



Gender Equity

AT L'ORÉAL

GENDER EQUITY IN FOCUS

At L'Oréal, we have been proactively committed to DE&I for more than 20 years and our commitments take into account our employees, consumers and communities. Our objective is to be the most inclusive beauty leader and contribute to a society in which everyone can live safely, peacefully and equally. Our goal is to offer each and every person around the world the best of beauty: for all skin and hair types, all genders, all identities, all cultures, all ages.

L'Oréal is committed to achieve gender equity at all levels and functions of the company; contribute to the establishment of more inclusive environments in favour of LGBTQIA+ communities everywhere in the world; engage against any type of harassment or violence, particularly sexual harassment, and gender-based violence.

Women accounted for 68% of all employees in the Group in 2022

Although L'Oréal is recognised today as one of the leading companies in terms of gender equity, it is important for us to continue to make progress by way of a proactive human relations policy, drawing on indicators that allow the Group to objectively assess the results achieved and to define realistic and ambitious action plans¹.

It is therefore essential for the Group to continue to develop an ecosystem of conditions which are favourable throughout all employees' careers, paying particular attention to pivotal periods in life such as parenthood, while promoting a culture of inclusion for people of all genders throughout the Group.

"At L'Oréal, we take a holistic and comprehensive approach to gender equity, including but not limited to: measuring gender pay gap since 2007, offering special trainings to women in leadership positions, offering support for all parents, and demonstrating our commitment against gender-based violence."

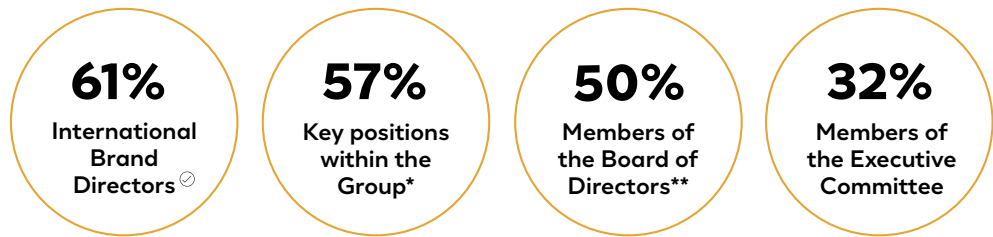
Margaret Johnston-Clarke

Global Chief Diversity, Equity & Inclusion Officer, L'Oréal Groupe²

¹ L'Oréal recognises that the categories of woman/man do not cover the full spectrum of gender identities that exist in our society. Although the Group currently reports consolidated HR data in a binary manner, it recognises the importance of giving people of all genders the right to be seen and is moving to provide non-binary categories for data collection where legally possible to do so.

² L'Oréal's Chief Diversity, Equity & Inclusion Officer reports directly to the Chief Human Relations Officer.

A significant number of women hold senior responsibilities within the Group



Data for 2022

*These are the positions with the greatest responsibility and represent 6.4% of Group employees as of 31 december 2022

** Excluding members of the Board of Directors representing employees
Three out of the four Committees of the Board were chaired by women Board members in 2022 (Audit Committee, Nominations and Governance Committee and Human Resources and Remuneration Committee)

GENDER DIVERSITY THROUGHOUT THE GROUP

Complementary perspectives and diversity are an essential source of creativity, innovation and performance. As gender equity is a key priority for the Group, we seek to ensure that all job functions in the Group are accessible to all genders.

