

Labor practices and decent work

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Disclosures on management approach

► *Employment*

L'Oréal has built its human and social project around two priorities: individual performance and social performance, two key factors in the success of the world leader in beauty.

While accelerating the recruitment and development of talents all over the world, in order to ensure sustainable growth, L'Oréal is keen to offer all its employees an environment in which everyone can reveal their talents, improve and thrive and where they all feel that their contributions are recognised and that they receive support.

Thus, L'Oréal's Human Resources policy is founded on:

A vision focusing on performance and individual talent

L'Oréal has always put the human dimension at the centre of the Company by projecting a long-term vision for its talents. The mission of the Human Resources Department is currently to develop the talent of every employee and prepare tomorrow's leaders, by favouring, in particular, the emergence of local talents, to support the Group's ambition to win a billion new consumers.

- Ongoing recruitment of talented individuals.

The Group constantly strives to enhance its pool of talents, in all countries. Recognised as one of the most attractive companies in the world for young graduates and one of the companies that provide the most training with regard to leadership, the Group conducts a diversified recruitment policy, which is based both on partnerships with the best educational institutions in the world and the use of corporate gaming attracting tens of thousands of students from all over the world and a proactive strategy of looking for candidates via digital technologies. L'Oréal also develops its own selection methods to recruit the best talents and those which best represent the diversity of its consumers from among the million spontaneous applications received every year.

- The ambition of putting each employee in a position to develop their career.

Individual performance monitoring and a large number of career development opportunities and training programmes that are accessible to everyone are aimed at allowing each and every employee to develop. The programmes may be rolled out throughout the world, thanks to the international locations of training structures and the use of digital technologies with the "My learning" portal which offers all employees opportunities for online training. The large-scale mobility between jobs and between countries and the many individual promotions made each year attest to the vitality of career management. This management is based on a network of human resources professionals, who are both in tune with employee expectations and aware of the requirements of our business. The close cooperation between these human resources professionals and the operational managers makes it possible to have a two-way perspective with regard to talents and to define the most suitable development opportunities for each of them.

Offering a protective and fulfilling working environment.

L'Oréal pays particular attention to the level of its social performance. The Group has set itself the target of promoting its values by creating a pleasant and conducive working environment, marked by solidarity and respect, and where all employees can fulfil personal development with:

- The desire to recognise the effective contribution made by everyone through a dynamic remuneration policy and short-, medium- and long-term global incentive systems.
- A regular evaluation of the expectations of employees throughout the world through large-scale opinion polls leading to the implementation of action plans.
- The search for a work environment and working conditions that will help everyone to achieve personal satisfaction.
- An active dialogue between management and employees and their representatives at worldwide level.
- An active policy with regard to diversity as a factor of progress, innovation and creation of a social relationship with three global priorities of gender, social origin and disabilities.

► **L'ORÉAL SHARE & CARE PROGRAM**

In 2013, the Group chose to go one step further with regard to social performance with the launch of the "L'Oréal Share & Care" program, an ambitious programme aimed at offering all the Group's employees, in all the countries in which it is located, a set of guaranteed global social measures in four areas: social protection, healthcare, parenthood and quality of life at work. This programme, which will make it possible to address the essential needs of each and every one of our employees and encourage their commitment, will make L'Oréal one of the companies with the best practices in terms of social performance and well-being at work. The L'Oréal Share & Care program falls within the scope of the commitments made by the Group by 2020 in the area of Sustainable Development and social responsibility, under its "Sharing beauty with all" programme. The launch of this programme and its implementation show the strong conviction that social performance and economic performance are not only intimately linked but also provide each other with mutual strength.

Labor/Management Relations

DIALOGUE BETWEEN MANAGEMENT AND EMPLOYEES

The quality of the social climate at L'Oréal is the fruit of an ongoing dialogue between Management, employees and their representatives, in accordance with trade union rights in each country and with a neutral attitude with regard to the various trade union organisations.

Employee representative institutions have been set up in most of the European subsidiaries, the Asian subsidiaries (China, Indonesia, South Korea...), Africa (Morocco, South Africa), and in North and South America (the United States, Canada, Mexico, Brazil and Argentina...), and also in Australia and New Zealand.

In the few cases where there is no employee representative institution (essentially in subsidiaries with a small workforce), the dialogue is conducted directly with the employees, in complete compliance with the principles of transparency and trust that are applied uniformly throughout the Group.

Since 2003, L'Oréal has carried out a global employee opinion poll with the assistance of the international firm of Towers Watson, a survey that was repeated in 2011-2012. The results are shared with the employees and employee representatives. They are the subject of actions plans implemented in a decentralised manner, as closely as possible to the expectations expressed.

THE EUROPEAN WORKS COUNCIL

An agreement signed in 1996 between L'Oréal and French and European trade unions (FECCIA and EMCEF) led to the establishment of the Company's Instance Européenne de Dialogue Social/European Works Council (IEDS/EWC). The initial agreement has been regularly updated, in particular in 2009 to introduce a new information and consultation procedure which applies to transnational projects involving local consultation procedures. This procedure is implemented with the Liaison Secretariat extended to include members from the countries concerned or with the entire IEDS/EWC, depending on the geographic and strategic dimensions of the project. This process allows for the possibility of an opinion from the IEDS/EWC. This revision of the agreement represented an important advance which aims to reinforce social dialogue at L'Oréal while remaining a step ahead of changes in legislation. The agreement has been renewed, unchanged for the period 2013-2016.

The IEDS/EWC contributes to discussions and formal meetings with its members about the Group's current situation and future prospects, on the basis of an agenda prepared with the Liaison Secretariat following a one-day preparatory meeting between the members of this body.

It has 30 members, who receive regular training on economic and social issues.

Today, the IEDS/EWC covers more than 30,000 employees in 26 countries which are part of the European Economic Area; among whom the 16 countries with more than 150 employees are represented.

SITUATION WITH REGARD TO COLLECTIVE AGREEMENTS

The social policy at L'Oréal permits the signature of a certain number of collective agreements in the subsidiaries every year. In 2013, 39 agreements were signed in France and 57 agreements were signed in the rest of the world. In total, the number of agreements in force at December 31st, 2013 was 426.

Occupational Health and Safety

For several years, L'Oréal has applied a well-established policy in the field of health and safety (EHS policy). This defines the Company's commitment to developing, producing, distributing and selling innovative products of the highest quality, while having an ethical conduct and guaranteeing the health and safety of employees, customers and the communities in which L'Oréal performs its activities. This approach is part of an overall environmental, health and safety policy described in the section on Environmental information on pages 212 and seq.

L'Oréal is eager to provide a safe and healthy work environment for its employees. Health and safety are of paramount importance and L'Oréal's ultimate goal is a zero accident rate.

Comprehensive measures have been taken focused on risk reduction and continuous improvement. A safety culture has been instilled, setting high standards and involving employees at all levels of the Company.

Keen to increase safety in the workplace, the General Management has set an ambitious objective to improve the results obtained.

CARE - A PILLAR OF THE "L'ORÉAL SHARE & CARE PROGRAM"

The CARE section of the "L'ORÉAL SHARE & CARE PROGRAM", dedicated to Healthcare, provides for individual and collective prevention actions as well as high-quality medical coverage for everyone, in particular for essential medical care: hospital stays, surgery, maternity, treatment for serious and chronic diseases.

Training and Education

Training is an integral part of employee development policy at L'Oréal. In a continual search for excellence and creativity and the desire to be one step ahead to deal with the growing complexity of the challenges of our business, the "Learning for Development" teams provide employees and managers with ongoing support to help them not only to be high-performing, but also to achieve fulfilment.

Training has always been at the heart of the Human Resources strategy: this enables L'Oréal to attract the best talents, prepare the leaders of the future, but also provide all the employees throughout the world with the best possible response in terms of training. The Group's ambition is to enable the largest possible number of employees, whatever their profession, country or position to have access to development opportunities throughout their working life: this is L'Oréal's vision of "Learning for All".

The training offering is structured into "practices", or fields of expertise (marketing, commerce, research, operations, management, personal development...). Responsibility for each practice is entrusted internally to professionals in this area, whose role is to identify the Group's current and future needs in terms of skills and to design appropriate training solutions.

Employees benefit from 2 individual interviews per year with their manager, one of them being dedicated to identifying development needs. Personal training paths are built on the basis of these exchanges, with the help of Training managers.

Employees then have access to a whole set of development resources with a mix of in-room training, training videos, digital and social experiences and coaching in the work situation. They can thus build their own training experience, while sharing their practices with colleagues all over the world.

Due to the presence of an international network of "Learning for Development" managers, both at the level of the countries, but also in the 5 main regions, L'Oréal ensures global consistency in the major programmes and thus promotes the sharing of the same corporate culture everywhere in the world. This organisation as a network is an essential driver to foster the loyalty of our employees and accelerate their development. It thus makes it possible to respond better to the specificities and regional priorities in terms of skills needs.

The Group also organises large international programmes which make it possible to unite employees from all over the world and thus profit from enriching multicultural exchanges and experience sharing. These moments are essential to understand the Group's culture and its strategy, meet the senior managers and share their challenges, instill a Group spirit and develop an internal international network, which are all key factors for the success of each and every one of them, as well as also being factors for Sustainable Development and long-term success for the Group.

► *Diversity and equal opportunities*

For over 10 years, L'Oréal has been engaged in an innovative, ambitious policy in favour of Diversity. The Group has set itself three priorities: gender, disability and socio-cultural and ethnic origin and its actions are more particularly focussed on the areas of human resources, solidarity sourcing and marketing.

