Oréal operates, certain practices that violate internationally recognised Human Rights, such as holding the identity papers of migrant workers, are common. Any form of forced labour is prohibited.

As a result:

- unless there is a legal obligation, employees' identity papers, passports or any other personal documents may not be held from them. In the event of a legal obligation, these documents must be returned to employees at their first request;
- employees may not be asked to pay for recruitment costs or to make cash deposits to obtain employment;
- if workers from foreign regions are hired, the employer must pay the costs related to these hires;
- security personnel must only ensure the safety of people and property; and
- any salary withholding or any other financial penalty must be strictly authorised by law. It may not under any circumstances be used for the purpose of confiscation, for the direct or indirect benefit of the employer. L'Oréal does not authorise such penalties for non-managerial-grade employees.

Employees must have access to drinking water and toilet facilities. They must be free to move around their place of work, with the exception of areas to which access is restricted for confidentiality or safety reasons.

Non-discrimination: acts of discrimination are serious violations of Human Rights that remain anchored in all regions of the world in which L'Oréal is present. Discrimination related to gender, sexual orientation and gender identity, disabilities, family situation, age, political and philosophical opinions, religious beliefs, union activities, or related to ethnic, social, cultural or national origins or pregnancy is prohibited. L'Oréal bans pregnancy testing when employees are hired within the Group, and requires its Suppliers to comply with this standard. In addition, a number of the e-learning courses available in the Diversity, Equity & Inclusion learning library cover socio-economic and multicultural diversity topics. Examples include: "Identify and fight racism in the workplace", "Religion and beliefs in the workplace", and "Fighting discrimination based on physical appearance".

Bullying and sexual harassment: bullying and sexual harassment are prohibited in the Group.

Working hours: L'Oréal looks to ensure that working hours, including overtime, do not exceed 60 hours a week for employees whose working time is monitored. All employees must also be granted at least one day of rest for every seven-day period, or two consecutive days of rest for every fourteen-day period. They must have reasonable breaks when they work.

Freedom of association and right to collective bargaining: violations of freedom of association and the right to collective bargaining, such as discrimination against employee representatives, may occur in all regions of the world in which L'Oréal operates. Employees' freedom of association and right to collective bargaining must be respected:

- elections of employee representatives must take place without interference from the employer, preferably by secret ballot;
- employee representatives have access to the work premises subject to safety and/or confidentiality requirements, if any; and
- discrimination against employees conducting union activities is prohibited.

In regions where freedom of association and the right to collective bargaining are limited, L'Oréal authorises its employees to meet independently in order to discuss their professional concerns.

The Group encourages its Suppliers to respect the freedom of association of their employees and their right to collective bargaining, where permitted by applicable regulations.

Whistleblowing mechanisms: L'Oréal's whistleblowing system (see section 6) is also available to its Suppliers. Since 2025, the Group has asked eligible Suppliers to commit to having their own whistleblowing channels.

Additional actions for Human Rights

In addition to actions taken as a result of the risk analyses conducted on the business activities of the Group and its Suppliers, L'Oréal conducts initiatives of its own volition besides those implemented pursuant to the French law on the duty of vigilance. These are described in chapter 4 of the 2025 Universal Registration Document.

For example, L'Oréal set up actions with the aim to improve the working conditions of the Indian communities whose livelihood depends on the mineral mica. Since 2017, L'Oréal has been one of the 20 founding members of the Responsible Mica Initiative (RMI). The RMI has 100 members. Its goals are three-fold:

- to implement workplace standards on 100% of the supply chains of its members for mica from Bihar and Jharkhand (standards on employment, health, safety in the workplace, the environment and non-use of child labour);
- to support the abilities of communities through an engagement programme that improves the standard of living and generates additional sources of income; and
- to establish a legal framework and related control systems from which workers in the mica sector in Bihar and Jharkhand can benefit.

L'Oréal also participates in the development of the RMI audit standard to facilitate member collaboration and effectively put in place the collective actions necessary in cooperation with local authorities. L'Oréal also supports the establishment of a price calculated using the living wage approach in addition to diversified income contributing to more resilient living conditions.

L'Oréal requires its Suppliers to have their own due diligence processes in place as regards their own scope of supply of Indian mica. In 2025, 99% of Indian mica used in the Group's formulas came from Suppliers committed to obtaining their supply from verified processing sites.

The Group has set up two ambitious programmes aimed at improving working conditions for the employees and communities its Suppliers work with: Living Wage and Inclusive Sourcing.

Living Wage programme

For the third year in a row, L'Oréal was certified globally by the NGO Fair Wage Network⁽¹⁾ as a "Living Wage Employer", confirming its workers are paid more than the local living wage as defined by this NGO.

L'Oréal engages in dialogue, takes a collaborative approach and establishes common strategic frameworks with partners within its supply chains, other companies, civil society and governments.

Continuing its commitment to its employees, in 2022 L'Oréal rolled out the Living Wage programme, aimed at committing its strategic Suppliers to the principle of a living wage.

This programme is aligned with the recommendations of renowned expert bodies such as the International Labour Organization (ILO) and the IDH Sustainable Trade Initiative, and is supported by specialist partners such as the Fair Wage Network and the Wage Indicator Foundation. The Living Wage programme consists of a series of structured actions. L'Oréal actively shares content about living wages (definitions, methodology, testimonials, etc.) with its strategic Suppliers on a special platform, rounded out by a series of webinars. The purpose of these sessions is to discuss the Group's methodology and expectations, and for Suppliers who have already adopted the approach, to give feedback on their experiences. This encourages the sharing of best practices, and helps anticipate potential difficulties between companies.

Strategic Suppliers are encouraged to make a formal pledge and actively work towards a living wage for their employees. At the end of 2025, all L'Oréal's strategic Suppliers were invited to take part in training sessions on this subject. Out of these Suppliers, 25% (in terms of expenditure) said that they pay their employees a living wage or have defined an action plan with a timeframe for achieving this objective⁽²⁾.

Inclusive Sourcing programme

Launched in 2010, the Global Inclusive Sourcing programme harnesses the Group's purchasing power to promote social inclusion. The programme is fully aligned with the Group's Sustainable Sourcing policy, promoting diversity and inclusion within its supplier network. L'Oréal allocates a portion of its

overall purchasing volume to suppliers who provide employment to people from socio-economically vulnerable communities and to suppliers recognised as diverse, such as businesses which have traditionally faced challenges accessing large corporations (see chapter 4.9.2.2 of the 2025 Universal Registration Document).

The Inclusive Sourcing programme contributes to L'Oréal's goal of empowering 100,000 people who face social and economic hindrances in accessing employment by 2030⁽³⁾.

Since 2020, 109,674 people were supported in accessing employment, notably through the Inclusive Sourcing programme.

Measures to improve the working conditions of beauty advisors

L'Oréal works with beauty advisors to promote its products at points of sale. Depending on the markets, they may be L'Oréal employees, distributor employees or employees hired through temporary employment agencies. Predominantly women, these advisors are in direct contact with consumers and may sometimes be faced with consumer or management behaviour that does not reflect L'Oréal's values. To improve their access to reporting tools, the Group has launched pilot projects in three markets.

In this context, a mobile phone survey tool has been rolled out for all beauty advisors employed by a temporary employment agency in a Group country. This revealed Human Rights issues, concerning working conditions, employment contracts and harassment, in particular. These topics were addressed in a dedicated action plan that included measures to improve contracts and to train beauty advisors, distributors and employers of these advisors on violence against women.

Other similar feedback tool projects are being considered, as the ultimate goal is to increase the coverage of this at-risk population. An e-learning course for beauty advisors was developed in 2025 and slated for roll-out in 2026.

Human rights actions – the rose sector in Turkey

In response to a Human Rights risk identified in relation to the rose sector in Turkey, L'Oréal joined the Harvesting the Future initiative launched by the Fair Labor Association (FLA), aimed at improving working conditions and respect for human rights in various agricultural sectors, focusing on empowering seasonal workers and their families. Running up to end 2026, the project brings together various stakeholders, including the Turkish government, local civil society organisations, processors, growers and companies in the beauty and perfume industry, in order to support and strengthen the introduction of systems for monitoring human rights in their supply chains.

In 2025, with the support of the Harvesting the Future initiative, local producers organized in an association deployed risk prevention and remediation efforts, contributing to the transition towards local self-sufficiency.

For further information about the results of the project to date, see the FLA website⁽⁴⁾.

(1) International NGO which provides the Group with a database on living wages in 200 countries, and assists it with the strategy for implementation by the Operations division as regards strategic Suppliers.