Focus on STEM

L'Oréal encourages careers for women in STEM³

In 2022, **50.2%** of women were working in STEM roles across the Group as follows:

- **45%** of women working in STEM roles in Operations
- **69.5%** women working in STEM roles in Research & Innovation
- **30.8%** women working in STEM roles in Tech / IT



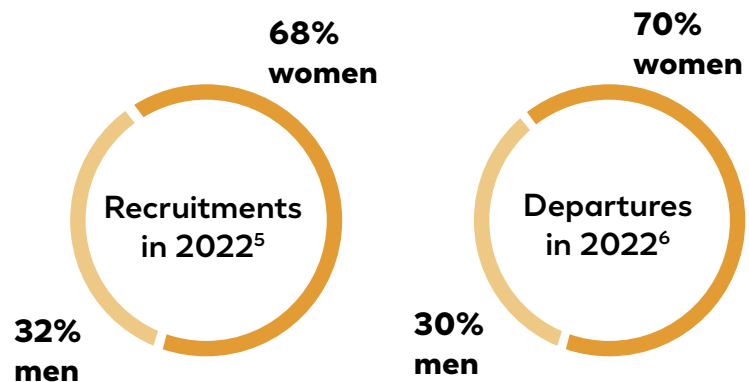
Over 4,100 women scientists, in more than 100 countries, have been distinguished and recognised through the For Women in Science programme since 1998.

Conscious that gender imbalances in specific jobs also reflect a lack of gender equity within education systems, we are also committed, alongside various partners (companies, institutions, associations, etc.), to encourage women to take up careers in fields that are generally considered to be commonly pursued by men. The “For Women in Science” programme, in partnership with UNESCO, and the “For Girls in Science” programme, are examples of such programmes.

³STEM: Science, Technology, Engineering and Mathematics.

Recruitment – careers in beauty have no gender

L'Oréal is recognised as one of the most attractive companies for students⁴. Although the Group attracts a majority of women candidates, we also remain committed to recruiting men, as people of all genders help the Group to succeed as the leader in beauty. For several years, L'Oréal has been communicating its Employee Value Proposition to students with this in mind to ensure a gender-balanced representation at all levels.



CAREER PROGRESSION AT L'ORÉAL

L'Oréal endeavours to ensure equity between women and men in terms of career development opportunities, with a view to achieving real gender equity up to the most strategic positions.

Leadership training and personal development

The L'Oréal Leadership and Culture University provides enriching and powerful learning opportunities to enable employees to strengthen their leadership and personal development skills. An extensive learning offering is available to all employees, through both internal training programmes and in collaboration with external partners.

⁴ Universum "World's Most Attractive Employers": L'Oréal was ranked #5 in the 2022 global ranking of business school students' preferred companies.

⁵ Recruitments with permanent contracts.

⁶ Departures include resignations, retirements, mutual agreements and dismissals from permanent contracts.

Empowering women in leadership

Since 2010, L'Oréal has participated in the EVE programme⁷, an initiative led by the Danone Group, aimed to help women to be agents of change in their company and to develop their leadership and careers. Editions of this programme were launched in Asia-Pacific in 2014 and in Africa in 2017. Since its launch, more than 800 L'Oréal employees have participated in the programme.

Various mentoring programmes for women have also been implemented in the Group⁸.

Career development



Focus on International Mobility

An experience abroad can be a real career booster and L'Oréal provides international mobility opportunities to employees across a wide range of positions, from junior to senior roles.

L'Oréal strongly encourages women to take up international mobility opportunities and has put in place several measures to support their international mobility. These include on-going career discussions on opportunities abroad, in particular regarding the convenient timing for the employee / couple / family to take an assignment abroad, as well as specific support to partners, including for their job search in the host location.

In 2022, women accounted for **51%** of all expatriates.

⁷ See details on the [EVE International programme](#).

⁸ Examples include the Empow'Her mentoring programme for women in Operations in Europe for building up women's self-confidence and fostering uninhibited, authentic leadership and the 'HER'cules Women Leadership programme in India which provides women with the opportunity to maximise their potential with learning programmes, mentoring and networking.

Focus on women in management

At L'Oréal, women held in 2022:

SENIOR MANAGEMENT

57 % of all key positions within the Group⁹, including:

- **48%** of strategic positions¹⁰;
- **53%** of key positions monitored at Group level; and
- **59%** of key positions monitored at local/regional level.

OTHER ROLES

58% of all managerial roles

59% of middle management roles¹¹

71% of non-managerial roles

The policy on diversity and gender balance deployed in the Group includes a goal to maintain, every year, a proportion of men or women employees that may not be less than 40% in strategic positions (around 300 positions, including Executive Committee). General Management reports annually to the Board of Directors on this policy and the results obtained during the previous financial year.

