



Milestone 1 Report

The Fair Labor Association's Agriculture Accreditation Program

L'ORÉAL July 2026
L'Oréal

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MILESTONES AND ACCREDITATION FOR THE FAIR LABOR ASSOCIATION'S AGRICULTURE PROGRAM



The Fair Labor Association's (FLA) [Agriculture Program](#) represents a rigorous evaluation of a member company's human rights due diligence (HRDD) systems for compliance with [the Principles of Fair Labor and Responsible Sourcing for Agricultural Supply Chains](#) and the FLA [Workplace Code of Conduct \(CoC\) for the Agriculture Sector](#).

These standards are designed to protect workers in member companies' global supply chains and are based on international practices and norms, including guidance from the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Due Diligence Guidance for Responsible Business Conduct, and the Corporate Human Rights Benchmark (CHRB). Each principle is supported by a set of benchmarks and key performance indicators (KPIs) that define what companies must do to successfully implement our standards.

Effective HRDD program implementation is a process of continuous improvement. FLA evaluates agriculture companies on the alignment of their social compliance systems with FLA standards, and the company's performance in executing those systems to support and protect workers.

Each FLA company pursuing Fair Labor Accreditation in agriculture moves through a series of milestones prior to achieving accreditation for the in-scope commodity program. Following accreditation, the in-scope commodity is on a maintenance track where FLA verifies the company's adherence to FLA accreditation standards every three years.

This Milestone 1 report recognizes a company's achievements, acknowledges areas in which the company has gone above and beyond baseline requirements, and makes specific recommendations for future growth.

MILESTONES FOR THE FLA AGRICULTURE PROGRAM

Milestone 1: Governance and Internal Alignment

Based on a risk assessment and in consultation with international civil society organizations (CSOs), the company has developed an HRDD system to oversee the implementation of labor standards for commodities in scope. The company has aligned its standards to FLA standards, developed a time-bound plan for achieving full supply chain traceability, and started publicly disclosing its sourcing profile for in-scope commodities.

Milestone 2: Implementation & Monitoring

The company implements FLA standards (FLA Principles and the CoC) in sourcing countries with support from its headquarters. The company has expanded its traceability efforts for in-scope commodities, in sourcing countries. With support from FLA and in consultation with local CSOs, the company has developed farm-level monitoring tools, sampling, and monitoring methodology; and initiated farm-level assessments. The company has established functioning grievance mechanisms and additional safety nets for the farmworkers.

Milestone 3: Review and Improvement

The company continues to implement FLA standards and expand traceability in high-risk sourcing countries with support from its headquarters. With support from FLA and in consultation with local CSOs, the company is implementing corrective action plans including considering gender-disaggregated data collected via monitoring mechanisms developed in Milestone 2. Each country is recognized for implementing all 10 FLA Principles. For companies sourcing from a single country, their program is fully accredited following Milestone 3, provided they meet FLA traceability requirements. Country-level accreditation also is awarded for each sourcing country following Milestone 3 for companies with multiple sourcing countries.

Milestone 4: Full Implementation and Integration

The company is implementing all 10 FLA Principles pertaining to governance, monitoring, and remediation in all sourcing countries for the commodity in scope. For companies sourcing from multiple countries, global accreditation is awarded following Milestone 4.

Milestone 5: Accreditation & Maintenance

The company has achieved FLA traceability requirements for the in-scope commodity and is implementing all FLA standards in all of the in-scope countries where it operates. The company's global commodity program is accredited, and it moves to an ongoing maintenance phase where FLA will verify adherence to FLA standards and principles every three years.