(2) The scope concerned aims for least the sites or entities involved in the business relationship with L'Oréal.

(3) Compared with the base year of 2020.

(4) <https://www.fairlabor.org/projects/harvesting-the-future-of-rose-in-turkiye/>

Human rights actions – the jasmine-growing sector in Egypt

Following an alert and a series of Human Rights impact assessments carried out by independent specialists in 2023 in various regions worldwide, the Group identified risks of Human Rights violations in relation to jasmine harvesting in Egypt, and in particular a problem regarding child labour.

In response to this situation, the FLA, together with the Egyptian office of the International Labour Organization and more than 15 national and international producers and buyers of jasmine derivatives and products are working together to promote better child protection and decent working conditions in the jasmine sector in Egypt. The Egyptian government and several civil society organisations are also active partners in the project, which forms part of FLA's Harvesting the Future initiative.

Joint efforts to improve labour rights and local working conditions in the jasmine supply chain include strategies to promote fair pay and build the economic resilience of families; strengthen child protection measures and improve (i) children's access to education and (ii) parents' access to childcare; improve processors' Human Rights due diligence systems; and generate governmental support for legal and policy initiatives, including social protection measures.

The FLA and ILO are actioning these measures on a local, on-the-ground basis in seven jasmine producing villages in the Gharbia region in Egypt, in collaboration with several local civil society organisations and jasmine suppliers.

In 2025, the Egyptian Labour Code evolved to incorporate improvements supported by the coalition.

Raw material sourcing

As part of a voluntary approach, L'Oréal launched a global analysis of the risks inherent in its raw material sourcing, looking beyond the Suppliers with whom it has an "established business relationship".

4.2 Risks and Applicable Rules to prevent serious adverse impacts on Safety and Health in the workplace and the Environment

Analysis of Risks to Safety and Health in the workplace and the Environment ⁽¹⁾

The risk analysis covers generic risks related to industrial activities and specific risks related to Suppliers' and Subsidiaries' own business activities.

Generic risk analysis process

As is the case for any production (manufacturing and packing), distribution, research and general administration operations, the Group and its Suppliers are exposed to Safety, Health and Environmental challenges.

Based on the risk prevention work on the Environment, Health and Safety at the workplace carried out by L'Oréal for many years, the major risks below have been identified. On this basis, the Subsidiaries and Suppliers must define at each of their sites the measures designed to prevent the risks identified in the Plan (the "Prevention System").

Specific risk analysis process for Subsidiaries

The Subsidiaries conduct their own risk analysis based on the list of risks set out below, particularly the fire risk, which is controlled by very strict fire prevention standards (such as those issued by the National Fire Protection Association).

In addition to the generic risks, the Subsidiaries identify the specific risks related in particular to cosmetics production. For example, physical risks are the subject of SHAP (Safety Hazards Assessment Procedure) studies, which identify the dangers, generally and for each workstation, assess the risks and show the necessary means of control to be implemented. Environmental risks are also analysed to assess the nature of the aspects and impacts of a site's activities on its environment and to control any that lead to potentially serious impacts for the air, soil, water, biodiversity and resources.

This environmental analysis is updated regularly by each of the Group Subsidiaries' sites and whenever a significant change takes place. If significant risks are identified or if L'Oréal's standards or regulations impose specific requirements, a more detailed evaluation is carried out for the activities concerned. Appropriate action plans, with immediate action where necessary, are implemented to reduce significant risks to an acceptable level.

With regard to water discharge, each industrial site has implemented a self-monitoring system representative of the wastewater discharged⁽²⁾. This self-monitoring is a tool for detecting risks of exceeding regulatory thresholds that helps to anticipate any non-compliance and launch corrective actions. A total of 29 L'Oréal factories have their own wastewater treatment plant. L'Oréal is installing more such plants.

The process safety risks are analysed using the HAZOP (HAZard and OPerability analysis) guide. This method focuses on operating conditions, or FMECA⁽³⁾, which analyses risks related to failures in the process at the different steps in production.

The results and means of controlling industrial and specific risks are summarised in the GHAP (Global Hazard Assessment Procedure) programme.

Specific risk analysis process for Suppliers

In addition to their own risk analyses, Suppliers refer, at the very least, to the issues listed by L'Oréal in the Mutual Ethical Commitment Letter (MECL – see section 4.4.2.2 of the 2025 Universal Registration Document) in order to implement the appropriate prevention measures at each affected site.

If the specific nature of the Suppliers' activity requires specific risks and/or additional prevention measures to be identified, the Suppliers are required to roll out these additional measures in accordance with best practices in their industry.

For example, in the subcontracting of finished products activity, specific risks may involve (i) the use of certain raw materials, (ii) wastewater treatment, (iii) the use of machines or electrical equipment in processing or storage areas, and (iv) handling techniques that may cause personal injury, in particular.

(1) This section incorporates by reference the information required by the CSRD standard (E2-1) for the Sustainability Report (section 4.3.3.2) – see the 2025 Universal Registration Document.

(2) Monitoring of regulated and contractual parameters: chemical oxygen demand (COD), biochemical oxygen demand (BOD), etc.

(3) Failure Mode, Effects and Criticality Analysis.

In the specific case of subcontracting Suppliers of aerosol production or storage, bleaching powders or flammable products, the sites are subject to specific risks analyses concerning process safety.

Risks identified related to Environment, Health and Safety in the workplace

Risks of serious adverse impacts to Health and Safety in the workplace

Risks of serious adverse impacts to Health and Safety in the workplace cover:

- (i) risks related to buildings and the use of equipment (in particular, compliance of equipment with operating licences);
- (ii) risks related to energy sources, matter and materials (in particular, fires resulting from flammable products and materials or electrical equipment);
- (iii) risks related to human activities, in particular slips and falls).

Environmental risks

The Group's risks of causing serious adverse impacts on the environment correspond to risks related to the consumption of resources, greenhouse gas emissions or to causing damage to soil, water, air and biodiversity (habitats and species) that arise in the course of its routine operations, as well as the risk of occurrence of an incident at a site of its Subsidiaries or Suppliers (gradual or accidental pollution or an incident during the transport of hazardous materials).

Applicable Rules to prevent risks of serious adverse impacts on Safety and Health in the workplace and the Environment

EHS guidelines

The Group's Environment, Health and Safety (EHS) Policy aims to minimise the impact on the environment and guarantee the health and safety of the employees of its Subsidiaries and Suppliers, its customers and the communities in which L'Oréal carries out its activities. For the Subsidiaries, this policy is built on an EHS management system composed of standards with stringent requirements that set the principles of L'Oréal's EHS policy, which is all included in the EHS guidelines.

Additional Environment, Health and Safety actions

In addition to the action taken as a result of the risk analysis conducted on the business activities of the Group and its Suppliers, L'Oréal conducts Environmental Health and Safety in the Workplace initiatives in addition to those implemented under the French law on Duty of Vigilance.

(i) Additional actions intended for Subsidiaries' sites

In terms of site security, L'Oréal implements the LIFE (Life-changing Incident or Fatality Event) programme, covering activities on all its sites which, if not properly managed, could

result in potentially serious employee injury or illness. The Group extends the ambition of moving towards "zero accidents" by ensuring the sustainability of actions and defining post-incident emergency preparedness requirements.

In parallel, under the L'Oréal for the Future programme, Subsidiaries have set the following environmental objectives:

- Climate: by 2030, reach 100% renewable energy on operated sites and in stores⁽¹⁾;
- Water: use 100% recycled or reused water for industrial purposes in factories.

These objectives, which are defined annually and tracked by monthly reports, make it possible to assess the performance of each site, country and Region. A summary of the results of the L'Oréal for the Future programme is provided in section 1.4.2 of the 2025 Universal Registration Document.

To validate and reinforce the effectiveness of its EHS policy, the Group is engaged in a process of continuous performance improvement based on an ISO certification programme for its sites. This includes ISO 45001 certification for occupational health and safety and improved working conditions, ISO 14001 certification for environmental management systems and improved environmental performance, and ISO 50001 certification for energy management.

Specific audits are carried out by in-house EHS specialists to assess the extent to which the EHS culture has been rolled out to all employees at Subsidiaries. The results of these audits provide information on the knowledge of EHS management tools and the maturity of audited sites with regard to the Safety and Environment culture at all levels of the hierarchy.

Particular attention is paid to the management of leaks of cooling gas used for the production of cold (e.g., refrigeration units) and heating gas (e.g., heat pumps) at sites operated by the Group. Following an overall inventory of the facilities, a risk reduction strategy was put in place, based on two pillars: detecting and managing leaks and replacing traditional cooling gases with alternative cooling gases with low global warming potential.