Today, with a network of more than 86 Diversity coordinators all over the world, the initiatives conducted by all the Group's subsidiaries make L'Oréal a pioneer and one of the recognised major players in the area of diversity at worldwide level.

- In 2004, L'Oréal was a founding member of the first Diversity Charter in France. The Group has now signed eight other charters in Europe (including Germany, Austria, Belgium, Italy, Poland, Spain and Sweden) certain of which were created on its initiative. The most recent initiative was at L'Oréal Finland which was a founding member of the Finnish Diversity Charter in 2013.
- With regard to disability, L'Oréal has been developing a global policy since 2008 in favour of professional insertion of the disabled in the Company. This policy focuses on five priorities: infrastructures, maintenance in employment, recruitment, subcontracting and partnerships.

To accelerate the mobilisation of its subsidiaries, L'Oréal has put in place since 2008 awards known as "Initiatives for the Disabled" which reward operational entities for their concrete actions in favour of the disabled. These awards, which are presented every two years, make it possible to showcase and share the best practices of the various L'Oréal entities both in France and in Europe. In 2012, this initiative was made international, which enabled 14 countries from four geographic zones to participate.

In 2013, L'Oréal Chile received the "Sello Inclusivo" seal which rewards efforts made with regard to accessibility. L'Oréal also signed the agreement with the International Labour Organisation to become part of this organisation's Disability Network, in order to share its best practices and interact with stakeholders, such as Non-Governmental Organisations, civil associations and other businesses.

In 2009 L'Oréal created the CSR+Disability network together with the Italian Ministry of Labour, Telefonica and the ONCE Foundation in Spain. The purpose of this tri-national network which consists of players from the private and public sphere and from associations, is to promote access to work for disabled people throughout Europe. In 2013, as a result of this partnership, we jointly created the "1st European Award for Social Entrepreneurship and Disability: Promoting Social Investment". This award aims at identifying and rewarding projects from European social entrepreneurs in the field of inclusion of the disabled or innovative projects promoted by disabled entrepreneurs.

December 3rd is the International Day of persons with disabilities declared by the United Nations. 6 Group subsidiaries went into action and created "Disability Awareness Week": Spain, Chile, Mexico, Hong Kong, Italy and Germany. France also mobilised the head office teams to raise awareness on this topic.

- Finally, with regard to recruitment, 46 countries in which the Group is established have implemented actions to diversify the origin of their recruitments with one objective: enable all talented individuals to assume high-level responsibilities within the Company, whatever their differences or their origins.

L'Oréal hosted the European Origins conference at its head office in partnership with the ENAR (European Network Against Racism) in October 2013.

L'Oréal has moreover developed a diversity assessment in France with a hundred or so indicators that together cover the 6 dimensions of Diversity policy. For the same purpose, an automatic Diversity Reporting tool with 30 indicators (recruitment, training, remuneration...) has been made available to all the subsidiaries.

In order to support these initiatives, L'Oréal has undertaken to train its employees in diversity by organising "Diversity Workshops". This one-day training session made it possible to raise awareness among over 15,000 employees in more than 20 countries at the end of 2013.

Equal Pay for Women and Men

Equal pay is the rule. The Group's policy is to guarantee equal pay and grades for men and women with the same qualifications.

In the field of gender equality, L'Oréal was awarded in 2010 the first European gender equality label, the "Gender Equality European Standard" (GEES), by Bureau Veritas, for eight of its entities in Europe: Germany, France, Spain, Italy, Belgium, the United Kingdom, Ireland and L'Oréal S.A. Four other entities were audited at the end of 2012 and awarded the label by Bureau Veritas (Baltic countries, Portugal, Czech Republic and Poland). In 2013, the 8 subsidiaries which had initially obtained the GEES label were subject to a mid-term audit: 3 subsidiaries had made progress, increasing to 4 the total number of subsidiaries that have achieved the maximum level of certification. This is proof of commitment as these regular audits measure the progress made towards gender equality. L'Oréal France also received the Professional Equality label.

In addition, INED (National Institute of Demographic Studies) conducted an independent study that shows that the net wage gap between men and women is lower than 4% for categories Frames and Workers. This gap has reduced by nearly one third in recent years since it was 10% in 2007. This same study shows that there is no gap for categories Employees and Agents mastery, which is qualified by the INED «result quite remarkable.» A hiring, equal, the classification level of pay is the same.

Also in the field of gender equality, L'Oréal Mexico received the World Bank's "Gender Equity Model" certification in October 2012.

Supplier Assessment for Labor Practices

LABOR PRACTICES, ONE OF THE DRIVERS BEHIND THE L'ORÉAL BUY&CARE PROGRAMME

L'Oréal does not simply purchase products and services from its suppliers. Deeply respectful of suppliers' businesses, culture, growth, and the individuals concerned, the Group's action in their regard is driven by a concern for economic, ethical and environmental responsibility. This approach is an integral part of the L'Oréal Buy&Care Programme for Responsible Purchasing.

Thus, the Group's Purchasing policy is aimed at building a balanced, long-lasting relationship with subcontractors and suppliers with respect for social and environmental issues.

L'Oréal actively seeks to work with suppliers who share its values and commitments, particularly in the field of Human Rights, which therefore makes the supplier referencing process a vital part of its policy.

For industrial purchases, dedicated purchasing teams have the task of identifying new suppliers and integrating them in light of the Group's expectations and its strategy via the "welcome on board" (WOB) supplier referencing process. This makes it possible to make sure that the supplier is of real interest, provide it with all the information, documents and contacts required for it to understand the expectations and processes at L'Oréal, and finally to obtain the supplier's commitment to L'Oréal's values that are shared in this manner.

Following on from this commitment, L'Oréal's "Buy & Care" programme, conveyed by all the Group's, purchasers, contains, since 2002, a section aimed at an audit of this social compliance enabling it to ensure that its suppliers comply with the applicable laws, Human Rights and labour law, and ensure safety and health for their teams in the workplace.

Within the framework of this program, suppliers and subcontractors are asked to comply with the Group's general terms of purchase, which require them to comply with the Fundamental Conventions of the International Labour Organisation as well as local legislation, in particular with regard to minimum wages, working time and health and safety.

Each new supplier / subcontractor referenced by purchasing teams must commit to these societal terms and accept a social audit can be carried out on its production sites. This commitment by the supplier / subcontractor is materialized by the signing of a letter of ethical commitment.

Thus, subcontractors, wherever they are based in the world, and suppliers of raw materials, packaging, production equipment and POS advertising/Promotional items and materials located in countries where there is considered to be a risk are mandatorily subject to a social audit. To prepare the risk map for the countries presenting risks, L'Oréal uses the Maplecroft™ indexes.

The social audits are carried out on behalf of L'Oréal by independent external service providers.

The initial audits are financed by L'Oréal and the follow-up audits are paid for by the suppliers.

The audits cover the following 10 chapters:

- child labour;
- forced labour;
- the environment, health and hygiene and safety;
- compliance with the laws relating to trade unions;
- non-discrimination;
- disciplinary practices;
- sexual harassment or a hostile working environment;
- due payment of wages/compensation and benefits;
- working time;
- relations with subcontractors.

Since January 2013, the social audits include questions concerning the environment and in particular compliance with regulations.

L'Oréal's social audit is based to a great extent on the internationally recognised SA 8000 standard, but does comprise a few exceptions, particularly with regard to the minimum age for child labour. In this respect, the Group has chosen to set the compulsory minimum age at 16 for all employees working for its suppliers, a higher age limit than that required by the Fundamental Conventions of the International Labour Organisation (ILO).

With regard to the employment of young workers, suppliers and subcontractors may request waivers from the Group Purchasing Director for the use of employees under the age of 16 upon presentation of a complete file (schooling, type of contract, working conditions, type of work). Pursuant to the "Suppliers/Subcontractors and Child Labour" policy, formally laid down in 2011, waivers of this kind are only possible for apprenticeship programmes or for children carrying out light work if this work does not affect their health and safety or their regular attendance at school, where the local law allows it and when the supplier/subcontractor has appointed an internal "tutor" for the children.

Since 2006 when L'Oréal set up a reporting tool, it has conducted social audits at over 3,900 supplier sites.

800 audits were carried out in 2013, making more than 5,200 audits of this kind since 2006.

▶ Labor Practices Grievance Mechanisms

Collective aspects of employment are managed locally according to the laws, regulations, standards, practices and customs in each subsidiary.

A Human Resources department is set up in each subsidiary with responsibility for these subjects, either directly in the smallest subsidiaries or, in larger subsidiaries, through one or more employees dedicated to Labour Relations.

Compliance with law is a key element of L'Oréal's Code of Ethics. The procedures for information and consultation of the employee representatives and/or trade union organisations are complied with and put in place both at the level of each subsidiary and, where applicable, in the *Instance Européenne de Dialogue Sociale*/European Works Council (IEDS/EWC)

The dialogue set up with the employee representatives and/or the trade union organisations in each subsidiary, and individual monitoring of employees by the local Human Resources department, makes it possible to anticipate most potentially critical situations, thus avoiding situations of conflict and potential employment grievances, whether of a collective or individual nature.

Nevertheless, in the event of significant grievances, the Corporate Labour Relations department is informed by the Human Resources department of the subsidiary and the Zone, and takes action to provide its expertise in order to look for appropriate solutions.

Methodological note

SCOPE OF CONSOLIDATION

The workforce indicated in the "Total Workforce" and "Geographic distribution of workforce" charts is the total workforce present at December 31st of the year concerned ⁽¹⁾.

INDICATORS

The indicators chosen are those used in the management of employees and of the social aspects of the Company. They reflect the results of the Human Resources policy.