COMPANY OVERVIEW

NAME	L'Oréal S.A.	CATEGORY	Participating Company - Agriculture Program
HEADQUARTERS (HQ) LOCATION	Clichy, France	COMMODITY	Coconut oil and derivatives
ABOUT THE COMPANY	In its 2025 Annual Report, L'Oréal S.A. describes itself as the cosmetics and personal care company known as “number one in beauty worldwide,” recognized for its extensive brands, as well as its leadership in sustainability, innovation, and responsible sourcing. Founded in 1909 by French chemist Eugène Schueller, the company began with a hair dye formula. Today, L'Oréal has 40 brands. ¹		
FLA MEMBERSHIP	2024	SUPPLY CHAIN OVERVIEW AND SOURCING PROFILE DISCLOSURE	L'Oréal traces its current coconut oil and derivative volumes (approximately 2,500 tons) to the Philippines (67%) and Indonesia (32%). About 51% of the total volume is traced to mills, and the level of traceability to farms or cooperatives is still low. L'Oréal aims to progressively improve its traceability over the next five years, engaging its suppliers on traceability mapping and expanding sourcing in two areas in the Philippines with the best labor practices on farms.
RECOGNITION	FLA Milestone 1 Report published: July 2026		

1 L'Oréal. L'Oréal 2025 Annual Report – The Essentials. https://www.loreal-finance.com/system/files/2026-04/LOREAL_RA_2025_EXE_UK_260313_OPT_PMS%20345C%2025pc_v3_05.pdf

HIGHLIGHTS OF L'ORÉAL MILESTONE 1 RECOGNITION

L'Oréal joined FLA's Agriculture Program in December 2024, after collaborating with FLA on [Harvesting the Future](#) projects and Human Rights Impact Assessments since 2021. This membership enables the company to pursue Fair Labor Accreditation for its coconut supply chains in the Philippines. L'Oréal has begun embedding FLA's Workplace Code of Conduct in its supply chain, building off its existing policies and practices, and participates in Independent External Assessments across its coconut oil and derivative supply chain (coconut supply chain). This report details FLA's evaluation of L'Oréal governance at the headquarters level (Milestone 1).

L'ORÉAL'S HIGHLIGHTS FOR MILESTONE 1 – GOVERNANCE AND ALIGNMENT INCLUDE:

Strong senior management commitment: L'Oréal is a global beauty company that sells seven billion products each year. It manages complex supply chains across numerous sectors and geographies, sourcing more than 7,000 ingredients for its products globally.² For a company with this level of complexity to commit to achieving FLA Agriculture Accreditation for any commodity demonstrates a strong commitment to responsible sourcing within the beauty industry. Since joining the FLA Agriculture Program, the company has worked diligently with supply chain partners and peers. Within its coconut supply chain in the Philippines, L'Oréal has mapped current actors, labor conditions, and volumes of coconut oil and derivatives, and has planned to progressively convert its procurement to be more sustainable over time.

Responsible procurement practices: L'Oréal has embedded human rights protection into its sourcing strategies and practices through its Responsible and Sustainable Sourcing Policy and its Human Rights Policy, which define supplier and partner expectations. To ensure implementation, L'Oréal internally aligns staff and collaborates across departments, regions, and supply chains. While its corporate sustainability team and sustainable sourcing team lead efforts to make procurement more socially responsible and sustainable, the sourcing department also plays an active role in sustainable sourcing by participating in various activities, including engaging suppliers, monitoring their performance, participating in coalitions, and mainstreaming sustainable practices into procurement. FLA has observed cross-departmental collaboration in its field activities, in which L'Oréal sourcing department staff, rather than sustainability staff, participated in a labor standards session for partners.

Capacity-building for suppliers: L'Oréal's approach to responsible sourcing is to directly work with coconut suppliers by building the capacity of local mills and farmers (the most upstream part of the coconut oil and derivatives supply chain). L'Oréal has partnered with local entities to understand current capacities and provide training to relevant stakeholders, such as mills and cooperatives, who, in turn, support farmers.

Collaborative remediation: L'Oréal has also demonstrated its ability to lead and collaborate effectively across its supply chains with suppliers, peers, and third parties. For example, L'Oréal actively participates in Harvesting the Future projects to promote child protection and decent working conditions in the [jasmine sector in Egypt](#) and to improve human rights and labor conditions in [Türkiye's rose sector](#). L'Oréal is also a founding member of Action for Sustainable Derivatives (ASD) and the Responsible Mica Initiative (RMI).