(ii) Additional actions intended for suppliers

L'Oréal is committed to selecting its suppliers rigorously, based on open and transparent competitive bidding. Suppliers are selected based on objective criteria such as quality, price and innovation capabilities as well as performance in terms of social and environmental responsibility.

As part of the L'Oréal for the Future programme, L'Oréal has set the following environmental objectives that concern Suppliers or that could relate to their business:

- Climate: by 2030, reduce its Scope 3 greenhouse gas emissions from the Group's purchased goods and services, employee business travel, upstream transportation and distribution by 28% compared with 2019;
- Biodiversity: (i) ensure that at least 90% of the biobased ingredients and materials used in formulas and packaging come from sustainable sources and (ii) regenerate an area of land larger than the Group's footprint within priority ecosystems to improve their health and resilience.

⁽¹⁾ Operated stores that hold an electricity subscription.

Sustainable purchasing of raw materials

L'Oréal's Forest Policy, updated in April 2025, reaffirms the Group's vision regarding forest stewardship and restoration. It also aims to prevent deforestation and ecosystem conversion, and any violation of human rights along its supply chains of raw materials subject to deforestation risk. In this context, L'Oréal is committed to sustainable palm production and is developing a roadmap based on six pillars:

- Sourcing certified raw materials:

In 2025, 100% of the palm oil and 99.9% of palm derivatives purchased by the Group is Roundtable on Sustainable Palm Oil (RSPO) certified. This certification attests to compliance with environmental and social standards for sustainable palm oil production, including the protection of forests, workers' rights, local communities and indigenous peoples.

- Transparency in the palm sector:

L'Oréal identifies the Suppliers in its palm value chain through the Action For Sustainable Derivatives (ASD) coalition, which the Group co-founded in 2019. 97% of L'Oréal's 2024 volumes of palm was traced back to the refinery and 97% traced back to the mill.

- Analysis and management of associated risks:

This transparency enables L'Oréal to analyse the risks associated with its supply zones. The Group has set up satellite surveillance of supply areas around identified mills to detect potential cases of deforestation. The overall risk identification system is rounded out by reports received from external stakeholders, media monitoring, and publications by the ASD grievance taskforce.

In the event of a suspected violation of its Forest Policy, L'Oréal addresses the issues with its Suppliers, in particular by sending them a list of mills potentially linked to cases of deforestation or unresolved alerts. The Group asks its Suppliers to engage these mills in the investigation and resolution of the cases concerned or, if this is impossible, to suspend their business relations with the mills.

More specifically with regard to Human Rights, L'Oréal worked with the NGO Dignity in Work for All on strengthening its risk identification in this value chain. As a result of this work, since 2022 L'Oréal has supported the ASD Respect In Palm programme, which promotes gender equality and measures to combat gender-based violence.

- Active involvement of Suppliers:

L'Oréal assesses its palm Suppliers using the Sustainable Palm Index (SPI) – a measurement tool developed as part of the Group's work with the ASD. It is used to assess each Supplier's progress and compliance with Group requirements. It covers traceability, certification, Human Rights, deforestation and sector-based engagement. The SPI score is incorporated into annual Supplier assessments.

- Support for small independent producers:

L'Oréal is committed to supporting independent smallhold producers connected to its value chain. For example, it is involved in five field projects run by NGOs in Indonesia and Malaysia, representing 31% of the Group's supplies of palm derivatives. These projects are designed to support small-scale producers in adopting better farming practices, in particular the principles of regenerative agriculture, in order to improve their financial resilience, while reducing their negative environmental impact.

- Contributing to the transformation of the sector:

L'Oréal participates in several sector coalitions, driven by its firm belief that collaborative action yields results. In line with this approach, in 2019, L'Oréal co-founded the ASD to collectively address the specific complexity of the palm derivatives market. Comprising 41 members, the ASD is committed to value chain transparency, risk analysis, supplier engagement and sector transformation.

L'Oréal's roadmap for soy-based ingredients is similar to that for palm, with (i) a transparency campaign run via the same ASD coalition, and (ii) a field project supporting independent farmers in Brazil and Paraguay. The triple-certified (Fair for Life, Roundtable on Responsible Soy [RTRS] and organic) project has been verified by the NGO Imaflora, specialised in the fields of deforestation and human rights.

Regarding renewable raw materials not part of the palm or soy chain, which represent 21% of the portfolio of renewable raw materials in volume and 74% in number, L'Oréal has defined sustainable sourcing criteria incorporating environmental, social and economic indicators aligned with L'Oréal's Human Rights, Forest and Sustainable Land Use policies. These criteria were defined using environmental, social and economic indicators from external databases.⁽¹⁾

L'Oréal has developed the Sustainable Characterization (SCAN) index, allowing the Group to prioritise the implementation of its sustainable purchasing action plans. The Group updates the information collected regularly.

L'Oréal aims to source all renewable raw materials from sustainable sources.

To achieve this, L'Oréal launched a support and training programme for more than 200 Suppliers on the issue of sustainable purchasing of raw materials in order to guarantee the traceability of the raw materials delivered to L'Oréal and ensure the associated sources are secure. Depending on the level of environmental and/or social risk identified on these streams, Suppliers are asked to apply the field audit procedure for producers (based on the criteria mentioned above). This procedure was developed by L'Oréal with the support of the Rainforest Alliance NGO and reviewed in 2019 by EcoCert, the Biodiversity Consultancy and the Danish Institute for Human Rights. Suppliers are also encouraged to demonstrate their sustainability practices in particular via sustainable purchasing certifications (Fair for Life, San Rainforest Alliance segregated model). With regard to biodiversity, of the 380 plant species that are the source of the renewable raw materials used by the Group, around 4% present significant challenges (endangered species, impact of production on natural environments) depending on their geographic origin and the method of extraction or production used. They are the subject of specific action plans set up with Suppliers and, if necessary, systematic support from independent external third parties to help manage the real impacts on the areas from which these ingredients are sourced.

For paper, cardboard and wood used in packaging, L'Oréal has implemented a sourcing approach as part of a process to transform its value chain. This roadmap aims to ensure transparency as regards the origin of wood and responsible sourcing.

(1) The UNDP's IHDI, the EPI from Yale University, and the Verisk Maplecroft Country Index.

The Group's requirements for the paper, cardboard and wood sourced for its packaging include:

- full traceability to mills and full traceability to the country of forest origin for virgin fibres, and to the country of collection for recycled fibres; and
- all of the materials delivered must be certified and covered by Chain of Custody certification for the site invoicing L'Oréal. Forest Stewardship Council (FSC) certification is preferred.

To ensure the robustness of this approach, in 2023 L'Oréal launched a process to collect and verify certification and transparency data from its Suppliers, with the support of an external third party in charge of verifying the data reported by Suppliers and the validity of Chain of Custody certificates.

L'Oréal actively engages its packaging Suppliers, measuring their procurement performance using a Sustainable Timber Score (STS). The results of the assessment are incorporated into annual reviews to encourage continuous improvement.

When a risk is identified in the value chain, L'Oréal implements specific action plans, which are strictly monitored with the Suppliers concerned. Lastly, a whistleblowing mechanism exists to flag any concerns relating to the value chain and enable the rapid application of corrective action plans.

The Group also plays a role in transforming the sector. L'Oréal has been a member of the FSC since 2022 and is actively involved in developing standards. It is also a member of the TRASCE consortium, helping to strengthen traceability and accelerate the sustainable transition of the Beauty industry.

Regarding plastics, L'Oréal takes action to reduce its overall plastic footprint in packaging, microplastics in product formulas, point-of-sale advertising (POS), and plastic waste generated by its factories and warehouses. As part of the L'Oréal for the Future programme, the Group (i) aims to use 50% materials from recycled or bio-based sources in product packaging and (ii) is targeting a reduction of 50% in the use of virgin plastic in product packaging in absolute terms compared to the 2019 baseline.

In addition to environmental packaging design measures carried out by research laboratories, the Operations and Brands, this commitment requires the involvement of a range of stakeholders (companies located at different levels of the value chain, research institutions and public authorities).

In order to reduce the footprint of its packaging, particularly in terms of plastic, L'Oréal has adopted a strategy known as the "3Rs":

- Reduce: cut packaging intensity, mainly through lightweighting and reuse;
- Replace: use alternatives, such as recycled or low-carbon impact materials; and
- Recycle: design packaging compatible with recycling circuits.