DATA

Four methods are used to collect data for the defined scope:

- Most of the data are collected using the dedicated "Country Reporting" intranet system, available in all countries in which there is a L'Oréal subsidiary. The system covers several topics: workforce, ethics, Worldwide Profit Sharing, labour relations, remuneration, Human Resources expenses, recruitment and training, and absenteeism.
At the beginning of each year, the local Human Resources Directors provide the required data for the previous year. When the data are compiled, each country must validate a charter committing to the accuracy of all the data provided.
- Other data are collected by each corporate department concerned (*i.e.* Training, Recruitment) using dedicated systems which follow the same operational and dissemination approach.
- If information is not consolidated for the entire Cosmetics branch scope, it is recognised that it can be extrapolated from the available results for the entities connected to the local Information Systems (IS), provided that the scope covered by such entities is representative ⁽²⁾.
- Lastly, the specific data relating to "executives" are gathered from the "CAROL" online career monitoring system, deployed in all "Cosmetics" subsidiaries. The improvement of the information collection process at consolidated level has made it possible to identify agreements that are in force that have not been taken into account up to the present. The approach to progress in this field is continuing in all the companies of the L'Oréal Group.

A process of continuous improvement of these systems is in place. The systems are reviewed each year, taking into account the Statutory Auditors' recommendations and monitoring objectives for subsequent years: updating the indicators to be monitored, improving their definition, and enhancing the communication, monitoring and control process.

FOR FURTHER INFORMATION ON METHODOLOGICAL NOTE, SEE IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES SHEET.

(1) Including employees with a permanent or fixed-term contract of employment.

(2) In France, the gender distribution of the Cosmetics workforce was extrapolated from the gender distribution of the entities connected to the France HRIS. The extrapolation method concerns 5% of the French workforce, which is not yet connected to the local HRIS.

E

mployment

L'ORÉAL

LA1 *Number and rates of new employee hires and employee turnover by age group, gender and region*

Total number of employees hired in 2013

- 11,949 employees hired (on permanent contracts, including conversions of fixed-term contracts to permanent contracts)* ✓
- 18.1% of the workforce at 12/31/2013 ✓

Staff turnover

- 9,006 departures*
- 13.6% of the workforce at 12/31/2013

*excluding The Body Shop

L'Oréal does not have any problems in recruiting either executives or other categories of staff.

L'Oréal is pursuing its active recruitment policy for all its businesses and all categories of staff in the Company.

L'Oréal's aim is to create a durable relationship with its employees in order to enable each and every one of them to develop their potential and to build long-term growth together, become more competitive, and continue geographic expansion and the promotion of innovation.

FOR FURTHER INFORMATION ON RECRUITMENT, SEE SECTION 6.2.2.1. "EMPLOYMENT", PAGE 205 OF THE 2013 REGISTRATION DOCUMENT.

LA2 *Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation*

The following policy applies to the L'Oréal Group as a whole.

L'ORÉAL SHARE & CARE PROGRAM

In 2013, the Group chose to go one step further with regard to social performance with the launch of the "L'Oréal Share & Care" program, an ambitious programme aimed at offering all the Group's employees, in all the countries in which it is located, a set of guaranteed global social measures in four areas: social protection, healthcare, parenthood and quality of life at work. This programme, which will make it possible to address the essential needs of each and every one of our employees and encourage their commitment, will make L'Oréal one of the companies with the best practices in terms of social performance and well-being at work. The L'Oréal Share & Care program falls within the scope of the commitments made by the Group by 2020 in the area of Sustainable Development and social responsibility, under its "Sharing beauty with all" programme. The launch of this programme and its implementation show the strong conviction that social performance and economic performance are not only intimately linked but also provide each other with mutual strength.

MANDATORY PROFIT SHARING, INCENTIVE PROFIT SHARING OR WORLDWIDE PROFIT SHARING

For many years, L'Oréal's policy has been to associate employees with the results of the Company aimed at making employees feel that they are part of the Company and enhancing their motivation. This led to a redistribution of €236 million in 2013 at the scale of the Group, on the basis of the income for 2012.

L'Oréal has implemented a Worldwide Profit Sharing Program – WPS since 2001 in all the Group's subsidiaries in which the employees do not benefit from profit sharing arrangements provided for by law. This programme is not applied in the countries which already have a similar system provided for by law, particularly France (see box below).

The amounts paid are calculated locally on the basis of sales and profits generated by each subsidiary as compared to budgeted targets. Implementation of the programme takes place locally and compliance with the principles and rules of the programme is coordinated, at Corporate level, by the International Labour Relations Department.

PROFIT SHARING

In millions of euros	2011	2012	2013
TOTAL	204	210	236 ✓

The comparison between the three years takes into account foreign exchange impacts and structural changes.

FRANCE

A mandatory employee profit scheme was set up in 1968 and an incentive profit sharing scheme has been in force since 1988.

Incentive profit sharing is a system provided for by law but is of a non-mandatory nature. Renegotiated every 3 years, it was the subject of a new Group agreement in 2012.

The incentive amount is proportional to the pre-tax profit on ordinary operations after exceptional items and weighted on the basis of the salary/value added ratio.

The incentive amount is available immediately, but may also be frozen in the Company savings plan for 5 years and benefit from a corresponding tax exemption.

Within the framework of the regulations on sharing profits (Article 1 of French Law No. 2011-894 of July 28th, 2011), L'Oréal proposed the payment in 2013 of a gross additional incentive amount of €1,000 per employee in respect of the "non-mandatory monetary benefits" provided for by the legislation.

L'Oréal chose to propose the payment of an additional incentive amount as it corresponds to the system which is the closest to the notion of "value sharing".

Company-level agreements providing for the payment of an additional incentive amount of €1,000 gross* were thus entered into with the Works Councils of L'Oréal and its subsidiaries in France. It was paid on September 30th, 2013.

The total net amount of incentives allocated in 2013 is €117.5 million, plus the additional incentive payment to "share in profits for 2013" of €12.3 million.

CHANGES IN GROSS INCENTIVE AMOUNT

In millions of euros	2010 ^{(1) (2)}	2011 ^{(1) (2)}	2012 ^{(1) (2)}
	106.9	112.6	117.5

⁽¹⁾ Paid the following year. ⁽²⁾ Amounts after the "forfait social" levy.

For an annual gross salary of	The gross Incentive amount for 2012 paid in 2013 represented	Additional Incentive payment to "share in profits for 2013"	Total
€25 000	€6,450 soit 3,1 mois	€1,000 €	€7,450
€35 000	€7,559 soit 2,6 mois	€1,000 €	€8,559
€45 000	€8,668 soit 2,3 mois	€1,000 €	€9,668
€65 000	€10,886 soit 2,0 mois	€1,000 €	€11,886

* Base temps plein, 12 mois de présence sur 2013.

Mandatory employee profit sharing is a compulsory system in France, introduced in 1968, for all profit-making companies with over 50 employees. Signed for a term of 3 years, the mandatory profit sharing agreement was renewed in May 2012.

Within the framework of this Group agreement, which pools the results of all the companies that are signatories, L'Oréal has made favourable adjustments to the legal formula to take account of the Group's international development.

Mandatory profit sharing is available immediately but may be frozen for 5 years in the Company savings plan or the frozen current account, or invested until retirement in the collective retirement savings plan (PERCO) on which an additional employer contribution is paid equal to +50%, which allows employees to benefit from a tax exemption.

CHANGES IN GROSS MANDATORY EMPLOYEE PROFIT SHARING

<i>In millions of euros</i>	2010 ^{(1) (2)}	2011 ^{(1) (2)}	2012 ^{(1) (2)}
	34.3	32.8	31.5

⁽¹⁾ Paid the following year. ⁽²⁾ Amounts after the "forfait social" levy.

Mandatory profit sharing for 2012 paid in 2013 represented the equivalent of 0.6 month's salary.

For employees who so wish, the amounts paid in respect of incentive and mandatory profit sharing may be invested for a minimum period of 5 years in the Company savings plan which proposes, in particular, an employee investment fund invested in L'Oréal Shares, on which an additional employer contribution of 25% is paid for incentive profit sharing payments.

In 2013, the following amount net of CSG, CRDS and the "forfait social" levy was invested by the employees of L'Oréal and its subsidiaries in France in the fund which is 100% composed of L'Oréal shares, "L'Oréal Intéressement": €51,762,937, plus the net additional incentive amount to "share in profits for 2013" of €5,009,533.

The employer contributions added to these payments were respectively €10,735,991 and €1,032,156, which, at the opening trading price for the L'Oréal share on the date of each of these additional employer contributions, namely €135.35 on April 30th, 2013 for "L'Oréal Intéressement" and €126.95 on September 30th, 2013 for the "Supplément d'Intéressement", represented the equivalent of 87,450 L'Oréal shares.

COMPANY SAVINGS PLAN AND FROZEN CURRENT ACCOUNT

OUTSTANDING BALANCE FOR ALL THE COMPANIES CONCERNED IN FRANCE:

<i>In millions of euros</i>	2011	2012	2013
Company savings plan + Frozen current account + collective retirement savings plan	720	863	985

At December 31st, 2013, 52% of the savings of L'Oréal employees were invested in L'Oréal shares, and 9,974 Group employees in France were shareholders of L'Oréal through the savings plan.

▶ LONG-TERM INCENTIVE PLANS

At worldwide level, in addition to the mandatory profit sharing, incentive profit sharing or Worldwide Profit Sharing programmes for its employees, the Group has for several years granted stock option plans and made conditional grants of shares (ACAs) in an international context, in order to associate those who have made big contributions with the future evolution of the Group's results and help to instil a Group spirit.