2 L'Oréal (March 25, 2026). Beauty Full of Science. <https://www.loreal.com/en/beauty-science-and-technology/beauty-research-and-innovation/beauty-full-of-science/>

FLA DUE DILIGENCE ACTIVITIES

ACTIVITIES	PURPOSE	STATUS
Headquarters-Level Assessment	- Verify headquarters and country-level policies and procedures. - Review documentation, processes, and farm-level data demonstrating the company's compliance with the Principles of Fair Labor and Responsible Sourcing for Agriculture Supply Chains.	- Conducted a desk-based and in-person review of all relevant documents. - Interviewed corporate sustainability, responsible procurement, and procurement staff members at L'Oréal's headquarters, online, and during field visits between 2024-2026.
Country-Level Internal Management Systems (IMS) Assessment	- Evaluate the company's internal management systems. - Verify the company's time-bound improvement plans.	Verified that L'Oréal's approach to responsible sourcing is to identify, build, and source from sustainable origins to meet its raw-material needs. For its coconut supply chain, the company has identified producers and farmers that grow and harvest coconuts sustainably, and has a five-year plan to increase its sourcing from these partners.
Farm-Level Assessments – - Baseline Assessment - Independent External Assessments (IEM) - Independent External Verifications (IEV) - Focused Assessment - Social Impact Assessment (SIA)	- Identify labor violations and assess root causes. - Track remediation efforts over time at the farm level. - Publish the findings and corrective action plans.	- Completed total number of assessments in the Philippines (in 2025): 2 - Baseline assessments: 2 - IEMs: 2 - IEVs: N/A - Focused Assessments: N/A - Number of farms visited: 79 - Number of workers interviewed: 11³

3 FLA only interviewed a small number of coconut harvesters (workers) due to the unique nature of the industry. Coconut harvesting takes place throughout the year and does not have a peak seasonal harvest period when a larger number of workers are employed at once. In addition, the Philippine government has been supporting farmers in replacing their tall coconut trees with shorter varieties, which do not require specialized workers to harvest the fruits. Therefore, coconut harvesting typically involves fewer workers than other agricultural commodities.

ACTIVITIES	PURPOSE	STATUS
Innovation	▪ Verify the company's commitment to working in a collaborative manner to address systemic issues. ▪ Verify engagement in multi-stakeholder projects and initiatives for the commodity in scope. ▪ Verify that the company has shared best practices.	▪ Demonstrated leadership in the sector through numerous projects, collaboratively working with supply chain partners and competitors, including (but not limited to): ▪ A sustainable coconut project in the Philippines; ▪ Harvesting the Future – Rose in Türkiye; and ▪ Harvesting the Future – Jasmine in Egypt.
Training and Capacity Building	▪ Verify the company's capacity building practices. ▪ Verify supplier, farmer, and worker engagement. ▪ Evaluate the effectiveness of internal and external capacity building activities.	▪ L'Oréal is committed to responsible sourcing in its raw materials supply chains. It has partnered with various entities, including local NGOs, cooperatives, and consulting companies to train stakeholders in sustainable coconut farming. The company is working to strengthen its partnerships to monitor and evaluate local activities, such as training and monitoring cooperatives and farmers in the coming years.
Fair Labor Investigations	▪ Verify that the company investigates suppliers for alleged non-compliances, reports its follow-up on remediation, and engages with unions.	▪ N/A
Stakeholder Engagement	▪ Verify the company's integration of perspectives from CSOs and other relevant organizations into its social compliance program.	▪ L'Oréal works with a diverse network of civil society organizations and, at the same time, engages with employee representative bodies through the majority of its subsidiaries across Europe, Asia, Africa, and the Americas. Specific to coconut oil and derivatives, L'Oréal maintains active dialogue with a sector-specific multi-stakeholder platform, local NGOs, and local authorities.
FLA Governance and Standards	▪ Verify company participation in FLA activities (e.g., farm assessments and board meetings), standards-setting discussions, piloting of new tools and methodologies, and the development of innovative approaches.	▪ L'Oréal has participated in FLA due diligence activities since its first year of membership. In addition, L'Oréal is an active participant in FLA, represented by a non-voting Agriculture Board member and an Agriculture Committee member.