L'Oréal has a quality and safety policy for the materials used in its packaging. It specifies the conditions for acceptance or rejection of substances that may be present in packaging,

regardless of the material. This policy is updated annually in line with regulatory developments and scientific progress, and each Supplier agrees to comply with regard to the packaging used in the Group's products. Quality auditing is carried out to ensure compliance.

The Group is active across the recycled plastics value chain, by involving Suppliers of plastic packaging and recycled plastics in its analyses and in efforts to mitigate upstream social risks. All recycled plastic producers used by the Group's packaging Suppliers undertake to comply with the Group's standards and commit to this by signing the Mutual Ethical Commitment Letter. A social audit is carried out at each recycled plastic supplier factory located in a high-risk country. A social audit demonstrating compliance is a prerequisite for any commercial relationship between recycled plastic suppliers and the Group's plastic packaging Suppliers.

Since 2022, the Group has been engaged in a transparency campaign aimed at securing traceability for the recycled plastics used in its packaging. In 2025, 99.9% of recycled plastics in the Group's packaging were traced back to the country of origin (waste collection).

Using the same approach as for the renewable raw materials described above, L'Oréal has established sustainable sourcing criteria for assessing recycled plastics streams. The Group uses the SCAN Index to prioritise action plans.

Conscious that transforming the sector requires the cooperation of all of its stakeholders, including Suppliers of plastic packaging, recycled plastics and other end products, the Group maintains active dialogue with numerous stakeholders to promote positive change in the industry. It is in this context that the Group joined The Circulate Initiative coalition in 2025.

Commitment of Suppliers to self-assess and move forward with action plans through CDP.

L'Oréal actively works with its Suppliers to help them improve their performance in terms of sustainability.

In 2007, L'Oréal joined the CDP supply chain programme for greater transparency in the actions of its Suppliers and to monitor Suppliers' progress with regard to L'Oréal's objectives. In 2014, participation in the CDP Climate programme was made compulsory by L'Oréal for all strategic Suppliers. The aim is to measure and report their emissions, set targets for reducing these emissions and communicate their action plans to achieve this objective successfully.

Commitment of suppliers to self-assess and improve through corrective actions recommended by EcoVadis

By participating in the EcoVadis assessment, L'Oréal compares its environmental and social policy with the expertise and the recommendations of external experts qualified in the analysis of multi-sector risks. This assessment is useful for the continuous improvement of Suppliers, and also contributes to the transparency of industry practices, as well as to the rating of Suppliers' environmental and social performance. In total, 95% of strategic Suppliers have been assessed by EcoVadis.

(iii) Additional actions related to climate change

Since 2007, L'Oréal has carried out an annual greenhouse gas (GHG) emissions assessment in order to monitor and report its emissions and identify action plans to reduce its carbon footprint. This assessment is conducted in accordance with the Greenhouse Gas Protocol (GHG Protocol) rules, the international benchmark method for recording GHG emissions.

In 2025, the Group's total GHG emissions (using the market-based method) were estimated at 6,421,686 tonnes of CO₂ equivalent, breaking down into the following categories:

- Scopes 1 & 2 emissions: 66,634 tonnes of CO₂ equivalent;
- Scope 3 emissions: 6,355,052 tonnes of CO₂ equivalent.

In response to the climate emergency, L'Oréal drew up a climate transition plan in 2023, whose pathway was validated by the Science Based Targets initiative (SBTi) in 2024. This plan is aimed at reducing the Group's Scopes 1, 2 & 3 emissions over time horizons up to 2030 and 2050, in line with the requirements of the Corporate Net Zero guidelines and the recommendations of the Intergovernmental Panel on Climate Change to limit global warming to 1.5°C. These decarbonisation objectives remain unchanged following the strategic review of the L'Oréal for the Future programme in 2025. The objectives aim to:

- by 2030, reduce Scopes 1 & 2 carbon emissions by 57% and Scope 3 carbon emissions by 28% for goods and services purchased by the Group, employee business travel, upstream transportation and distribution; and
- by 2050, reduce total emissions by 90%, with residual emissions offset to achieve net zero.

In absolute terms, these reductions refer to a 2019 baseline year.

To meet its target for reducing Scopes 1 & 2 emissions by 2030, L'Oréal has made commitments regarding the transition to renewable energies. In 2025, L'Oréal took a historic step in achieving 100% renewable energy on operated sites and stores⁽¹⁾. The Group's efforts will continue under its L'Oréal for the Future programme so as to maintain this performance. This ambition is important because Scopes 1 & 2 concern, respectively, direct emissions linked to the Group's activities, such as on-site combustion, and indirect emissions linked to the consumption of purchased energy, such as electricity. By using renewable energy sources such as wind power and solar energy to power its facilities, L'Oréal is reducing its dependence on fossil fuels, thereby limiting its carbon footprint.

To meet its target for reducing Scope 3 emissions, which account for the majority of its carbon footprint, L'Oréal has

set out trajectories adapted to the transformation of each of its functions and business lines, and planned how to roll them out in collaboration with all the Divisions and Regions. Reducing Scope 3 emissions includes indirect emissions linked to the company's entire value chain, upstream and downstream of its direct operations. This includes emissions linked to the purchase of raw materials, the transportation of goods, the use of products sold, the end-of-life of these products, and business travel.

Funding the transition plan

L'Oréal believes that its ambitious decarbonisation pathway and the actions required to achieve it are solidly underpinned by the availability and allocation of internal financial resources until 2030. At the same time, climate objectives also depend on important external factors, in particular the development of decarbonisation technologies, suppliers' success in reducing their own emissions, and a regulatory and political context that remains supportive of the energy transition.

The Group's strategy is supported by the consideration of climate impacts costs and benefits into its standard operational and budgetary processes. A Group management standard ensures that each entity integrates sustainability factors (including decarbonisation efforts) directly into its financial planning process.

Consequently, the Group does not manage an isolated "transition budget," as these investments are inseparable from "business as usual" operations. While certain specific expenditures can be identified as purely transition-related, they represent a non-significant amount on a Group scale. This high level of integration allows the Group to drive its transformation efficiently within its existing financial framework, while making it difficult to isolate "sustainability-only" costs.

The effectiveness of this model is evidenced by the Group's outcomes. For example, L'Oréal has succeeded in reducing its use of virgin plastic by 50% over the last five years without compromising its financial results. Transformations of this nature involve complex shifts in sourcing and industrial processes where the "climate" investment is inextricably linked to product innovation and quality.

Given the highly integrated nature of these processes, isolating specific financial figures would result in only a partial view that does not represent the actual scale of the resources and means deployed across the organization to achieve its climate ambitions. As these investments are fundamentally embedded across all operating activities to ensure maximum efficiency and strategic alignment, L'Oréal does not report the financial resources for the climate transition plan as a separate, isolated disclosure.

⁽¹⁾ Operated stores that hold an electricity subscription.

5 Effective application and compliance with the Plan CSRD

The Plan includes effective application measures intended to ensure that the Applicable Rules are properly implemented by Subsidiaries and Suppliers. Monitoring of compliance with the Plan is carried out through audits and analyses performed by external service providers or by Group teams. Subsidiaries and Suppliers are also asked to carry out self-assessments.

5.1 Effective application of the Plan

Adoption of Applicable Rules

(iv) Adoption of the Applicable Rules by the Subsidiaries

The Applicable Rules are included in the Group's Internal Rules to ensure they are effectively implemented by Subsidiaries. For this purpose, compliance with the effective application of the Plan is based on control activities in accordance with the applicable legislation. The communication of Applicable Rules to Group employees is described below. Social audits are conducted at the Group Subsidiaries' industrial sites by a third-party company for the purpose of verifying that the Applicable Rules are implemented correctly.

(v) Adoption of the Applicable Rules by Suppliers

Suppliers undertake to comply with the Applicable Rules. The principal Suppliers sign the Mutual Ethical Commitment Letter (MECL), which covers these Applicable Rules. Moreover, the Suppliers likely to present the most significant risks because of their activity or geographic location may be audited on these issues in accordance with the risk matrix. The contents of the audit are set out in the MECL.

Governance

L'Oréal's commitment to Human Rights and Fundamental Freedoms, the Health and Safety of people in the workplace and the Environment is supported at the highest level of the Company by its Chief Executive Officer, who renews L'Oréal's commitment to the United Nations Global Compact each year. These commitments are also set out in the Group's Code of Ethics and Human Rights and Employee Human Rights policies. In 2025, the Group updated its Human Rights Policy so that it better responds to the salient risks and provides greater clarity on the Group's programmes and policies in this regard.