In 2009, L'Oréal enlarged its policy by introducing a mechanism for the conditional grant of shares (ACAs), in order to reach out to a broader population of potential beneficiaries thanks to a long-term incentive tool offering greater motivation than stock-options.

The final vesting of these shares is conditional on the achievement of performance criteria.

In 2013, the Group continued its policy for conditional grants of shares:

- 2,092 employees were thus beneficiaries of the April 26th, 2013 Plan (2,177 in 2012);
- 61% of the beneficiaries are outside France (62% in 2012);
- 46% of the beneficiaries are women (45% in 2012).

In total, more than 3,000 employees, i.e. over 12% of the managers worldwide, benefit from at least one stock option plan or plan for the conditional grant of share.

▶ EMPLOYEE BENEFIT AND PENSION SCHEMES AND OTHER BENEFITS

Depending on the legislation and practices in each country, L'Oréal adheres to pension schemes, pre-retirement arrangements and Employee Benefit schemes offering a variety of additional coverage for its employees.

In 2002, L'Oréal set up a Supervisory Committee for pension and Employee Benefit schemes offered by its subsidiaries. This committee ensures the implementation and the monitoring of L'Oréal's pension and Employee Benefits policy as defined by the L'Oréal Executive Committee.

This policy provides for general principles in the following areas: definition and implementation of schemes, relations with employees, financing and cost of the schemes, and management of the schemes. Approval must first be obtained from the Supervisory Committee prior to the introduction of any new scheme or the modification of any existing scheme. The Supervisory Committee works together closely with the operational management of the Divisions and Zones.

The characteristics of the pension schemes and other pre-retirement benefits offered by the subsidiaries outside France vary depending on the applicable laws and regulations as well as the practices of the companies in each country.

In many countries, L'Oréal participates in establishing additional retirement benefits for its employees through a whole series of defined benefit schemes and/or defined contribution schemes (e.g. United States, the Netherlands, Belgium, Canada, and South American countries). In some cases, the defined benefit schemes have been closed to new recruits who are offered defined contribution schemes (Germany, Belgium and the United Kingdom). This series of defined benefit and defined contribution schemes makes it possible to share the financial risks and ensure improved cost stability. In defined contribution schemes, the Company's commitment mainly consists in paying a percentage of the employee's annual salary into a pension plan each year.

The defined benefit schemes are financed by payments into specialist funds or by setting up provisions, in accordance with the accounting standards adopted by L'Oréal. The performance of the managers of the main funds established, as well as the financial stability rating of the custodians, are regularly reviewed by the Supervisory Committee.

Pensions exceeding the legal minima required by national social security systems are now paid in 80% of L'Oréal's subsidiaries throughout the world. In countries which already offer sufficient social coverage, L'Oréal does not propose company pension schemes. This is also the case in countries which do not have an appropriate legal framework or a long-term investment instrument. The Supervisory Committee continues to be attentive to changes in local situations and, when required, additional employee benefit schemes are put in place.

▶ FRANCE

PENSION SCHEMES

In France, L'Oréal has supplemented its retirement plan by creating on January 1st, 2001 a defined benefit scheme with conditional entitlements based on the employee's presence in the Company at the end of his/her career. Then, on September 1st, 2003, a defined contribution scheme with accrued entitlements was introduced.

DEFINED BENEFIT SCHEME

In order to provide additional cover, if applicable, to compulsory pensions provided by the French Social Security compulsory pension scheme, the ARRCO or AGIRC (mandatory French supplementary pension schemes), L'Oréal introduced on January 1st, 2001, a defined benefit scheme with conditional entitlements, the "Retirement Income Guarantee for former Senior Managers" (Garantie de Ressources des Retraités Anciens Cadres Dirigeants). Prior to this, on December 31st, 2000, L'Oréal closed another defined benefit scheme, also with conditional entitlements, the "Pension Cover of the Members of the Comité de Conjoncture" (Garantie de Retraite des Membres du Comité de Conjoncture).

Access to the "Retirement Income Guarantee for former Senior Managers", created on January 1st, 2001, is open to former L'Oréal Senior Managers who fulfil, in addition to the requirement of having ended their career with the Company, the condition of having had the status of Senior Manager within the meaning of Article L. 3111-2 of the French Labour Code for at least ten years at the end of their career.

This scheme provides entitlement to payment to the beneficiary retiree of a Life Annuity, as well as, after his/her death, the payment to the beneficiary's spouse and/or ex-spouse(s) of a surviving Spouse Pension and, to the children, of an Orphan Pension, subject to the children fulfilling certain conditions. The calculation basis for the Guaranteed Income is the average of the salaries for the best three years out of the seven calendar years prior to the end of the Senior Manager's career at L'Oréal. The Guaranteed Income is calculated based on the beneficiary's number of years of professional activity in the Company at the date of the end of his/her career at L'Oréal, and limited to a maximum of 25 years, each year leading to a steady, gradual increase of 1.8% in the level of the Guarantee.

At this date, the gross Guaranteed Income may not exceed 50% of the calculation basis for the Guaranteed Income, nor exceed the average of the fixed part of the salaries for the three years used for the calculation basis. A gross annuity and gross Lump Sum Equivalent are then calculated taking into account the sum of the annual pensions accrued on the date when the retiree applies for his/her pension as a result of his/her professional activity and on the basis of a beneficiary who is 65 years of age. The Life Annuity is the result of the conversion into an annuity at the beneficiary's age on the date he/she applies for his/her pension of the gross Lump Sum Equivalent, less the amount of all payments due as a result of termination of the employment contract, excluding any paid notice period and paid holiday and less all salaries paid under an early retirement leave plan, if such lump sum equivalent is the result of these operations. Around 450 Senior Managers are eligible for this scheme, subject to their fulfilling all the conditions after having ended their career with the Company.

Access to the "Pension Cover for Members of the Comité de Conjoncture" has been closed since December 31st, 2000.

This former scheme granted entitlement to payment to the beneficiary retiree, after having ended his/her career with the Company, of a Life Annuity as well as, after his/her death, the payment to the spouse and/or ex-spouse(s) of a surviving Spouse Pension and, to the children, of an Orphan Pension, subject to the children fulfilling certain conditions. The calculation basis for the Pension Cover is the average of the salaries for the best three years out of the seven calendar years prior to the end of the beneficiary's career at L'Oréal. The Pension Cover is calculated on the basis of the beneficiary's number of years' service and limited to a maximum of 40 years, it being specified that at the date of closure of the scheme, on December 31st, 2000, the minimum length of service required was 10 years. The Pension Cover may not exceed 40% of the calculation basis for the Pension Cover, plus 0.5% per year for the first twenty years, then 1% per year for the following twenty years, nor exceed the average of the fixed part of the salaries for the three years used for the calculation basis. Around 120 Senior Managers (active or retired) are eligible for this scheme subject to the proviso, for those in active employment, that they fulfil all the conditions after having ended their career with the Company.

DEFINED CONTRIBUTION SCHEME

In September 2003, L'Oréal set up a "defined contribution pension scheme".

A new agreement was signed in December 2007, with effect from January 1st, 2008, as well as a supplemental agreement applicable as from January 1st, 2009.

All executives and sales representatives affiliated with the CIPC-R are beneficiaries of this scheme.

The basis for contributions, which remains unchanged, amounts to between once and 6 times the French social security ceiling, with a contribution of 4% since January 1st, 2008, shared by the Company and the employees.

This scheme grants entitlement to the payment to the beneficiary retiree, after he/she has applied for his/her pension entitlement from the French Social Security compulsory pension scheme, of a Life Annuity as well as, after his/her death, the payment to the spouse and/or ex-spouse(s) of a surviving Spouse Pension. The Life Annuity is calculated on the basis of the capital formed by the contributions made and the financial income on such contributions at the end of the employee's career. The employer's commitment is limited to the payment of the contributions stipulated.

	12.31.2011	12.31.2012	12.31.2013
Number of members	12,594	13,549	13,823
Total net contributions (in € million)	8.74	9.20	9.51

PRE-RETIREMENT ARRANGEMENTS

L'Oréal pays close attention to the retirement conditions of its employees and pre-retirement arrangements that have been in force for a number of years, which have been confirmed and improved within the scope of the agreement on the employment of older workers, signed on December 3rd, 2009, which provides in particular for the introduction of a time savings account for older employees:

- the early retirement leave (CFC): this pre-retirement arrangement consists of exempting employees from the requirement to perform their activities; but during this period, they remain employees of L'Oréal and continue to receive their remuneration (within the limit of 9,280 gross/month) as well as mandatory profit sharing, incentive payments and paid leave;
- early retirement leave under the time savings account: this arrangement, linked to the 35-hour working week agreement and the Time Savings Account (Compte Epargne Temps – CET), enables an employee who has saved 3 days' leave per year under the CET since 2001, to benefit from the possibility to terminate his/her activities at least 3 months earlier than scheduled (6 months for sales representatives), and this possibility can be combined with the early retirement leave;
- retirement indemnities: a new scale of indemnities at L'Oréal was implemented by a collective agreement as from 2011, which is more favourable than the French National Collective Bargaining Agreement for the Chemical Industries.

Thus, when he/she retires, an employee may benefit from retirement indemnities ranging from two months' salary for five years' service, to eight months' salary for 40 years' service.

In order to increase the special leave prior to retirement, the employee may opt to convert his/her retirement indemnities into time, or he/she may choose to receive payment of the retirement indemnities which will be made at the time when he/she leaves the Company.