MILESTONE 1 ASSESSMENT SUMMARY



PRINCIPLE 1A: TOP MANAGEMENT COMMITMENT AND WORKPLACE STANDARDS

Company Member is committed to accountability and transparency through established workplace standards.

WHY: Respect for human rights and a commitment to workplace standards must be driven by a company’s most senior employees. Workers’ rights are more likely to be effectively integrated into all business decisions when a company’s board of directors and/or top management sets clear expectations. Commitment from a company’s upper management is an essential component of an effective social compliance program.

BASELINE REQUIREMENTS FOR MILESTONE 1

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline.

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Internal Commitment (1A.1a) HQ Level	The company has demonstrated internal commitment from top management (e.g., CEO/ owner/ business unit lead), as well as resource allocation from top management, to uphold and integrate workplace labor standards into business practices and ensure that lobbying and advocacy activities align with and support the standards in the FLA Workplace Code of Conduct.	L'Oréal's respect for human rights is based on all internationally recognized human rights standards, in particular the International Bill of Human Rights (including the 1948 Universal Declaration of Human Rights and the two covenants), the 2011 United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization's Core Conventions. The company's internal commitment was demonstrated through its mandatory online human rights training for staff, during which the chief executive officer (CEO) explicitly stated the importance of human rights. The company allocated relevant resources to staff and activities through its governance structure, as described in the KPIs below. L'Oréal has a policy on lobbying that ensures its activities and interests are made known to subsidiaries and intermediaries that represent L'Oréal. It also commits staff to upholding the highest standards when conflicts exist and to make their main positions public and transparent.	●

MILESTONE 1 ASSESSMENT SUMMARY

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Public Commitment (1A.1b) HQ Level	The company has demonstrated public commitment and transparency in implementing workplace labor standards.	L'Oréal is committed to respecting human rights as outlined in its Code of Ethics, which sets standards for the company and offers guidance on a number of 'grey areas' where an informed decision is required. L'Oréal's Ethical Principles - Integrity, Respect, Courage, and Transparency - shape its corporate culture. Its business partners also share the same ethical standards described in its code regarding human rights, working conditions, environmental stewardship, and business integrity, through a Mutual Ethical Commitment Letter (MECL). The MECL constitutes the common foundational set of standards applicable to L'Oréal business partners and also to their own entities worldwide. The MECL is also publicly available on L'Oréal's website.	
Engage with CSOs (1A.1c) HQ Level	The company has demonstrated its commitment to engaging with CSOs, including worker organizations.	L'Oréal works with a diverse network of civil society organizations and engages with employee representative bodies in the majority of its subsidiaries across Europe, Asia, Africa, and the Americas. Specific to coconut oil and derivatives in the Philippines, L'Oréal participates in a multi-stakeholder platform, collaborates with a multi-partner project, and works with local NGOs to provide specific labor training for local stakeholders.	