(i) Governance of Human Rights and Fundamental Freedoms

The Chief Corporate Responsibility Officer, a member of the Executive Committee, is responsible for overseeing the respect of Human Rights and Fundamental Freedoms in the Group. This mission has been entrusted to her by L'Oréal's Chief Executive Officer, to whom she reports.

The Chief Corporate Responsibility Officer has a budget and a dedicated team of Human Rights experts. She consults all the Group's teams and resources in carrying out her work.

A network of more than 50 human rights correspondents plays a key role in embedding this culture in every Group entity.

In addition, various bodies, including a Human Rights Committee for the supply chain, chaired jointly by the Chief Corporate Responsibility Officer and the Chief Operations Officer, met several times to discuss the implementation of

the Human Rights Policy and to inform decision-making. Within the Operations Department, specifically Sustainable Purchasing, the focus on human rights in supply chains was reinforced in 2025 with the creation of a dedicated unit.

Country Managers (or, for Corporate or Region staff, the members of the Group's Executive Committee to whom they report) are responsible for ensuring compliance with Human Rights and Fundamental Freedoms.

The Human Relations teams are responsible for ensuring that the activities of the Subsidiaries respect employees' Human Rights and Fundamental Freedoms.

Employees may contact their manager, their Human Relations Director, their Legal & Compliance Director, their Purchasing Director, their Human Rights Correspondent, their Ethics Correspondent and, ultimately, the Chief Ethics, Risk and Internal Control Officer if they have any questions about compliance with the Applicable Rules.

The Purchasing teams ensure that Suppliers' activities respect Human Rights and Fundamental Freedoms. Suppliers eligible under the risk matrix are not listed in L'Oréal's Supplier database until they have contractually committed to comply with the Applicable Rules. During Management Committee meetings that include representatives from all Regions and purchasing areas, the Purchasing teams discuss the results of audits, their consequences for business relationships, and the related actions plans to achieve continuous improvement of results at the Group's Suppliers.

(ii) Governance of Environment, Health and Safety (EHS) in the workplace

The Chief Operations Officer, reporting to the Chief Executive Officer and a member of the Executive Committee, is responsible for the general policy put in place to prevent serious adverse impacts on the environment, and health and safety. The implementation of this policy is the responsibility of the Group's Subsidiaries and sites. The Chief Operations Officer is supported by and delegates the roll-out and monitoring of the policy to:

- factory and distribution centre managers who are responsible for the roll-out and effective implementation of the policies defined by the Group. Their remuneration is partly linked to their performance in the areas of the environment, health and safety in the workplace;
- EHS managers who are trained and dedicated to compliance with the EHS policy. They are responsible for rolling out the rules, procedures and associated performance objectives of the Group in all of its entities; and
- Country Operations Managers who are responsible for compliance with the EHS policy by the distribution centres, the administrative Sites and stores in their country.

The Purchasing teams are responsible for collecting eligible Suppliers' confirmation that they accept the Applicable Rules via the Mutual Ethical Commitment Letter.

They use audits carried out by third-party companies to ensure that Suppliers included in the Risk Matrix implement the prevention measures for EHS risks. As for Human Rights, the Purchasing teams discuss, during Management Committee meetings that include representatives from all Regions and Purchasing areas, the results of audits, their consequences for commercial relations, and the related actions plans to achieve continuous improvement of results at the Group's Suppliers.

Communication and training

Communication of the Applicable Rules and training of the teams involved supplement and support the effective application of the measures set out in the Plan by L'Oréal's Subsidiaries and Suppliers.

(i) Communication on Human Rights and Fundamental Freedoms

Human Relations teams are informed of the Applicable Rules by their line manager.

All new Group employees must receive a hard or electronic copy of the Group's Code of Ethics and must confirm that they have read it. Employees must be reminded of the Code of Ethics and its contents on a regular basis. Any employee in contact with Suppliers must receive L'Oréal's The Way We Work with our Suppliers guide when they are hired. It explains the ethical standards that apply to Supplier relations.

An internal Ethics website is available to employees.

An annual Ethics Day, including Human Rights, has been held since 2009. The day is a chance for employees to discuss matters such as respect for Human Rights and Fundamental Freedoms via a livestream with L'Oréal's Chief Executive Officer and the other members of the Executive Committee. Discussions on Ethics are also organised in the Subsidiaries for employees to engage in conversations with their Subsidiary's Chief Executive Officer.

In 2025, over 30,000 people logged on to Ethics Day sessions and more than 4,700 questions were submitted worldwide.

With respect to Suppliers, as well as being provided with the Applicable Rules through the Mutual Ethical Commitment Letter (MECL), they are also given access to the Group's Code of Ethics, which is available online.

(ii) Training on Human Rights and Fundamental Freedoms

A new version of the specific, compulsory e-learning course on Ethics and Human Rights was launched in July 2023. It contains a range of interactive content and exercises and participants are reminded about the utmost importance that Group top management places on respect for Human Rights. In particular, it includes practical case studies to resolve, some of which can be customised according to the role selected by the user. The aim is for all employees across all departments to complete this training.

New buyers receive compulsory training on Responsible Purchasing to learn about how to ensure respect of the Group's Ethical Principles.

A training course on Supplier audits, detailing the applicable audit procedure, is also available for all buyers. A version adapted for Suppliers is available on the website for strategic Suppliers.

(iii) Communication about Environment, Health and Safety (EHS) in the workplace

EHS managers are informed of the Applicable Rules by their functional hierarchy.

Group sites are encouraged to hold a day dedicated to EHS to raise awareness among all employees about the risks to which they are exposed and suitable prevention measures, in addition to specific local actions.

A Group awareness-raising campaign about major safety risks, rolled out over three years, and the implementation of a specific topic every four months, serve to develop employee awareness of risks over time.

A monthly newsletter for the Group's EHS managers and their team leaders helps track performance and share best EHS practices.

(iv) Training on Environment, Health and Safety in the workplace

Training sessions dedicated to L'Oréal's EHS policy and practices have been provided at all levels of the Company, as well as for temporary workers and subcontractors working on Group sites. They are one of the cornerstones in the implementation of risk identification and management systems, and the dissemination of an EHS culture in all Group entities.

This includes the various training initiatives for Health and Safety in the workplace and the Environment and covers general EHS training, EHS training by function and specific EHS training.

General EHS training includes:

- core general training completed, for example, when a new employee arrives at a site (L'Oréal administrative staff or temporary staff) regardless of their position; and
- fire safety training, first aid, pollution prevention, recycling, general EHS awareness raising, etc.

EHS training by function refers to training specific to a given role or activity (for example, all of the filling and packing staff of a factory).

Specific EHS training refers to EHS training for a particular workstation and the activities carried out by the employee.

In terms of ergonomics, a "Manual handling" e-learning course is provided to all employees.

A high level of expertise for global EHS Teams and the development of an EHS culture for "Top managers", managers and supervisors is assured via the roll-out of training specific to each person.

In connection with the Environmental pillar of the L'Oréal for the Future programme, a training module called "Green Steps for All" has been launched, addressing the challenges related to climate, water, biodiversity and resources, as well as a second module called "Going Sustainable Together", designed to help drive the transformation of L'Oréal's businesses. It is intended that all the Group's employees will receive this training.

5.2 Monitoring compliance with the Vigilance Plan CSRD

Risk hierarchy of non-compliance with the Applicable Rules

The risk hierarchy is used to enhance controls on compliance with the Applicable Rules⁽¹⁾ by defining procedures for monitoring compliance with the Rules that are consistent with the risks, including via a policy of third-party audits, monitoring and evaluation of Suppliers conducted by third-party companies such as EcoVadis. The Group's vigilance is strengthened in circumstances where conflict is involved, in line with applicable international standards.

As far as Subsidiaries are concerned, the risk hierarchy of non-compliance with the Applicable Rules was developed to take into account the type of activity and the type of site⁽²⁾, in that order.

With respect to the Suppliers, the risk mapping of non-compliance with the Applicable Rules was drawn up for Human Rights, Fundamental Freedoms, the Environment, and

Health and Safety in the workplace using a methodology that takes the following parameters into account:

- the country in which the Supplier's sites are located: a country is considered to be exposed to risk in terms of Human Rights and Fundamental Freedoms, and environment, health and safety if it meets at least one of the following criteria:
 1. the country is classified as "High risk" or "Extreme risk" according to the criteria of the consultancy firm Verisk Maplecroft: 12 evaluation indices are used in this methodology and aggregated in a single grade compared with the threshold values set by Verisk Maplecroft, and
 2. the results of social audits conducted by L'Oréal in the country include cases of Zero Tolerance or Needs Immediate Action (NIA) ratings corresponding to the most severe failures to comply;
- the business sector: each Supplier is associated with a sector according to a governance ranking of Purchases ("Global Purchasing Categories");
- the type of operation: the activities most heavily exposed to labour risk are the activities with high manual added value, implying work on a production line.