	12.31.2011			12.31.2012			12.31.2013		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Early retirement leave	51	127	178	65	128	193	81	183	264
Compulsory retirement on the Company's initiative			5	3	0	3	2	0	2
Voluntary retirement			162	66	135	201	80	150	230

Source: HR France statistics - 2011, 2012 and 2013.

These commitments are guaranteed partly by external financial cover aimed at gradually building up funds resulting from premiums paid to external organisations.

The commitments net of funds invested and the actuarial differences are booked as a provision in consolidated balance sheet liabilities.

The evaluation method adopted to calculate the retirement and pre-retirement benefit commitments is the retrospective method based on estimated calculations of the final salary.

These commitments take into account the employer's contribution to the healthcare schemes for retirees.

In millions of euros	12.31.2011	12.31.2012	12.31.2013
Provision for pension commitments in consolidated balance sheet liabilities	662.6	706.7	621.3

Source: Administration and Finance Division.

EMPLOYEES BENEFIT SCHEMES IN FRANCE

In addition to the compulsory Lump Sum Death Benefit for executives under Articles 4 and 4 bis of the French National Collective Bargaining Agreement of 1947 (1.5% of Bracket A of income as defined by the French Social Security) and the guarantees accorded under the French National Collective Bargaining Agreement for the Chemical Industries, L'Oréal has set up, in France, under an agreement, an Employee Benefit scheme providing additional collective guarantees to its employees.

All these guarantees are based on the gross income up to 8 times the Social Security ceiling, except for the education annuity which is limited to up to 4 times the ceiling. They are generally financed on Brackets A, B and C of income as defined by the French Social Security, except for the Education Annuity which is based on Brackets A and B, and the surviving Spouse Pension which is based on Brackets B and C.

This Employee Benefit scheme provides guarantees in the event of:

- temporary disability: for all employees, 90% of their gross income limited to 8 times the French Social Security ceiling, net of all deductions, after the first 90 days off work;
- permanent disability: for all employees, a fraction, depending on the extent of the disability, ranging up to 90% of their gross income, limited to 8 times the French Social Security ceiling, net of all deductions;
- death:
 - a) for all employees, the payment of a Lump Sum Death Benefit, increased depending on the employee's family status. The amount of this Benefit is doubled in the event of accidental death,
 - b) for executives and comparable categories of employees, the payment of a Spouse Pension to the surviving spouse. This ensures the spouse has an income similar to the Spouse Pension that would have been paid by AGIRC if death had occurred at the age of 65,
 - c) for all employees, the payment of an Education Annuity to each dependent child, according to an age-based schedule.

The total amount of the Lump Sum Equivalent for these guarantees may not exceed €2.3 million per event.

The capital for the Spouse Pension is the first to be applied, followed by the Education Annuity; the balance of the basic scheme is then used to calculate the Lump Sum Death Benefit, possibly increased by the minimum guaranteed Lump Sum Death Benefit.

€ thousand	12.31.2011	12.31.2012	12.31.2013
Net Employee Benefit Contributions for the financial year	10,688	11,445	11,900 ⁽¹⁾

⁽¹⁾ Estimated.

MINIMUM GUARANTEED LUMP SUM DEATH BENEFITS

Since December 1st, 2004, and January 1st, 2005 for sales representatives, L'Oréal has put in place an additional guaranteed Lump Sum Death Benefit that supplements, where applicable, for all employees, the Lump Sum Death Benefits to the extent of three years' average income. A maximum limit is set for this guarantee.

The total amount of the capital needed to fund the surviving Spouse Pension and Education Annuity, the Lump Sum Death Benefits and the minimum guaranteed Lump Sum Death Benefit is also subject to a ceiling.

HEALTHCARE EXPENSES

The employees of L'Oréal parent company and its French subsidiaries benefit from additional schemes covering healthcare costs.

The healthcare scheme is compulsory for all the employees of L'Oréal and its French subsidiaries.

Employees have the option of including their family members in these schemes.

Contributions are generally individual. The contribution by the employee is partly financed by the Company.

Retirees of L'Oréal S.A. and certain companies can continue to benefit from the healthcare scheme, with a contribution by L'Oréal, subject to a membership duration clause, specified in the regulations for additional defined benefit pensions.

FOR FURTHER INFORMATION ON BENEFITS, SEE THE SECTION ON "COMPANY SAVINGS PLAN AND FROZEN CURRENT ACCOUNT" ON PAGES 202 ET SEQ. OF THE 2013 REGISTRATION DOCUMENT.

Labor/management relations

LA 4 *Minimum notice periods regarding operational changes, including whether these are specified in collective agreements*

To meet the goal of sustainable growth which is the best guarantee it can offer its employees, L'Oréal has to constantly adapt to its environment. This may lead to changes in its organisation structure. Nevertheless, any decision that may affect the working life and jobs of employees is made after in-depth consideration and is the subject of clear, regular communication to employees and an ongoing dialogue with the employees themselves and their representatives, in accordance with L'Oréal's values of integrity and transparency.

L'Oréal complies with the deadlines set by the national laws of each country and, for Europe, applies the consultation procedure provided for by its European agreement concerning the IEDS/EWC (Instance Européenne de Dialogue Social/ European Works Council).

In the event of transnational projects involving local consultations in at least two countries represented on the IEDS/EWC, a transnational procedure for consultation of the Liaison Secretariat, which may potentially be enlarged, is implemented. This consultation is devoted to the transnational aspects of the project being discussed and does not replace national consultations. The procedure, provided for in a European agreement on the subject, consists of three phases:

- 1 - The Liaison Secretariat is notified of the project, depending on its nature, either as soon as the national bodies have been informed, or at the same time.
- 2 - An information and consultation meeting with the Liaison Secretariat is organised as soon as possible within the next 20 days. At the Liaison Secretariat's request, a member of each country concerned by a local consultation will take part in this meeting, thus forming an enlarged Liaison Secretariat.
- 3 - The Liaison Secretariat is able to issue an opinion on behalf of the IEDS/EWC, ensuring that it represents its point of view. In that case, the time within which the opinion is issued is 2 weeks as from the date of the information and consultation meeting.

Under certain conditions, particularly in the event of projects that concern several countries or highly strategic subjects, the information and consultation meeting provided for in phase 2 may be replaced by a special plenary session of the European Works Council or if the schedule drawn up so permits, by part of the ordinary plenary or preparatory session.

This consultation procedure will not overlap, as regards the subjects covered, the local consultations, which take place in accordance with local laws and practices.

The purpose of the European consultation procedure is to explain the relevance of the transnational project. Also of importance is that the representatives of the countries concerned are able to give their views on the project, provide their recommendations and contribute testimony on local management of the project. The representatives of the countries concerned, as well as the members of the Liaison Secretariat, can obviously ask for further details and issue an opinion.

Occupational health and safety

LA5 *Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs*

L'Oréal's health and safety standards are very strict and often exceed the legal obligations in the different countries. The required indicator is not consolidated in the Group's reporting system. Health and safety issues are nevertheless part of the dialogue with the committees devoted to this topic or else, failing this, with the employee representative bodies.

The Health and Safety Committees and their activities do not necessarily lead to the signature of specific agreements, but rather to joint monitoring of this subject (application of L'Oréal's standards and the legal obligations, analysis of situations, etc...) according to the principle of continuous improvement. 24 agreements have nevertheless been identified as being in force at December 31st, 2013 which deal, totally or partially, with health and safety. This does not include the national sectoral agreements in place in several countries, which often cover the health and safety aspects.

FRANCE

HEALTH AND SAFETY CONDITIONS AT L'ORÉAL - FRANCE

For many years, L'Oréal has been committed to a proactive policy for continuous improvement in the working conditions of its employees, thereby contributing to the development of an environment favoring the quality of life at work.

Within this framework, and beyond the systems that already exist, L'Oréal wished to go one step further firstly by implementing a stress prevention and management programme and secondly by introducing a reflection on the prevention of arduous working conditions pursuant to the provisions of French Law No. 2010-1330 of 9 November 2010.

Attentive to the stress which could be experienced by employees whatever the circumstances, at the start of 2009 L'Oréal undertook a stress prevention and management programme with the support of a network of occupational doctors (7 exclusively dedicated to L'Oréal) and a duly empowered body, the "Intervenant en Prévention des Risques Professionnels" (IPRP).

This programme is based on three main measures:

- A prevention plan including in particular two training modules enabling both employees (1 day) and managers (2 days) to understand stress mechanisms better and give them operational solutions to regulate their impact.
- An individual assessment of the employee's level of stress, anxiety and depression via a questionnaire proposed at the time of the annual employee medical check-up, based on scientifically recognised scales; at the end of the process, results are shared with the occupational doctor.
- An annual analysis of the Company's collective results by the Health, Safety and Working Conditions Committees.

This action plan, which was favourably received by employees, the Health, Safety and Working Conditions Committees and the Works Councils, is effective in all L'Oréal entities in France.

Within the scope of the provisions of French Law No. 2010-1330 of 9 November 2010 and French decrees No. 2011-354 of 30 March 2011 and No. 2011-824 of 7 July 2011, L'Oréal continued its reflections on the way to improve working conditions and the prevention of arduous working conditions with the aim of enabling employees to remain in active employment longer and under better conditions. Although not obligatory, discussions have begun in certain of L'Oréal's business sectors or entities, in conjunction with the Health, Safety and Working Conditions Committees and the EHS teams, in order to prepare action plans for the prevention of arduous working conditions. In application of the French decree of November 5th, 2011 relating to occupational risks, L'Oréal has updated the single document for the evaluation of occupational risks in the Company by including these two points in particular.

In 2013, there were 38 Health, Safety and Working Conditions Committees (CHSCT) and 1 Health, Hygiene and Safety and Working Conditions (SHSCT) at L'Oréal.