MILESTONE 1 ASSESSMENT SUMMARY

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Governance Responsibility and Accountability (1A.1d) HQ Level	The highest levels of the governance structure have clear roles and responsibilities to ensure the company is implementing and upholding workplace labor standards.	The chief corporate responsibility officer (CCRO), a member of the executive committee, is responsible for ensuring that human rights and fundamental freedoms are implemented across L'Oréal's business processes. She reports to the CEO. The chief operations officer (COO), who is responsible for purchasing, is also a member of the executive committee. For its supply chain, L'Oréal also has a human rights executive committee, chaired by both the CCRO and the COO, which oversees progress in implementation and makes strategic decisions. Its human rights steering committee strategizes on a human rights roadmap and reviews decisions. Its human rights piloting committee then rolls out the roadmap, providing guidance and decisions on operational matters. At the operational level, L'Oréal's human rights and labor standards are implemented in its value chains through its human rights policy and the following organizational teams: ▪ The sourcing department has a sustainable sourcing team, which drives responsible sourcing implementation. ▪ The sourcing department also houses the sustainable sourcing extended management committee, which is represented by sustainability leads from the company's various geographic regions and domains.⁴ ▪ L'Oréal has a network of more than 50 human rights correspondents that support the integration of human rights across the company.	
Code of Conduct and Compliance Benchmarks (1.2 a) HQ Level	The company has written workplace labor standards.	L'Oréal's MECL outlines its ethical standards for suppliers and partners regarding human rights, working conditions, labor rights, environmental stewardship, and business integrity. Its Responsible & Sustainable Sourcing Policy also outlines its key principles and expectations for business partners.	
Code of Conduct and Compliance Benchmarks (1.2 b) HQ Level	The company's labor standards meet the requirements in the FLA Workplace Code of Conduct.	As of 2025, L'Oréal's MECL is aligned with the Fair Labor Code and international standards.	

4 L'Oréal uses the term "domains" for their internal divisions covering business processes and responsibilities.

MILESTONE 1 ASSESSMENT SUMMARY



PRINCIPLE 1B: RISK ASSESSMENT AND TRACEABILITY

Company Member uses risk assessment to prioritize its workplace labor compliance program implementation and progressively increase supply chain traceability.

WHY: A risk assessment should help guide a company’s actions in high-risk countries and an implementation plan. A plan to improve supply chain traceability over time will help the company implement a social compliance program.

BASELINE REQUIREMENTS FOR MILESTONE 1

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline.

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Risk Assessment (1B.1a) HQ Level	The company has evidence that it conducts risk assessments to prioritize key commodities, countries per commodity, and salient labor rights issues.	L'Oréal conducted a human rights saliency assessment in 2021 to identify critical human rights risks, including those related to sourcing practices. In 2025, L'Oréal launched a supply chain risk-mapping exercise to further refine the inherent human rights risks across its various purchasing categories, with a focus on its upstream supply chain. By combining country-level risks with those specific to each commodity, the assessment identified potential inherent severe-risk combinations. This helped define and prioritize key areas where L'Oréal can continue to align its activities with international best practices on HRDD and to embed a long-term, proactive approach to managing human rights risks. As part of these activities, one of the company’s priorities was assessing risks in its coconut supply chain in the Philippines.	●
Supply Chain Traceability (1B.2a) HQ Level	The company has evidence of a progressive, time-bound commitment to achieving full supply chain traceability and reports on progress.	L'Oréal plans to expand the use of responsibly sourced coconut oil and derivatives over the next five years to meet its projected needs. L'Oréal is currently working with partners and suppliers to support and develop sustainable coconut sourcing, aiming to connect sustainably farmed coconuts to the existing business partners, such as mills, and primary and subsequent processors in its supply chain. L'Oréal has shared this plan with its downstream supply chain partners.	●

MILESTONE 1 ASSESSMENT SUMMARY

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Sourcing Profile Disclosure (1B.2b) HQ Level	The company has evidence that it discloses its sourcing profile publicly for in-scope commodities.	L'Oréal conducted extensive supply chain mapping for coconuts in 2025. It currently sources coconut oil and derivatives from the Philippines (67% of its coconut oil and derivatives) and Indonesia (32%). About 51% of L'Oréal's total volume of coconuts can be traced to mills, while the level of traceability to farms and cooperatives is low.	
Commodity Implementation Plan (1B.3a) HQ Level	The company has evidence that it has a progressive implementation plan in accordance with risk assessments, salient labor rights issues, and evolving supply chain traceability.	L'Oréal has a plan to progressively source from traced farms, with a goal to achieve close to 100% traceability for coconut sourcing over the next five years.	
Resource Allocation (1B.3b) HQ Level	The company has evidence that it has allocated resources to support the implementation of its workplace labor compliance program.	L'Oréal's worldwide sustainable sourcing director leads a team of 17 staff members dedicated to implementing L'Oréal's sustainability goals across its supply chain. The company has also allocated a budget to cover activities and initiatives to trace and identify suppliers and farmers in its coconut supply chain, train and support them, and designate them as downstream suppliers. This traceability plan connects all tiers of the supply chain, from Tier Four to Tier One.	