(1) This paragraph incorporates the information required by the CSRD standard (S1-14 et S2-4) for the sustainability report (section 4.7.2.2.3 and 4.9.2.1) - see the 2025 Universal Registration Document.

(2) Type of activity: administration, manufacturing, distribution, etc. Type of site: administrative offices, factories, distribution centres, research centres, etc.

MATRIX TRIGGERING SUBSIDIARY AUDITS

Type of country	Sites audited
All countries	Manufacturing sites, distribution centres, R&D sites and administrative sites

MATRIX TRIGGERING SUPPLIER AUDITS ACCORDING TO RISK MAPPING

Business sector	Description of business sector	Type of country	Suppliers audited
Raw materials	Suppliers of ingredients used to produce cosmetics in L'Oréal factories	Countries classified as "high risk"	100% of Suppliers
Packaging	Suppliers of packaging used for production in L'Oréal factories	Countries classified as "high risk"	100% of Suppliers
Subcontractors	Suppliers producing cosmetics for L'Oréal (Full-buy, Full-service, etc.)	Countries not classified as "high risk"	100% of new Suppliers (initial audit) When the "Satisfactory" or "NCI" (Needs Continuous Improvement) rating is achieved, additional audits are no longer mandatory
		Countries classified as "high risk"	100% of subcontractors
Cosmetic devices	Suppliers of equipment & electronics	Countries classified as "high risk"	100% of Supplier Production Sites
Manufacturing equipment	Suppliers of manufacturing equipment designed for L'Oréal's sites (processing tanks, filling machines, etc.)	Countries classified as "high risk"	100% of Supplier Production Sites
Promotional items	Suppliers of promotional items (bags, etc.)	Countries classified as "high risk"	100% of Supplier Production Sites
Items intended for points of sale	Suppliers of items intended for the presentation of products at points-of-sale	Countries classified as "high risk"	100% of Supplier Production Sites
Co-packing	Co-packing Suppliers (or Co-Packers)	Countries not classified as "high risk"	100% of new Suppliers (initial audit) When the "Satisfactory" or "NCI" (Needs Continuous Improvement) rating is achieved, additional audits are no longer necessary
		Countries classified as "high risk"	100% of Supplier Production Sites
Logistics service providers (excluding transport)	External distribution centres	Countries not classified as "high risk"	100% of new Suppliers (initial audit) When the "Satisfactory" or "NCI" (Needs Continuous Improvement) rating is achieved, additional audits are no longer mandatory
		Countries classified as "high risk"	100% of Suppliers' logistics sites

Audit and self-assessment system

(v) Audits

Audits of Applicable Rules: Audits of Applicable Rules are used to check that the Plan is correctly implemented by the Subsidiaries and Suppliers included in the Risk Matrix. Audits are done by specialist external companies. When a Subsidiary or Supplier is audited, the process is carried out in accordance with the Risk Matrix set out above. A written audit report is prepared. With respect to the Subsidiaries, the reports are stored in a secure database available to the Group's Heads of Human Relations and to the Country Operations Directors, in some cases. The reports on Suppliers are intended for Group buyers.

EHS audits specific to Subsidiaries: to ensure compliance with the Group's EHS policy, a system of worldwide audits has been in place since 1996, and was reinforced in 2001 with the presence of external auditors who are experts in the local environment and regulations. These audits take place regularly on each L'Oréal site: every three years for production sites and every four years for distribution centres, administrative sites and research centres. If the result of the audit does not meet the standard required by the L'Oréal reference framework, a specific interim audit is scheduled for the following year. Every year, the teams responsible for EHS risks review the audit results and identify general improvement plans. Improvement plans specific to the audited sites are set up immediately after the end of the audit. Any emergency measure intended to prevent an imminent risk for the health of persons at the site is implemented by the site's EHS teams without waiting for the completion of an audit even if it is not part of the improvement plan in place, if any. Various audit grids - "risk", "culture" and "combined risk and culture" - are used depending on the maturity and type of activity at the sites. They assess in particular:

- compliance of practices and facilities with the Group's rules and procedures;
- progress in terms of EHS performance;
- any risks that the sites may present from an EHS standpoint; and
- the level of management and dissemination of an EHS culture on the sites.

Each risk finding is classified in one of three categories A, B and C according to a matrix of level of impact/probability of occurrence. "A" findings are monitored monthly and consolidated annually by risk type.

The monthly reporting of safety and environmental data also feeds into consolidation and analysis of any anomalies and incidents leading to non-compliance with regulations, complaints and/or fines.

Three types of social audit specific to Suppliers:

- initial audits: first audits conducted, which are a prerequisite to the start of the relationship with a new Supplier;
- follow-up audits: audits done 12 to 24 months maximum after the "Needs Immediate Action" request (NIA), depending on the severity of the case of non-compliance found. This is evolving in line with the SMETA framework⁽¹⁾, which has been gradually implemented since 2025: under this framework, follow-up audits are carried out 12 months after the initial audit for all categories of non-compliance; and

- confirmation audits, three years after the initial audit.

The possible outcomes of the audits are as follows:

- **Satisfactory:** all criteria conform to the Applicable Rules and the best practices are highlighted;
- **Needs Continuous Improvement (NCI):** minor cases of non-compliance were found, but they do not have an impact on employee safety or health;
- **Needs Immediate Action (NIA):** cases of non-compliance were reported either because they are serious, recurring or have a potential impact on the health and safety of employees;
- **Zero Tolerance (ZT):** reported, for example, in the event of a critical case of non-compliance related to child labour, forced labour, physical abuse, restricted freedom of movement, an immediate risk of accident for employees or attempted bribery of the auditors⁽²⁾; and
- **Access Denied:** reported when the audit is refused (for example in the event of refusal to provide partial or full site access to the auditors). This is evolving in line with the SMETA⁽¹⁾ framework, which has been gradually implemented since 2025: under this framework, full refusals will be recorded as "Access Denied".

In case of non-compliance (Needs Continuous Improvement, Needs Immediate Action or Zero Tolerance), corrective action plans must be implemented which are then audited at the level of the Subsidiary or Supplier. Failure to implement a corrective action plan can, in the case of a Subsidiary, result in an alert being sent to the Country Manager. Subsidiaries can decide to link part or all of the remuneration of their managers and/or of their performance evaluation to the implementation of the Applicable Rules.

In the case of Suppliers, serious cases of non-compliance (Needs Immediate Action, Zero Tolerance and Access Denied) or the failure to implement corrective action can result in the refusal to list a new Supplier or the suspension or termination of business relationships with a listed Supplier.

In the event that the existence of cases of non-compliance with the Applicable Rules is reported, a specific audit may be launched. Visit reports are issued as part of the process of routine visits made to Suppliers. They can result, if necessary, in additional audits.

Specific EHS audits of subcontractors' sites

Additional specific EHS audits are conducted by independent third parties for subcontractor sites for aerosol production or storage, bleaching powders and flammable products under the criteria defined by L'Oréal, which are similar to those used for the Group's sites. These audits are triggered when Suppliers are first listed or approved and are followed up via audits conducted between 12 months and 36 months maximum after the immediate improvement request (NIA), depending on the severity of the case of non-compliance found, and again at the time of confirmation, five years after the initial audit.

The results of these audits are the same type as those previously described: satisfactory, NCI, NIA and ZT.

(1) An audit methodology developed by SEDEX designed to evaluate Suppliers' practices in terms of working conditions, health and safety, business ethics and respect for the environment.

(2) It should be noted that the concept of attempted bribery mentioned in the audit report refers to a clear attempt to bribe the auditor and not to the fact that the supplier may have been involved in a bribery case.

Serious cases of non-compliance (Needs Immediate Action, Zero Tolerance and Access Denied) or the failure to implement corrective actions can result in the refusal to list a new Supplier or the suspension or termination of business relationships with a listed Supplier.

All the main cases of non-compliance found are monitored and consolidated annually by risk type.

In the event that the existence of cases of non-compliance with the Applicable Rules is reported, a specific audit may be launched. Visit reports are issued as part of the process of routine visits made to Suppliers. They can result, if necessary, in additional audits.