An occupational doctor is available for each L'Oréal site in France and seven of these occupational doctors work exclusively for L'Oréal. They are assisted by five dedicated social workers.

MEASURES TAKEN TO IMPROVE SAFETY:

Preservation of the health and safety of employees is a fundamental objective which forms an integral part of the human and social policy. It rests on risk prevention both at an individual level, through screening tests making it possible to provide employees with thorough, adapted individual medical attention, and at collective level through the evaluation and management of occupational risks.

The health and safety policy is part of an overall programme, conducted in close cooperation with the occupational doctors, safety officers and the Health, Safety and Working Conditions Committees.



FOR FURTHER INFORMATION ON THE HEALTH AND SAFETY CONDITIONS, SEE SECTION 6.2.2.4 "HEALTH AND SAFETY" ON PAGES 207 OF THE 2013 REGISTRATION DOCUMENT.

LA6 *Type of injury and rates of injury; occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender*

OCCUPATIONAL DISEASES PER GEOGRAPHIC ZONE (COSMETICS + THE BODY SHOP)

Western Europe	45
North America	46
Asia, Pacific	14
Latin America	0
Eastern Europe	0
Africa, Middle-East	0
Total	105

This concerns less than 0.15% of the Group's employees. The vast majority of reported occupational diseases are musculoskeletal disorders. In order to avoid them, the Group's Health and Safety policy provides for significant attention to ergonomics.

ABSENTEEISM - COSMETICS AND THE BODY SHOP

The overall rate of absenteeism amounts to 4.84% , of which 2.28%  relates to diseases.

	<i>Number of days of absenteeism</i>	<i>% of absenteeism</i>
Western Europe	414,082 	6.4 % 
North America	111,155 	3.4 % 
Asia, Pacific	130,575 	3.6 % 
Latin America	65,804 	3.0 % 
Eastern Europe	87,485 	7.5 % 
Africa, Middle-East	14,266 	4.2 % 
Total	823,367 	4.84 % 

Method of calculation:

Total absenteeism: **B/(A + B)**

Sickness absenteeism: **C/(A + B)**

A = Number of days effectively worked by all employees with contracts, including training days.

B = Number of days of absence (sick leave, occupational diseases, maternity leave, accidents in the workplace and/or travel-to-work accidents or any other absence not provided for by contract).

C = Number of days of sick leave (excluding occupational diseases, maternity leave, accidents in the workplace and/or travel to work accidents...)

For several years, L'Oréal has applied a well-established policy in the field of health and safety (EHS policy). This defines the Company's commitment to developing, producing, distributing and selling innovative products of the highest quality, while having an ethical conduct and guaranteeing the health and safety of employees, customers and the communities in which L'Oréal performs its activities. This approach is part of an overall environmental, health and safety policy described in the section on Environmental information on pages 212 and seq.

L'Oréal is eager to provide a safe and healthy work environment for its employees. Health and safety are of paramount importance and L'Oréal's ultimate goal is a zero accident rate.

Comprehensive measures have been taken focused on risk reduction and continuous improvement. A safety culture has been instilled, setting high standards and involving employees at all levels of the Company. Keen to increase safety in the workplace, the General Management has set an ambitious objective to improve the results obtained.

PERFORMANCE SUMMARY

Overall, 2013 was a good year for the Group as a whole with a healthy improvement at the level of Operations. The distribution centres had a conventional frequency rate (TfC*) < 1.0. The Group's performance improved by 4.7% as compared to 2012. Out of the 195 lost-time accidents (L'Oréal staff and temporary employees)  registered in the Group in 2013, 21.5% occurred at the plants and distribution centres, 31% at administrative sites, 7.5% in Research & Innovation (R&I) laboratories and centres and 40% in sales force and shops.

Sites of plants and distribution centres:

TfC = 1,17  vs. 1,49 in 2012 (- 21,5 %)* ;

Administrative sites and R&I:

TfC = 1,25  vs. 1,28 in 2012 (- 2,3 %);

Sales force & Shops:

TfC = 3,15  vs 2,84 in 2012 (+ 10,9 %)

Group: all sites:

TfC = 1,64  vs. 1,72 in 2012 (- 4,7 %).

* TfC (conventional frequency rate) - Number of lost-time accidents per million hours worked by L'Oréal staff.

NUMBER OF LOST-TIME ACCIDENTS IN THE WORKPLACE IN 2013 BROKEN DOWN BY GEOGRAPHIC ZONE - COSMETICS AND TBS (L'ORÉAL STAFF)

<i>GROUP Factories - Centres - Administrative sites</i>	<i>Number of lost-time accidents at L'Oréal in 2013</i>
Europe	120
North America	38
Asia, Pacific	10
Latin America	18
Africa, Middle-East	2
Total	188

Total number of fatal accidents: 0 (zero)

L'Oréal has responsibility to its staff and its health and safety performance is a key measure of this.

Management plays the guiding role in this change in safety culture, supported and assistance by the EHS network. L'Oréal has put in place the necessary tools and programmes to achieve excellence in this area.

The basic safety improvement programmes rest on the following elements:

- EHS steering committees: overall review of the action plans and the efficiency of the site's EHS programmes by the Management Committee;
- Mesure: periodic safety visit in the field and discussions with a manager;
- SIO (Safety Improvement Opportunities): reporting of situations considered as involving risks by each employee with follow-up by direct management of the corrective measures taken;
- "Constructive Challenge": programme aimed at improving the safety culture and state of mind of each employee so that each and every one of them takes into account both his/her own safety and that of others. The objective of this programme is to cover 100% of the sites in 2020.

The priority areas and EHS focuses for 2014 can be classified in the 8 following areas:

1. Strategy and action plans to achieve the objective for 2020 (TFC < 0.5 for Operations, administrative sites, R&I and sales force & Shops)
2. EHS organisation
3. Commitment and visible participation by management
4. Efficient Health and Safety management systems at all sites
5. Active participation by employees
6. Better sharing of resources and practices
7. Focus on risks
8. Group EHS audits

Safety Training for management:

In 2013, 68 participants from L'Oréal attended seminars open to site managers on the theme of Safety & Leadership, held at the CEDEP, the European Centre for Continuing Education (Centre Européen d'Education Permanente) on the campus of INSEAD in France. The main objectives of these seminars are to change the attitudes of managers with regard to safety, raise their awareness to the crucial problem posed by safety for companies and their management executives, and to increase their ability to have safer behaviour adopted and maintained over the long term.

"Ergonomic Attitude": programme rolled out in the factories and distribution centres aimed at reducing risks and ergonomic-related accidents. 149 people have received ErgoAct training. This training will be more widely developed in 2014.

EHS "Culture Audits": an EHS culture audit of the visible commitment by managers and employees with follow-up of action plans to aim for excellence.

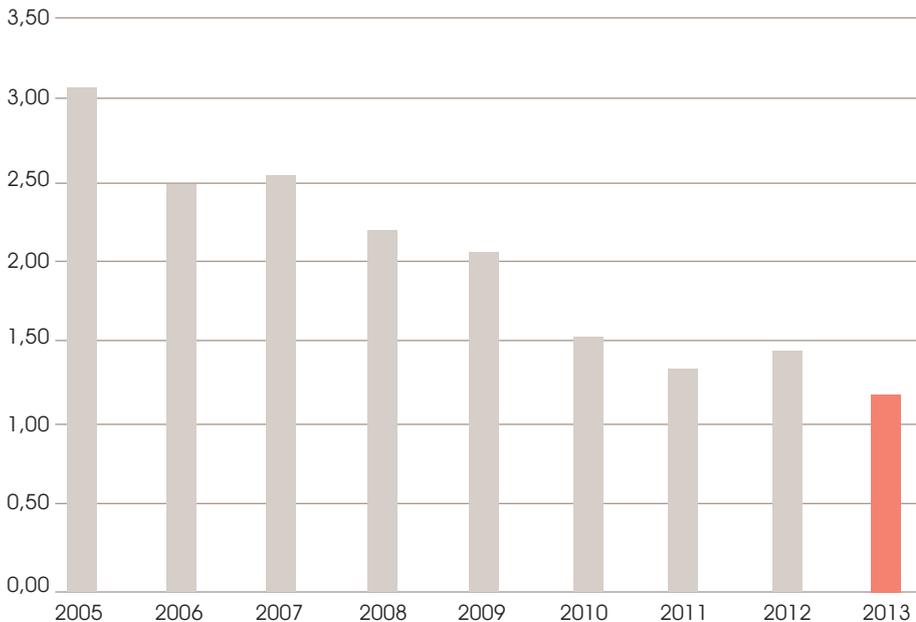
Safety Target for factories and distribution centres

The initial target is an 81% improvement in our safety record by 2015 (base year 2005: TFC = 3.09), representing a TFC of < 0.60.

Performance summary for factories and distribution centres since 2005.

TFC (CONVENTIONAL FREQUENCY RATE) - FACTORIES AND DISTRIBUTION CENTRE

2013 : 1.17 



Target: zero accident in 2013 ⁽¹⁾

Out of 99 factories and distribution centres, 73 recorded zero lost-time accident.

A decreasing accident severity rate

As well as a reduction in the number of accidents, it is also important to note that the accident severity rate has fallen by 57% since 2005. It is 0.06 in 2013.

Millions of hours - L'Oréal staff - without a lost time accident since 2005 - Operational and administrative sites:

- 3 factories, 4 distribution centres and 17 administrative/R&I sites reached or passed the threshold of one million hours worked without a lost-time accident.
- 3 factories, 1 distribution centre and 9 administrative sites have now exceeded 3 million hours.