MILESTONE 1 ASSESSMENT SUMMARY



PRINCIPLE 2: RESPONSIBLE SOURCING AND PROCUREMENT

Company Member aligns its sourcing/procurement practices with a commitment to workplace labor standards.

WHY: The sourcing practices of buyers and the sales and planning practices of suppliers affect workplace conditions and workers' well-being. Without consistent, systematic attention to responsible purchasing and production practices, companies can undermine their efforts to achieve ethical working conditions on farms or harvesting sites. This principle evaluates how headquarters' business practices (such as design, costing, and sourcing) are managed to support workers and address any negative impacts on working conditions.

BASELINE REQUIREMENTS FOR MILESTONE I

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline.

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Policies and Procedures (2.1a, b) HQ Level	a. The company has evidence of a written responsible sourcing/procurement policy that considers supply chain models and characteristics, risk assessment, and traceability. The policy should include aspects such as: ▪ Payment terms and conditions; ▪ A payment schedule; ▪ Any incentives or premiums offered; ▪ Support for farmer income and fair compensation for workers; and ▪ Engagement with business partners to understand the impact of procurement practices on farmers and workers. b. The company has evidence of written procedures that stipulate implementation of the policy.	L'Oréal sources a wide variety of ingredients, each with its own supply chain partners and complexities. L'Oréal's approach aims to improve transparency, mitigate risks, support continuous improvement in human rights and sustainability, and connect its partners to upstream supply chains that have demonstrated improvements or are building capacity to improve. In its coconut supply chain, L'Oréal aims to transition to responsible procurement by working with local partners and suppliers to identify, build, and source from sustainable origins and expand these sourcing practices. The company has an internal guidance document on building these sourcing models; connecting raw materials throughout its supply chain to Tier One suppliers; increasing volume over time while providing support to farmers and upstream suppliers; and continuing sourcing while phasing out support when it is no longer needed. The guidance document also includes implementation procedures for staff, including a template on what to report to senior management, data to track or request from Tier One and upstream suppliers, and more. For its coconut supply chain, L'Oréal has entered into a long-term purchasing agreement with its upstream supplier and has also offered incentives to support the implementation of sustainability initiatives.	●

MILESTONE 1 ASSESSMENT SUMMARY

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Implementation (2.2a, b) HQ Level	a. The company has evidence that staff members from relevant departments are periodically trained on the procurement/sourcing policies and procedures. b. The company has evidence that staff uphold the responsible sourcing/procurement policies and procedures through all terms and conditions defined in its sourcing/procurement agreements.	L'Oréal's sustainable sourcing team leads the implementation and improvements to the company's sustainable procurement practices. The team has an implementation guide that provides operational guidance, processes, and data to report to senior management. L'Oréal also has an internal online resource that explains the company's approach to responsible sourcing. It is accessible to procurement staff and included in supporting materials for buyers' human and labor rights training. The sustainable sourcing team held its annual workshop for its team members in September 2025. While the content focused on the progress they made over the past years and anticipated future challenges, it served as an opportunity for the team to align their process and share learnings. These workshops are held annually to ensure the team is aligned. In addition to the annual workshop, staff are held accountable through reports to senior management. Reporting is based on the operational guidance and a template with specific reporting KPIs (e.g., the number of farmers L'Oréal works with, the volume of raw materials it purchases, and the number of women on cooperative boards).	