REMUNERATION

The Group has implemented a Global Rewards policy which combines external competitiveness with internal equity.

Focus on Gender Pay Gap

FRANCE

Since 2007, L'Oréal has conducted an annual gender pay gap analysis in France in collaboration with INED (*Institut National d'Études Démographiques*). The analysis has focused on median, mean and adjusted mean pay gap between men and women.

L'Oréal is committed to reducing pay gaps, the aim being to ensure equal pay for people with the same skills and classification level.

⁹ These are the positions with the greatest responsibility and represent 6.4% of Group employees as of 31 December 2022.

¹⁰ Strategic positions include Executive Committee positions (approximately 300 positions).

¹¹ Middle management comprises employees in management roles who do not hold Key Positions within the Group.

By way of example, the average (mean) pay gap in France fell from 31% in favour of men in 2007 to 7% (10% including the Executive Committee) in 2022. Once structural effects are taken into account (for example level of responsibility, age, length of service and working time), the “adjusted” average pay gap in 2022 was 2.2%. The median pay gap in France also decreased from 10% in 2007 to 0% in 2019 (remaining stable since).

GLOBAL

In 2020, the Group launched a global tool to measure gender pay equality (net of structural effects) using the EDGE methodology.

The analysis was extended to 32 countries¹² in 2022, representing more than 85% of the global workforce. The adjusted average salary gap in these countries was 0.90% in favour of men.

Measurement is key to determining any gaps, and the Group is also taking concrete actions to close the gender pay gap. The objective is to ensure that the adjusted global average salary gap is within the tolerance threshold of +/-5% by 2025.

Actions include:

- Expansion of the global pay gap analysis to all countries in which the Group has more than 150 employees by 2025¹³. Objective: ensure global consistency in measurement and enable all countries to identify any gaps that may need to be addressed.
- Development of a new Gender Pay module in the Group HR Information System. Objective: enable countries to monitor and analyse their gender pay gap statistics on an ongoing basis, to “scenario” model remedial actions where necessary and correct on a pro-active basis.

¹² Argentina, Australia, Brazil, Canada, Chile, China, Denmark, Finland, France, Germany, Greece, India, Indonesia, Ireland, Israel, Italy, Japan, Mexico, Norway, Panama, Peru, Philippines, Poland, Russia, South Korea, Spain, Sweden, Switzerland, Thailand, United Kingdom, United States, Uruguay.

¹³ Approximately 50 countries in total.

- A Global Rewards policy that promotes fairness, transparency and internal equity, including, in particular:
 - considering employees who are absent for maternity / paternity/co-parent / adoption leave as having been present during such periods for the purposes of compensation decisions (eg pay review, bonus calculation, profit-sharing); and
 - the progressive roll out of a dashboard with gender metrics for use during the annual compensation review to ensure decision making is fair and equitable.

Our approach to close the gender pay gap also comprises a wide range of actions to address structural factors, including:

- Working to ensure balanced gender representation at all levels of the organisation;
- Unconscious bias training for recruiters;
- Providing professional development opportunities for all employees (100% of employees took part in a development opportunity in 2022¹⁴);
- Developing women for leadership roles with targeted programmes and mentorship opportunities; and
- Fostering an inclusive working environment for all employees with parental/family support policies and flexible working organisation for a better work/life balance (see further details below).

¹⁴ Total number of unique learners in 2022 / workforce at 31 December 2022. Trained employees who left the Group in 2022 are counted and may offset untrained employees in 2022.

Gender diversity targets in remuneration plans

L'Oréal considers Diversity, Equity & Inclusion as a key part of its corporate strategy. Gender diversity targets are included in the Chief Executive Officer's variable remuneration plan and in long-term Performance Share Plans:

- The annual variable remuneration of the Chief Executive Officer comprises a specific non-financial criterion linked to the implementation of the Human Resources policy (7.5% of variable remuneration criteria), with special attention to the development of gender balance in management bodies.
- Since 2022, the long-term Performance Share Plans comprise a specific non-financial performance condition (accounting for 5% of performance conditions) based on the gender balance within strategic positions including the Executive Committee.