Number of lost-time accidents in 2013 Cosmetic and TBS (employees outside L'Oréal)

Operations scope:

Number of accidents with lost reassembled: 26
 Accidents constantly reassembled: 75
 Total: 101

Group scope:

Number of accidents with lost reassembled: 40
 Accidents constantly reassembled: 135
 Total: 175

⁽¹⁾ L'Oréal permanent staff.

LA7 *Workers with high incidence or high risk of diseases related to their occupation*

With regard to health and safety, the L'Oréal Group has an overriding concern to provide its employees with a healthy, safe place of work. Exhaustive measures have been taken aimed at reducing risks and ensuring constant improvement.

LA8 *Health and safety topics covered in formal agreements with trade unions*

L'Oréal's health and safety standards are very strict and often exceed the legal obligations in the different countries. The Health and Safety Committees and their activities do not necessarily lead to the signature of specific agreements, but rather to joint monitoring of this subject (application of L'Oréal's standards and the legal obligations, analysis of situations, etc...) according to the principle of continuous improvement. 24 agreements have nevertheless been identified as being in force at December 31st, 2013 which deal, totally or partially, with health and safety.

This does not include national agreements with regard to particular categories, which exist in various countries and cover health, hygiene and safety issues.

T raining and education

L'ORÉAL

LA9 Average hours of training per year per employee by gender, and by employee category

Training is an integral part of employee development policy at L'Oréal. On this basis, it is the subject of an individual interview with each member of its staff every year.

L'Oréal regularly provides its staff with personal and professional development opportunities via a training system tailored to their individual needs, everywhere and for all positions. The "Learning for Development" department is completely integrated into the company, enabling staff to derive full advantage from the best practices worldwide and offering a coherent overview of the training programmes.

The number of hours of training provided in 2013 was 1,325,136 for the Group scope.

The number of employees trained in 2013 was 44,936, with each of them having received 29.5 hours of training over the year.

60% of those trained are women.

EMPLOYEES TRAINED BY PROFESSIONAL CATEGORY (COSMETICS SCOPE)

Manual workers	58%
Administrative staff	33%
Supervisors	67%
Executives	73%

In 2013, L'Oréal France devoted 19,232 thousand to professional training for its employees, representing 2.6% of its payroll.

- Number of persons trained in 2013: 8,929 or 72.5% of the workforce as at December 31, 2013.
- Number of training actions in 2013: 21,797 representing an average of 2.4 training actions per individual trained.
- Number of hours of training in 2013: 234,696 hours.

The L'Oréal Human Resources intranet site (Profile & My training) provides staff with comprehensive information on the possibilities available to them with regard to professional training and their rights with regard to the Individual Training Entitlement ("D.I.F.")

HOURS OF TRAINING (COSMETICS AND TBS)

2013 Cosmetics + TBS	Number of hours of training recommended	Number of hours of open access training	Total number of hours of training	Number of employees trained	Average number of hours of training per employee trained
Western Europe	605,593	17,193	622,095	20,742	30.0
North America	187,432	4,349	191,568	8,889	21.6
Asia, Pacific	308,019	6,392	314,062	8,437	37.2
Latin America	83,920	6,228	90,048	3,270	27.5
Eastern Europe	76,065	6,300	82,274	2,773	29.7
Africa, Middle-East	24,370	747	25,089	825	30.4
Total	1,285,399	41,209	1,325,136	44,936	29.5

FURTHER INFORMATION ON THE SKILLS DEVELOPMENT PROGRAMMES IN THE L'ORÉAL GROUP AND EMPLOYEE BENEFITS IS AVAILABLE IN LA2, 'BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION' OF THIS FACT SHEET.

FOR FURTHER INFORMATION CONCERNING TRAINING AT L'ORÉAL, SEE SECTION 6.2.2.5. "TRAINING" ON PAGE 209 OF THE 2013 REGISTRATION DOCUMENT.



Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Learning forms an integral part of employee development policy at L'Oréal. As such, it is the subject of an individual interview once a year with each employee. L'Oréal regularly provides its employees with personal and professional development opportunities via a training system tailored to their individual needs, everywhere and for all positions. The "HR Learning" department is completely integrated into the company, enabling staff to derive full advantage from the best practices worldwide and offering a consistent vision of the training programmes.

▶ TRAINING AND CAREER DEVELOPMENT

In a continual search for excellence and creativity and the desire to be one step ahead to deal with the growing complexity of the challenges of our business, the "Learning for Development" teams provide employees and managers with ongoing support to help them not only to be high-performing, but also to achieve fulfilment.

Training has always been at the heart of the Human Resources strategy: this enables L'Oréal to attract the best talents, prepare the leaders of the future, but also provide all the employees throughout the world with the best possible response in terms of training.

▶ AN INDIVIDUAL APPROACH

"L'Oréal and Me" offers a new international structure for professional assessment, consisting of two meetings per year at which it is possible to identify and discuss career paths, personal development and salary.

From this perspective, the Group regularly provides its staff with personal and professional development opportunities via a training system tailored to their individual needs, everywhere and for all positions. The HR Learning department is completely integrated into the company, enabling staff to derive full advantage from the best practices worldwide and offering a consistent vision of the training programmes. The maximum achievement of each employee's potential is crucial to maintain a sustainable competitive advantage. Since the Group benefits from a system of centralised, dynamic career management, the HR Learning department has developed transition tools intended for managers taking on new responsibilities.

▶ INTERNATIONAL MOBILITY

Geographic mobility and career flexibility are beneficial to staff in terms of career development and experience, but are also profitable to the Group in terms of growth and innovation. International mobility also strengthens the Group's diversity policy as its brands are adapted to suit local demand by multicultural teams.

At the end of 2013, 1,076 employees were on long-term international assignments in 58 different countries, representing an increase of +7% as compared to 2012. 40% of these employees were women and 12% were under 30 years of age. Out of the 1,076 expatriates, 251 had the benefit of a package that has been specially designed for junior employees during the first few years of their career.

L'Oréal has revised its international mobility policy to ensure that it meets the needs of its staff and the company. Specific packages have been developed for junior employees, as well as for inter-regional transfers.

In order to encourage this ambitious acceleration of globalisation, the Group seconds its best talents on international programmes, developed in partnership with highly reputed institutions. The programmes provide them with access to the best training resources available worldwide and they are able to share the expertise and experience of L'Oréal's senior managers. These programmes are also aimed at passing on the culture and values specific to L'Oréal as well as contributing to the Group's strategic coherence.

A symbolic seminar, "L'Oréal Insight", brought together 189 young managers of 36 different nationalities in 2013. In total, nearly 500 strategic employees, from countries all over the world, attended at least one of the company's key international seminars in 2013.

» « MY LEARNING »

In 2013, with the aim of "learning for everyone", the HR Learning teams launched a new version of the "My Learning" platform at international level, in 18 languages. It is currently accessible to 45,000 employees in 57 countries. This represented 41,000 hours of remote training (+58% as compared with 2012).

The use of a single platform for the whole of L'Oréal guarantees the sharing of the Group's culture and expertise on a global scale. The "My Learning" platform also promotes knowledge transfer within the Group and aids employee orientation and company initiatives concerning diversity and ethics in particular as well as allowing information to be distributed immediately to staff.

The programme's offering currently consists of over 3,000 educational resources accessible to all employees. The variety of formats available (videos, e-learning modules, archives, readings, web series, ...) makes it possible to use all learning methods and to reach out to the more digital, rather than integrated, generations all over the world.

Employees have access to training and resources in areas such as management, professional expertise, foreign languages and IT skills. The creation of this programme is based on a combination of innovative learning methods and tools ranging from remote training to video demonstrations. This makes it possible to meet the long-term training needs of all L'Oréal's employees.

» SHARING KNOWLEDGE, CULTURE AND VALUES ACROSS THE WORLD

L'Oréal's strategy is to propose a training path dedicated to sharing the company's corporate culture, values and strategy: an intellectual melting pot that trains employees in a common language and promotes an entrepreneurial spirit. Training is mainly conducted through seminars that bring together employees from all over the world. For example, the "Senior Executive Forum" is held for experienced executives and enables them to consider, along with the Executive Committee and the CEO, strategic challenges facing the Group.

This journey through L'Oréal's spirit and culture begins as soon as new employees arrive in the company thanks to a customised induction programme offering a combination of individual interviews, in-person and remote "Discovery" training courses, mentoring or site visits to meet with customers and consumers. The principles of this FIT (Follow-up and Integration Track) programme are consistent worldwide and it is a crucial stage of career development.

Since 2010, the Group's new employees, even in the most far-flung locations, also benefit in particular from two on-line training modules that are an integral part of their personalised induction path:

- "Keys to L'Oréal" is a module available in 12 languages that explains and shares the Group's specific values on subjects such as the entrepreneurial spirit or understanding Beauty.
- "I-Discovery" is an interactive module that helps new employees to learn about brands, strategy and organisation. This on-line format has also been rolled out specifically by division with, in particular, the major launch in 2012 of the Consumer Products Division module.

And to ensure that the Company continues to remain in close proximity to its markets and its employees, L'Oréal develops a wide range of training courses in emerging countries. The "Mastering Business Excellence" seminar trains the new generations of senior managers in a spirit closely resembling that of MBA programmes offered by business schools. The "Culture and Strategy" seminar, which develops new managers' understanding of the Group's strategic vision, sends out a strong signal to the employees who will build L'Oréal of tomorrow.

» FURTHER INFORMATION ON SKILLS DEVELOPMENT PROGRAMMES IN THE L'ORÉAL GROUP, AND EMPLOYEE BENEFITS IS AVAILABLE IN SECTION LA2, « BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION » OF THIS FACT SHEET.