MILESTONE 1 ASSESSMENT SUMMARY

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Accountable (2.3a, b, c) HQ / Country Level	a. The company has written records that senior management reviews and assesses the impacts of its sourcing/procurement practices and the performance of staff responsible for implementing them. b. The company has evidence that it periodically seeks feedback through dialogue with business partners, without fear of retaliation, to understand the impact (positive or negative) of its sourcing/procurement practices on farmers and workers. c. The company has evidence of improvements in its sourcing/procurement practices, based on senior management's review of internal, cross-disciplinary, and business partner dialogue and engagement, and on-the-ground impact of its practices.	Since July 2025, the sustainable sourcing team and the raw material sourcing director from the sourcing department have been meeting monthly to share updates and make decisions regarding responsible procurement. L'Oréal also conducts regular meetings (bi-weekly or monthly, depending on the parties) with upstream suppliers and partners to gather supplier feedback and support continuous communication. It offers its Speak Up grievance mechanism to all suppliers and provides them with information in the MECL. L'Oréal is exploring an anonymous survey to get feedback from its suppliers, and its local partner also collects and conveys feedback to L'Oréal from farmers, cooperatives, and mills. FLA reviewed meeting minutes and follow-up actions from a monthly committee meeting. These documents demonstrated senior management's understanding of the risks and opportunities in making its coconut supply chain sustainable, and their guidance, support, and approvals for navigating those risks.	
Supplier Evaluation and Incentives (2.4a, b) HQ / Country Level	a. The company has evidence of a pre-sourcing and ongoing supplier evaluation system, which includes assessment of a business partner's commitment to workplace labor standards and cascading the requirements upstream. b. The company has evidence of steps taken to motivate its business partners to implement responsible sourcing/ procurement practices.	L'Oréal actively seeks business partners who share and uphold its ethical standards regarding human rights, working conditions, labor rights, environmental stewardship, and business integrity. As a pre-sourcing requirement, the MECL serves as a key tool for embedding shared human rights expectations and commitments into the business relationship. Business Partners must sign the MECL before beginning work with L'Oréal. By signing the MECL, its business partners agree, among other things, to respect local and international laws, prevent child labor, prevent forced labor and bonded labor, comply with health and safety requirements, practice non-discrimination, allow freedom of association and collective bargaining, and ensure safe and adequate working conditions. In one area of its upstream supply chain, L'Oréal and its peer companies have conducted an annual evaluation of suppliers for six years. FLA recommends expanding this ongoing evaluation of existing suppliers to all sourcing areas over time.	

MILESTONE 1 ASSESSMENT SUMMARY



PRINCIPLE 3: COMPANY STAFF TRAINING

The company identifies and trains specific staff responsible for implementing workplace standards and responsible purchasing practices, and provides training to all head office and regional staff.

WHY: Effective implementation of social compliance standards depends on having staff at headquarters who are well-trained and tasked with clear responsibilities around human rights and workplace standards. Additionally, all headquarters staff must be aware of the company’s commitment so that workplace standards are embedded throughout the business.

BASELINE REQUIREMENTS FOR MILESTONE I

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline.

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Responsible Staff (3.1a, b, c) HQ and Country Level	a. The company has an organizational chart designating title, name, and contact information of responsible individual(s). b. The company has job description(s) or other equivalent to demonstrate relevant responsibilities for implementing labor standards. c. The company has evidence of a process in place to determine the ongoing personnel needs of the labor compliance program.	L'Oréal's sustainable sourcing team drives its efforts to increase sustainable procurement practices across the company. The team reports to the worldwide sustainable sourcing director. FLA reviewed a job description for L'Oréal's human rights project manager, which describes the role's responsibilities in implementing L'Oréal's human rights sustainable sourcing approach, including HRDD, grievance mechanisms, and remediation in upstream supply chains. L'Oréal's Human Rights Roadmap describes the company's resource allocation and prioritization for responsible sourcing projects and activities across its procurement team. L'Oréal's sustainable sourcing team holds an annual retreat. It includes a discussion on what the team and individual staff members require in order to achieve success in their roles (e.g., alignment with career goals, collaboration, and more).	●