INCLUSIVE CULTURE AT L'ORÉAL

An inclusive people-driven culture is fundamental for an inspiring, innovative and stimulating environment. L'Oréal strives to foster a fair and dynamic work environment where people of all genders can thrive, feel empowered and make an impact.

Parenthood and balancing life's different demands

Set up in 2013, L'Oréal's Share & Care programme aims to put in place the most advanced social practices in all countries to enable the Group to meet the diverse and specific needs and expectations of employees.

Structured around four pillars (Protection, Health, Balance and Workplace), the programme contains a number of measures to enable employees to fully experience milestones in life such as maternity and paternity and to benefit from flexibility in their working organisation for a better work-life balance.

L'ORÉAL
Share & Care

Global commitments include:

- At least 14 weeks' fully paid maternity / primary parental leave
- At least 6 weeks' fully paid paternity / secondary parental leave
- A hybrid working policy, including working remotely for up to 2 days per week¹⁵
- A daily flexible working time policy¹⁶.

One of the goals of the Share & Care programme is also to create a high standard of quality of life at work to contribute to both the professional and personal fulfilment of every employee.

This is particularly key for parents who return to work following parental leave. In 2022, over 80% of women who returned from parental leave during the previous year remained employed in the Group 12 months after their return to work¹⁷.

The Share & Care programme also provides for paid leave for caregiving employees and for special family occasions¹⁸, and various childcare and family assistance (including back-up support) measures are proposed in different countries across the Group.

Employee resource groups for women to promote dialogue and boost engagement and innovation

Internal employee groups and networks have been set up under management sponsorship in several countries to foster inclusion and engagement for diverse women's groups and to provide support and development opportunities as well as valuable insight for the business. Examples include the community of "*Acteurs de la Diversité*" in France and employee-driven Think Tanks which are active in many countries across the Group¹⁹.

¹⁵ On a voluntary basis, for eligible employees, in agreement with line manager and in accordance with team organisation. Jobs requiring physical presence at the workplace are excluded.

¹⁶ This policy is set up in each country according to local practices. It allows employees subject to working time control to start working within a range of time in the morning. Employees who have a job linked to specific working schedules are excluded.

¹⁷ Data available for over 90% of women employees in the Group.

¹⁸ At least 3 days per year for caregiving employees and at least 1 day per year for special family occasions.

¹⁹ Examples include Women of Color, Women in Technology, Women in Leadership in Operations, L'Oréal for Women (USA), Women in Leadership (Canada), GAIA (Gender & Women's Empowerment) (Brazil), Gender Equality Network (UK&I), FAM@L'Oréal (DACH).

Commitment to act against all types of discrimination and harassment and combat gender-based violence

L'Oréal has a zero-tolerance policy towards all forms of discrimination and harassment

- Clear commitments are set out in the Group Code of Ethics²⁰ and Employee Human Rights Policy²¹.
- Regular internal communication by the Chief Human Relations Officer and Chief Ethics, Risk & Compliance Officer regarding SpeakUp reports on discrimination and harassment.
- Mandatory Ethics e-learning training for all employees, including information on discrimination and harassment (including sexual harassment).

L'Oréal is also deeply committed to combatting gender-based violence and we are convinced that companies have a vital responsibility and role to play in this respect.

Actions include:

- One of the first members of One in Three Women²², the first European network of companies committed to combating violence against women and in particular supporting survivors amongst their own employees. The coalition has launched awareness-raising initiatives and an online learning in 7 languages.
- Supporting the ILO's adoption in 2019 of the first international convention against violence and harassment in the workplace²³, and implementation of a Global HR policy on combatting domestic violence in 2021, with progressive rollout of local policies across the Group.
- #StOpE: intercompany initiative initiated by L'Oréal, AccorHotels and EY in 2018 to combat so-called "ordinary" sexism in the workplace. Over 190 organisations are now involved in this initiative with online training developed for all employees in the network.
- Brand commitments, for example: L'Oréal Paris "Stand Up" against street harassment and YSL Beauté "Abuse is Not Love".