FOR FURTHER INFORMATION CONCERNING TRAINING, SEE:

- SECTION 6.2.2.5. "TRAINING" ON PAGE 209 OF THE 2013 REGISTRATION DOCUMENT.



Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

L'Oréal has always placed the human dimension and individual performance at the centre of the company with a long-term vision. Each employee has a one-to-one end-of-year interview. In most countries, preparation and validation are carried out using the MAP (Managing and Appraising Performance) tool.

MAP is an assessment system that makes it possible to assess and develop the skills and performance of all L'Oréal employees.

MAP covers the following points:

- **Roles**, key responsibilities, targets and skills of the employees
- **Career management**: taking into account the employee's wishes, their assessment and work carried out to date
- **Training decisions** in accordance with the development plan
- **Decisions on salary** (taking into account performance of their key responsibilities and achievement of targets)

The MAP On Line system, which is currently being deployed, is accessible to 37,100 employees worldwide. This year, it was used by 31,439 people in 67 countries. It is planned to extend it to the entire employee population to gradually replace the paper format.

MAP consists of an end-of-year interview and, for most employees, a mid-year interview:

The Mid-Year Interview

The mid-year interview is conducted in the middle of the year; It allows employees to take a step back and think about their day-to-day activities, gauge the progress made with their manager and consider together any support measures that might be necessary.

Aims:

- To conduct a review of the progress made in light of the employee's targets and skills
- To prepare a personalised development plan for the next twelve months
- To enable employees and their managers to agree on a shared vision of the best way to work together

The End-of-Year Interview

Aims:

- To assess performance over the past year
- To set targets and give prospects for the coming year

The End-of-Year Interview offers an opportunity for employees to talk with their level + 1 and level + 2 managers about their performance, targets for the coming year, career aspirations and development needs.

It must take place in a spirit of open dialogue and be objective.

31,439 employees, i.e. 12.8% more than last year, published their report on their end-of-year interview upon completion of the interview campaign at the end of 2013.

Diversity and equal opportunity

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Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

BREAKDOWN OF THE WORKFORCE BY GENDER AND AVERAGE AGE (COSMETICS + TBS - 2013)

	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Average age</i>	<i>% of women</i>
Western Europe	30,558	10,000	20,558	38	67%
North America	15,036	4,242	10,794	38	72%
Asia, Pacific	15,033	4,523	10,510	33	70%
Latin America	7,876	2,929	4,947	36	63%
Eastern Europe	4,787	1,611	3,176	34	66%
Africa, Middle-East	1,732	926	806	35	47%
New markets	29,428	9,989	19,439	34	66%
Total	75,022 ✓	24,231 ✓	50,791 ✓	37 ✓	68% ✓

Women account for 68% ✓ of the Group's total workforce,

- 59% of executives
- 62% of executives hired
- 40% of expatriates
- 45% of new expatriates
- 45% of Management Committee members
- 21% of Executive Committee members (3/14)
- 47% of the brands are managed by women (14/34 international brand managers)
- 19 women were appointed to a position of Division Manager in 2013.

GENDER BREAKDOWN BY AGE BRACKET IN THE MANAGEMENT COMMITTEES - WORLD - 2013

	<i>Under 30</i>	<i>30-50</i>	<i>Over 50</i>	<i>Total</i>
Women	1%	84%	14%	100%
Men	1%	77%	22%	100%

BREAKDOWN OF WORKFORCE BY AGE

	<i>Total</i>	<i>< 25</i>	<i>25-29</i>	<i>30-34</i>	<i>35-39</i>	<i>40-44</i>	<i>45-49</i>	<i>50-54</i>	<i>55-59</i>	<i>> 60</i>
Western Europe	30,558	3,230	4,731	4,561	4,456	4,204	3,881	3,009	1,960	526
North America	15,036	2,613	2,396	2,007	1,684	1,620	1,543	1,474	1,005	694
Asia, Pacific	15,033	1,632	3,658	4,050	2,810	1,489	765	377	172	80
Latin America	7,876	782	1,532	1,785	1,424	1,056	686	413	150	48
Eastern Europe	4,787	430	1,212	1,234	894	504	238	134	100	41
Africa, Middle-East	1,732	141	487	372	288	210	127	68	32	7
New markets	29,428	2,985	6,889	7,441	8,416	3,259	1,816	992	454	176
Total	75,022 ✓	8,828 ✓	14,016 ✓	14,009 ✓	11,556 ✓	9,083 ✓	7,240 ✓	5,475 ✓	3,419 ✓	1,396 ✓

In light of the lack of a definition and obligation of employment of disabled persons in all the countries in which L'Oréal is present, it is not possible to present an average consolidated rate of employment of the disabled at Group level.

The rate that is usually reported is that for L'Oréal in France, in comparison with the obligation of 6%.

AVERAGE RATE OF DISABLED EMPLOYEES AT L'ORÉAL IN FRANCE

2008	4.22%
2009	4.71%
2010	5.44%
2011	5.08%
2012	5.46%
2013	6.06%

FOR FURTHER INFORMATION CONCERNING THE GOVERNANCE BODIES, SEE PAGES 31 ET SEQ. OF THE 2013 REGISTRATION DOCUMENT OR THE GRI GOVERNANCE FACT SHEET IN THIS REPORT.

E qual remuneration for women and men

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Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

This indicator is not consolidated at Group level.

FRANCE

REMUNERATION IN L'ORÉAL SA

Average gross monthly salary of men and women continuously present in the company

The employees concerned are those with permanent employment contracts (excluding senior managers) who have been present for two consecutive years. Employees who have changed category are compared in the category to which they belong in the 2nd year.

	2012			2013			% change in average salary		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	6,453	5,418	5,861	6,760	5,720	6,165	4.8%	5.6%	5.2%
Sup. and tech.	3,197	3,149	3,160	3,321	3,283	3,292	3.9%	4.3%	4.2%
Administrative staff	2,386	2,287	2,325	2,484	2,382	2,422	4.1%	4.2%	4.2%
Manual workers	2,712	2,601	2,673	2,820	2,726	2,787	4.0%	4.8%	4.3%
Sales representatives	4,291	3,804	4,083	4,416	3,944	4,214	2.9%	3.7%	3.2%

EMPLOYER CONTRIBUTIONS

At L'Oréal SA, the annual amount of employer contributions in 2013 totals €219,761,006.

S Supplier assessment for labor practices

LA
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Percentage of new suppliers that were screened using labor practices criteria

Thus, subcontractors, wherever they are based in the world, and suppliers of raw materials, packaging, production equipment and POS advertising/Promotional items and materials located in countries where there is considered to be a risk are mandatorily subject to a social audit. To prepare the risk map for the countries presenting risks, L'Oréal uses the Maplecroft™ indexes.

800 audits were carried out in 2013, making 5,295 audits of this kind since 2006

The social audits conducted have enabled L'Oréal to cover 85% of the portfolio of suppliers subject to audit across the world.

In 2013, 50% of these audits were carried out in Asia.

In 2013, there were major instances of non-compliance at 60% of supplier sites that were audited for the first time (initial audits). During follow-up audits, there is no longer any major non-compliance at 56% of the suppliers who were initially non-compliant.

517 audits (about 800) were initial audits (audited for the first time), so 65% of the audits were new supplier sites.

Added to this are the social audits conducted by The Body Shop (TBS). Indeed, since its integration into the L'Oréal Group in 2006, TBS has pursued its longstanding programme of social audits. TBS is one of the founding members of the Ethical Trading Initiative (ETI) and has adopted their "Supplier Code of Conduct". The Body Shop has developed a programme enabling them to support their commitment to responsible sourcing. One of the activities under this programme is control of working conditions, defined in the "Supplier Code of Conduct", on the production sites of their suppliers (67 audits were conducted in 2013).

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Significant actual and potential negative impacts for labor practices in the supply chain and actions taken

The potential negative impacts related to Human Rights in the supply chain are those described in the management approach, namely:

- Child labour;
- Forced or compulsory labour;
- Environment, Health and Safety;
- Compliance with the laws relating to freedom of association;
- Non-discrimination;
- Disciplinary practices;
- Sexual harassment or a hostile working environment;
- Due payment of wages/compensation and benefits;
- Working time;
- Relations with subcontractors.

In 2013, 800 audits  were carried out, making over 5,200 such audits since 2006.

<i>Breakdown of instances of non-compliance per subject audited</i>	<i>2013</i>
% of non-compliance with regard to wages and compensation	18
% of non-compliance with regard to working hours	21
% of non-compliance related to working, health and safety conditions	37
% of non-compliance with regard to harassment	2
% of non-compliance with regard to disciplinary practices	4

This data can be interpreted as follows: 18% of (major or minor) instances of non-compliance noted in 2013 (out of all the social audits) concerned "Wages and remuneration".

In the event of a major non-compliance, corrective action plans are put in place and a follow-up audit is carried out. The most serious cases of non-compliance or the absence of effective implementation of a corrective action plan may lead to breaking off business relations or, where applicable, non-referencing of a new supplier.

In 2013, there were major instances of non-compliance at 60% of supplier sites that were audited for the first time (initial audits). During follow-up audits, there is no longer any major non-compliance at 56% of the suppliers who were initially non-compliant.



FOR FURTHER INFORMATION, SEE THE GOVERNANCE SHEET. HUMAN RESOURCES ASPECT, IN THIS REPORT.

Labor practices grievance mechanisms

LA
16 *Number of grievances about labor practices filed, addressed,
and resolved through formal grievance mechanisms*

On a collective level, in 2013 no significant complaint was reported to the Corporate Labour Relations Department.