Additional procedures: L'Oréal also uses analyses and ratings provided by EcoVadis, an analytical company, to evaluate the policies implemented by the Suppliers in relation to the issues covered by the Plan, among others. This evaluation is an indicative guide that can be added to the audits described above. By participating in the EcoVadis assessment, L'Oréal compares its environmental and social policy with the expertise and the recommendations of external auditors qualified in the analysis of multi-sector risks. This is a useful rating for the continuous improvement of L'Oréal's programme, it also contributes to the transparency of industry practices, as well as to the rating of Suppliers' environmental and social performance. L'Oréal is a co-founder of the Responsible Beauty Initiative (RBI), a sector initiative created in 2017 with EcoVadis. It brings together eight major players in the cosmetics industry for the sustainable transformation of the entire Beauty supply chain.

6 Whistleblowing and reporting system

Speak Up, L'Oréal's whistleblowing system, has been in place since 2008. It gives employees and stakeholders access to a secure website that they can use to raise any concerns they may have, including serious infringements of Human Rights and Fundamental Freedoms, the Health and Safety of people in the workplace, and respect for the Environment, with the Chief Ethics, Risk and Internal Control Officer in a secure, effective manner that provides all the guarantees of confidentiality necessary for the reporting of potential

(ii) Self-assessment system

Human Rights and Fundamental Freedoms: an annual ethics reporting system is used to monitor the implementation of the Applicable Rules in the Subsidiaries, particularly with regard to Human Rights and Fundamental Freedoms.

Environment, Health and Safety in the workplace: the Management Committees of L'Oréal sites have tools for the self-assessment of their practices based on the audit standards provided to them. They can then produce an improvement plan, if required. These self-assessments are input data in the EHS risk audits.

To steer performance:

- every year, each Subsidiary site defines and revises its safety and environmental roadmaps to achieve the targets set by the Group and tracks its EHS indicators monthly;
- at Group level, the indicators are consolidated monthly by Region and as a whole for the Group's results; and
- a Greenhouse Gas Assessment is prepared annually (in accordance with the GHG Protocol).

breaches. Any allegations expressed in good faith are examined in detail and adequate remediation measures are taken, if applicable. Employees have several other methods of raising their concerns (line management, dedicated local hotlines, etc.). The whistleblowing line was opened to employees in 2008, and then to stakeholders in 2018. Information campaigns about the whistleblowing system are organised on a regular basis.

7 Update on effective implementation of the Plan

This section provides the 2025 results of the application of the Plan for Subsidiaries and Suppliers.

7.1 General results of whistleblowing and reporting systems

In 2025, 858 alerts were raised through the whistleblowing system, including:

- 27 on sexual harassment, 12 of which were proven, in whole or in part, and which resulted in five departures from the Group;
- 68 on bullying, 19 of which were proven, in whole or in part, and which resulted in four departures from the Group;

- 54 on discrimination, 13 of which were proven, in whole or in part, and which resulted in one departure from the Group;
- 34 on health and safety, 1 of which was proven, in whole or in part, and which did not result in any departures from the Group; and
- 0 on environment.

7.2 Results of the application of the Plan to Subsidiaries

Adoption of the Applicable Rules by the Subsidiaries

The Applicable Rules are incorporated into the Subsidiaries' internal rules. Employees learn through an online training programme on Ethics. At the end of 2025, 84% of the relevant employees had completed this training programme.

All EHS Managers and everyone working in a factory or distribution centre are trained in the Applicable Rules on EHS. All new employees are trained in the EHS Rules, regardless of their work location.

Monitoring and control system in respect of Human Rights

A total of 27 Group factories and distribution centres worldwide have been audited on their compliance with the Group's Human Rights Rules, apart from on compliance with health and safety rules, which is subject to specific separate audits. Five of these sites were audited as part of checks to determine whether the cases of non-compliance brought to light by the audits conducted in 2024 had been remedied.

On completion of the 2025 audit process and, where appropriate, remedial actions and compliance audits, the following cases of non-compliance were identified:

- In terms of L'Oréal's employees:
 - (i) child labour: the audits did not reveal any cases of non-compliance;
 - (ii) forced labour: the audits did not reveal any cases of non-compliance;
 - (iii) freedom of association: an audit of one site revealed that the minutes of staff representatives' meetings had not been signed off for ten months;
 - (iv) non-discrimination: the audits did not reveal any cases of non-compliance;
 - (v) working hours: the audits revealed that (a) employees at one site were sometimes required to work overtime; (b) the working hours of some employees at one site exceeded the overtime limit laid down in the Employee Human Rights Policy; (c) the rest days taken by employees at one site were organised on a fortnightly, rather than weekly, basis; (d) one site did not provide proof that workload meetings had been held; and (e) the minimum daily rest period for one employee had not been respected during on-call duty;
 - (vi) payroll: an audit revealed that the remuneration of employees at one site was not adjusted when they performed duties requiring a higher level of qualification than their usual duties;

(vii) sexual harassment and bullying: the audits did not reveal any cases of non-compliance;

(viii) disciplinary practices: the audits did not reveal any cases of non-compliance.

- In terms of employees of external companies (temporary work agencies and subcontractors), the audits revealed (a) that one site was unable to demonstrate that it had taken measures to ensure that these companies adhered to L'Oréal's ethical standards and that the site managers did not have sufficient knowledge of the internal procedures applicable to the management of indirect employment; (b) non-compliant pay and benefits for employees of external companies at four sites; and (c) the lack of a procedure to verify the age of employees of external companies at one site.

Action plans have been drawn up for all these cases of non-compliance, with compliance audits to verify implementation scheduled for the first four months of 2026.

Monitoring and control system concerning EHS

In 2025, 80 "Top managers" (managers of factories or distribution centres, Management Committee members, etc.) attended the Leadership & Safety Culture seminar, held at the CEDEP, The European Centre for Executive Development, at the INSEAD campus in France. The seminar aims to raise awareness with top managers about safety issues, increase their leadership ability and see these behaviours adopted and maintained over the long term.

A total of 34 factories are certified⁽¹⁾ ISO 45001, representing 94% of the Group's factories. 34 are certified ISO 14001 (94%) and 28 are certified ISO 50001 (77%)⁽²⁾.

In 2025, the following EHS audits were conducted:

- 13 risk audits;
- 21 combined EHS culture and risk audits;
- 12 combined Quality, Environment, Health, Safety and Performance audits; and
- 108 additional EHS audits of subcontracting sites in factories, and in external distribution centres and Suppliers.

The most frequently identified risks during EHS risk audits are related to fire protection, procedure safety, hazardous energy, containment of firewater run-off and wastewater management. Failures to comply and formal notice were systematically subject to corrective measures.

In 2025, failures to comply with regulations were found at ten factories with regard to the quality of their wastewater. Thanks to the Waterloop concept, all of L'Oréal's production sites will be able to improve their water treatment and recycling capacities.

(1) ISO 45001: Occupational health and safety management systems. ISO 14001: Environmental management systems. ISO 50001: Energy management systems.

(2) Exclusion: Medik8.

7.3 Results of the application of the Plan to Suppliers

Adoption of the Applicable Rules by Suppliers

The Mutual Ethical Commitment Letter, reviewed in 2002, sets out the requirements and commitments that L'Oréal imposes on its Suppliers according to the Group's programmes and policies concerning ethics, corporate responsibility, Human Rights, working conditions and compliance. 95% of eligible Suppliers⁽¹⁾, including strategic Suppliers, have contractually undertaken to respect the obligations it contains.

The Mutual Ethical Commitment Letter (MECL) was updated in 2025.

In addition, L'Oréal requires its Suppliers who provide outsourced labour to sign the External Workforce Agency Standards. This document reinforces their commitment to the protection of human rights, in particular with regard to the prohibition of forced labour and access to a whistleblowing system.

L'Oréal aims to reinforce responsible and transparent relationships with its partners and limit environmental and social impacts in line with the Group's policies. This approach is a continuation of its efforts, as detailed in section 4.4.2.2 "Sustainable Purchasing Policy" of the 2025 Universal Registration Document.

In 2025, 77 newly recruited purchasers in the Group completed an in-depth training programme on Responsible Purchasing.

Monitoring and control system

L'Oréal is taking action to continuously improving its Human Rights, Environment and Health and Safety policies and practices across its operations and supply chains.

It has assessed its Suppliers using EcoVadis for several years now. In 2025, 1,039 Suppliers conducted an EcoVadis assessment of their social, environmental and ethical policies, as well as the implementation of those policies by their own suppliers.