MILESTONE 1 ASSESSMENT SUMMARY

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
Staff Training (3.2a, b, c) HQ or Country Level	a. The company has evidence that it provides appropriate training or other professional development covering all areas of the FLA Workplace Code of Conduct and Principles, the integration of standards into business practices, and awareness on the consequences of planning and sourcing/procurement practices on working conditions. b. The company has evidence that its training program encompasses training evaluation, feedback incorporation, and training improvements. c. The company has evidence that it measures awareness and knowledge gained.	L'Oréal conducted a workshop for senior procurement management staff on human and labor rights. This workshop used feedback to measure their awareness and knowledge of the topic. L'Oréal has compulsory ethics and human rights e-Learning for all employees and monitors their participation rates. L'Oréal's introductory training program for all buyers includes a session on human and labor rights (this is held in-person, as FLA observed in 2024). In addition, there is a new full-day, comprehensive training program for all buyers on human and labor rights. This training is conducted by a third party and has implemented a post-training short questionnaire. The questionnaire is sent to participants a few months after the training to ascertain knowledge gained. FLA will review the results of these surveys in subsequent Milestone reports.	

MILESTONE 1 ASSESSMENT SUMMARY



PRINCIPLE 9: CONSULTATION WITH CIVIL SOCIETY

Company Member identifies, researches, and engages with relevant labor non-governmental organizations, trade unions, and other civil society institutions.

WHY: Labor-focused CSOs help companies better understand local conditions and issues that most acutely impact workers, which enables companies to make their supply chains more responsive to workers’ needs.

BASELINE REQUIREMENTS FOR MILESTONE I

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline.

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
CSO Engagement Strategy and Mapping (9.1a)	The company has a map of stakeholders and a strategic plan for local and international CSO outreach engagement, taking into account the high-risk areas and salient human rights issues. This includes trade unions active in the supply chains (at the farm level) where the company operates.	L'Oréal works with a diverse network of civil society organizations, including employee representative bodies in its subsidiaries. Specific to coconut oil and derivatives, L'Oréal is an active member of the Sustainable Coconut Partnership (SCP), a multi-stakeholder platform dedicated to establishing a responsible and resilient coconut sector. It also collaborates with a multi-partner project and local NGOs on specific labor topics to understand the gaps and identify the most effective ways to strengthen local partners' capacities in the Philippines. L'Oréal also supports local suppliers in identifying and engaging with stakeholders.	●

MILESTONE 1 ASSESSMENT SUMMARY



PRINCIPLE 10: VERIFICATION REQUIREMENTS FOR FLA MEMBERSHIP

Company Member meets FLA verification and program requirements.

WHY: FLA requires that companies maintain SOPs related to FLA membership to ensure that they are upholding FLA requirements regardless of employee turnover, changes in ownership, changes in supply chain, etc. FLA’s Agriculture Program Milestone 1 requirements state that companies must have their SOPs in place before achieving Fair Labor Accreditation.

BASELINE REQUIREMENTS FOR MILESTONE I

CHART KEY: ● Met baseline requirements ● In process of implementing baseline requirements within the disclosed timeline.

DESCRIPTION AND KPI	FLA STANDARD	L'ORÉAL SYSTEM & PERFORMANCE	L'ORÉAL PROGRESS
FLA Membership (10.2.a, 10.3.a, 10.4.a, and 10.6.a)	a. The company participates in FLA due diligence activities, including assessments at facilities and company headquarters, as applicable. b. The company completes a standardized annual report on its fulfillment of the Principles of Fair Labor and Responsible Sourcing; the company provides information regarding its internal management systems, tools, protocols, and other documents required for verification. c. The company maintains a complete and accurate profile and list of facilities with FLA and publicly; the company has updated this profile within the last year. d. The company pays annual FLA dues and applicable fees on schedule.	L'Oréal has participated in FLA due diligence activities since the first year of its membership, paying its membership dues and assessment fees. The company has responded to FLA's requests for information on its internal management systems, tools, protocols, and other documents required for verification, and has facilitated communication with suppliers and partners to obtain the most accurate information about its sourcing farms. L'Oréal has actively participated in FLA as a non-voting Agriculture Board member and an Agriculture Committee member.	●