²⁰ For further details see [Our Ethical Principles](#).

²¹ For further details see [L'Oréal Employee Human Rights Policy](#).

²² An initiative launched by the Fondation Agir Contre l'Exclusion (FACE) and the Kering Foundation.

²³ Along with the NGO CARE.

Improving inclusion through learning



L'Oréal provides an extensive Diversity, Equity & Inclusion learning offer for all employees. This includes both in-class and online training, with DE&I modules embedded in several specific programmes (Management, Marketing, HR, Corporate Affairs & Engagement...).

Training on Unconscious bias and Micro-inequities is offered to all employees in the Group, along with 13 other e-learning on a selection of DE&I topics²⁴.

Inclusive leadership in-house training launched within the Consumer Products Division in 2022 with progressive roll out planned across all Divisions.

EXTERNAL EVALUATION OF POLICIES AND PRACTICES

L'Oréal has chosen to have its gender equity policies and practices audited and relies on two independent organisations to measure and assess the situation across the Group: Gender Equality European & International Standard (GEEIS) and Economic Dividend for Gender Equality (EDGE)²⁵.

The Group's head office in France and 25 of its countries²⁶ have been awarded the GEEIS certification  and eight other countries²⁷ have been awarded the EDGE certification  (representing in total more than 60% of the Group's workforce).



²⁴ Micro-aggressions, Recognise sexism and fight it, Understanding and managing mental health, Digital accessibility, Domestic violence and its consequences in the workplace, Online bullying hurts, An inclusive workplace for our LGBTQIA+ colleagues, Identify and fight racism in the workplace, Combating stereotypes in advertising and content creation, The inclusion of people with disabilities, Fighting discrimination based on physical appearance, L'Oréal for All Generations, Religion and beliefs in the workplace.

²⁵ Countries are audited by Bureau Veritas in order to be certified GEEIS and by Intertek or FloCERT in order to be certified EDGE.

²⁶ Austria, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Saudi Arabia, The United Arab Emirates and the United Kingdom.

²⁷ Australia, Brazil, Canada, India, Philippines, Russia, Switzerland and United States.

GOING FURTHER...

L'Oréal's commitments to gender equity extend far beyond the company itself, for example through our brands' societal commitments, the Group's sustainable sourcing strategy, the L'Oréal Fund for Women²⁸, the Bold Female Founders Initiative to support female-led startups²⁹ and the Group's support for the UN Women Empowerment Principles and the UN Free & Equal Global LGBTI Business Standards.

A strengthened commitment to more inclusive marketing and advertising

In 2021, L'Oréal joined the Unstereotype Alliance, convened by UN Women, to eradicate harmful stereotypes and to make advertising and marketing a force for change.

As a member of the World Federation of Advertisers, L'Oréal also contributed to the publication of a Charter for Change in 2022, which aims to drive progress on DE&I issues within the advertising industry.

The information identified within this document by the sign ☺ (for "reasonable assurance conclusion") has been reviewed by Deloitte & Associés and Ernst & Young Audit (see the [2022 Statutory Auditor's Reports](#))

²⁸ A €50 million charitable endowment fund launched by L'Oréal in 2020 to support local organisations on the field in their efforts to help women in extremely vulnerable situations, prevent domestic and sexual violence and support victims. The Fund was renewed in 2023 for three additional years with an endowment of €30 million.

²⁹ Launched in 2022. Developed by L'Oréal's venture capital fund, BOLD (Business Opportunities for L'Oréal Development) through a dedicated initial allocation of €25 million and aligned with the Group's strategic commitment to promote gender equity, the initiative will focus on investment opportunities worldwide across the wider beauty ecosystem, including brands, beauty tech, biotech, and green science.