In February 2025, L'Oréal joined SEDEX, a global organisation that promotes responsible and ethical business practices in supply chains. This partnership brings significant benefits to L'Oréal's Suppliers, including simplified on-site audit processes and access to training on best-practice implementation. SEDEX also allows its members to standardise their requirements for Suppliers through its social audit standard, SMETA. The SMETA questionnaire is a recognised standard, regularly reviewed by experts and aligned with L'Oréal's own standards.

In 2025, 1,499 social audits were carried out at L'Oréal Supplier sites.

The Group puts in place initial audits which are followed up by further audits three years later. During these follow-up audits, the auditors verify the effectiveness of any remedial measures required as a result of the initial audit. A tool for social audits is used to plan the audits with the external service provider's system and to manage the results and action plans for all Suppliers concerned.

L'Oréal supports its Suppliers in their continuous improvement process. In 2025, 73% of audits resulted in a "Satisfactory" or "Needs Continuous Improvement" score. L'Oréal tracks the percentage improvement in this regard, building on the actions already implemented.

In 2025, it strengthened its system for monitoring the most severe cases (i.e., Zero Tolerance). This system follows clearly defined steps, involving the Supplier's commitment and subsequent action plan, L'Oréal's validation of the action plan, implementation of the action plan and then verification by a new audit that the plan has been completed. In cases where L'Oréal's efforts fail due to the unwillingness or inability of the business partner to improve, L'Oréal reserves the right to terminate the relationship.

Concrete examples of L'Oréal's approach are provided below.

1. Payment of recruitment fees

In March 2025, an audit revealed that Bangladeshi workers had had to pay excessive recruitment fees to secure their jobs in Malaysia. L'Oréal assisted the Supplier, sharing resources and laying out concrete steps to follow. Further investigations were carried out by the Supplier with the assistance of a third party, which included interviews with workers in their local language and analysis of documentary evidence. The Supplier has undertaken to reimburse the recruitment fees paid by the affected workers. It has (i) introduced a "Zero Recruitment Fees" policy and (ii) brought recruitment in-house. It has also set up a whistleblowing and reporting system for employees. An initial follow-up audit organised by L'Oréal confirmed that the action plan had been duly implemented, with the Supplier having begun to reimburse the recruitment fees (the fees will be reimbursed over a 12-month period).

2. Managing forced overtime

An audit carried out in April 2025 revealed forced labour practices at a Supplier based in Brazil. Temporary staff were being forced to work unpaid overtime under threat of dismissal. Further investigations have been carried out to identify other temporary workers that may be affected. The Supplier agreed to recruit some of these workers and pay back wages based on the victims' testimonies. To limit the likelihood of future violations, the Supplier has strengthened its policy against forced labour, trained its managers in collaboration with the FLA, set up a whistleblowing and reporting mechanism and introduced regular checks and audits of timesheets. The follow-up audit organised by L'Oréal confirmed that the action and remediation plan had been duly implemented.

(1) Value as a percentage of expenditure at end-November 2025. Eligible Suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.

Social audits ⁽¹⁾

Cases of non-compliance identified during social audits of Suppliers by topic ⁽²⁾

The Suppliers concerned have been asked to implement action plans for each case of non-compliance listed below. Future audits will verify action plan implementation.

Topic	Needs Continuous Improvement	Needs Immediate Action	Zero Tolerance	Total number of non-compliance cases	Relative weighting by topic
Health, safety and the environment	341	703	11	1055	41.44%
Working hours	224	321	0	545	21.41%
Payroll	142	277	0	419	16.46%
Forced labour	31	99	9	139	5.46%
Sexual harassment and bullying	51	43	0	94	3.69%
Freedom of association ⁽¹⁾	37	23	0	60	2.36%
Standard employment ⁽²⁾	3	39	0	42	1.65%
Child labour and young workers	16	23	1	40	1.57%
Disciplinary practices	39	0	0	39	1.53%
Assessment under appropriate conditions ⁽²⁾	8	24	2	34	1.34%
Subcontracting	20	13	0	33	1.30%
Non-discrimination	24	0	0	24	0.94%
Business ethics ⁽²⁾	0	22	0	22	0.86%
TOTAL	936	1,587	23	2,546	100%

(1) Figures exclude audits where verification could not be performed because of the specific nature of local regulations.

(2) Section included in SMETA audits only.

- (i) **Health, safety and the environment:** 41.44% of the non-compliance cases concerned the Applicable Rules on Health, Safety and the Environment. Most of these cases concerned the lack of appropriate employee retention measures, of an evaluation plan in the local language, of personal protective equipment and of emergency drills, as well as mishandling of fire extinguishers and protective equipment, failures regarding emergency routes or exits, and the lack of eye rinsing stations.
- (ii) **Working hours:** 21.41% of non-compliance cases. Failures to comply concerned the Applicable Rules regarding working hours and mandatory rest periods, but also the lack of documents to ensure appropriate monitoring of these Rules.
- (iii) **Payroll:** 16.46% of non-compliance cases. Most non-compliance cases concerned insurance and social security contributions, a lack of documentation for checking compliance with these rules, and a failure to pay the minimum wage, overtime and paid leave.
- (iv) **Forced labour:** The non-compliance cases identified for this topic account for 5.46% of all of the cases of non-compliance identified during the social audits performed in 2025. The main remediation measure requested was setting up and amending employment contracts. Other non-compliance cases concerned the lack of a due diligence system to identify or prevent the occurrence of forced labour, the payment of recruitment fees, and the withholding of identity documents.
- (v) **Sexual harassment and bullying:** 3.69% of non-compliance cases. Most of these non-compliance cases concerned the absence of a written policy prohibiting sexual harassment and bullying or relevant processes and training regarding these topics, or the absence of an internal system allowing the situation to be reported without negative consequences for the worker in question.
- (vi) **Freedom of association and right to collective bargaining:** 2.36% of non-compliance cases. Most of the non-compliance cases concerned the lack of a policy on freedom of association, the lack of free elections for workers' representatives and management interference in these elections. Elections must be carried out or, in countries where such elections are not legal, worker meetings must be organised or alternative arrangements made for workers to raise any concerns or complaints they may have.
- (vii) **Standard employment:** 1.65% of non-compliance cases. Most non-compliance cases concerned the repeated and excessive use of temporary workers or other types of precarious work replacing standard employment.

(1) Without prejudice to additional and complementary control measures. In 2025, L'Oréal reported data on L'Oréal and SMETA audits. The two systems do not have the same severity scales. Minor cases of SMETA non-compliance are reported under "Needs Continuous Improvement", major and critical cases under "Needs Immediate Action" and business-critical under "Zero Tolerance".

(2) The table groups together the sections of the L'Oréal questionnaire and the SMETA questionnaire. Equivalences are excluded from this calculation as they inherently constitute third-party validation of the Supplier audit's compliance status.

(viii) **Child labour and young workers:** The non-compliance cases identified for this topic account for 1.57% of all of the cases of non-compliance identified during the social audits performed in 2025. An initial audit revealed the employment of a child under the age of 16. The case concerned a 13-year-old who was involved in manual labour. L'Oréal immediately contacted the supplier, reiterating the importance of prohibiting child labour, particularly in dangerous working conditions. As the company was a prospective supplier, L'Oréal did not begin the commercial relationship.

The other identified cases of non-compliance related in particular to a lack of age-check procedures during the Supplier's hiring processes, as well as failure to respect the applicable legal requirements for employing young workers (such as not organising a pre-employment medical check-up) and apprentices (e.g., failure to respect quotas).

- (ix) **Disciplinary practices:** 1.53% of non-compliance cases. Most of the non-compliance cases related to this topic concerned the absence of clear written rules, or illegal rules, unlawful deductions from wages, and/or a lack of communication about the rules to workers.
- (x) **Assessment under appropriate conditions:** 1.34%. These non-compliance cases concerned the lack of documents or their inaccuracy, impacting the proper conduct of the audit.

(xi) **Subcontracting:** 1.30% of non-compliance cases. Most failures to comply related to Suppliers failing to ensure that L'Oréal's standards of ethics are upheld in their own supply chain.

(xii) **Non-discrimination:** 0.94% of non-compliance cases. These non-compliance cases mainly concerned the absence of a clear policy to prevent discrimination in recruitment or discrimination in the payment of wages and other charges. It was also noted that some Suppliers made prospective employees take medicals (to identify pregnancies or certain illnesses) as part of the recruitment process. The Suppliers concerned were contacted to ensure that they amend their policies and processes so that these practices will not recur in the future.

(xiii) **Business ethics:** 0.86% of non-compliance cases. Most of the non-compliance cases concerned the absence of a written business ethics or corruption prevention policy, the lack of procedures and training, and the absence of an internal system for whistleblowing and whistleblower protection.