

L'ORÉAL

A WORLD-CLASS
HEALTH AND SAFETY SYSTEM



L'Oréal, A world-class safety system

Introduction

The challenge of creating a safety and health management system that spans multiple regulatory, cultural and language boundaries is a hard one for any multinational business. The challenge of making such a system best in class in all the territories in which the business operates and pursuing higher standards every year is even greater. This paper details how L'Oréal has addressed those challenges through a global health, safety and wellbeing regime that covers more than 85,000 employees in 140 countries, ensuring that the company's workforce is protected and nurtured.

The system depends on a suite of mutually-reinforcing programmes covering everything from chemical hazards to behavioural safety and visible felt leadership to employee engagement. Key to the regime's success is that within these programmes L'Oréal sets strict global standards where necessary, but allows flexibility at national level to adapt to cultural variations and at site level. This ensures programmes are only introduced when the local workforce's safety culture is mature enough for successful implementation. Operational management, rather than safety specialists, are responsible for risk assessment and control and the company is working site by site towards a health, safety and wellbeing culture in which the desire to identify and manage risks is internalised by all employees.

The proof of the regime's effectiveness is in L'Oréal's global lost-time accident rate of 0.76 incidents per million hours worked. The commitment to continuous improvement is evident in the fact that this rate has fallen by almost 50% in five years.

But L'Oréal's senior management supports the training and operational time needed to maintain and improve the system because it believes that investing in its human capital is critical to maintaining its market-leading position and to its ability to adjust to rapid changes in technology, markets and society. L'Oréal's chief executive says the company's purpose is to "create the beauty that moves the world" and that impetus extends through its people policies. L'Oréal sees putting people at the centre of its business and keeping them safe, well and motivated as a source of competitive advantage, enabling it to attract and retain the best talent. It's a view that is validated by its continuing commercial success and by the flexibility its employees show in adjusting to challenges such as those posed by the COVID-19 pandemic. In Spring 2020, 39 of the group's 41 factories switched from making beauty products to hand sanitiser within four weeks of first trials.

L'Oréal has made a well-protected and well-motivated workforce the foundation of a world-leading business.



Measures of success

L'ORÉAL

L'Oréal is the world's largest personal care company, accounting for 20% of the global cosmetics market and generating more than 32.28 billion Euros in sales in 2021. The company operates research and development laboratories, factories, distribution hubs and retail stores to manufacture, ship and sell products including make-up, hair and skin care and fragrances.

L'Oréal operates in 140 countries, grouped into five zones: Europe (Western and Eastern), North America, Latin America, North Asia and South Asia, Pacific, Middle East and North Africa.

The company is divided into four business "entities":

- Research & Innovation
- Sales and Stores
- Administration
- Operations, which includes manufacturing.

The group's brands, including Garnier, Kiehl's, Lancôme, Maybelline, Redken and YSL, launch thousands of new products a year.

GARNIER

Kiehl's
SINCE 1851

LANCÔME
PARIS

MAYBELLINE
NEW YORK

REDKEN
5TH AVENUE NYC

YVES SAINT LAURENT

“

L'Oréal has an exemplary and comprehensive approach to health and safety, both within and beyond the traditional workplace. This not only includes offices, factories, warehouses and retail stores, but travel, leisure and homes. With this ethos and diligence at their heart, the signing, and continuation, of the RoSPA/L'Oréal partnership is one of the easiest decisions RoSPA has ever made.

”

Errol Taylor, Chief Executive, RoSPA

Health and safety goals

L'Oréal's non-negotiable insistence on healthy and safe working as the only permitted way of working is driven by a belief that building a culture of care for employees and enabling them to perform at their best brings much larger benefits than the mechanistic, balance sheet-oriented ones claimed by some safety programmes. The organisation has its eyes on a more valuable prize.

The company recognises that its success depends on the innovation of its research into new formulations and products, the quality of its manufacturing and the strength of its sales. All these sources of competitive advantage depend in turn on the creativity and effort of its employees.

Consciousness of the essential role of human capital drives a desire to create a culture of care, in which L'Oréal employees know that their employer prioritises the health, safety and wellbeing of themselves, their families and their communities, that their talent is prized and nurtured and creates a virtuous circle in which they are empowered to generate continued success for an organisation that invests in them as individuals.

This drive to create a different kind of employment relationship in which the workforce are not just interchangeable units of production, but recognised as complex resources who are capable of extraordinary achievements and must be protected and cultivated to do so, locates occupational safety and health at the heart of the organisation's strategic plans for profit and growth. It makes valuing and safeguarding the human talent the company depends on the bedrock of all efforts to generate value for the business. As a result, it puts no price on maintaining health and safety, funding whatever is needed to protect and enhance the health and wellbeing of its workers.

But L'Oréal's holistic approach to safety is not just about making its workforce feel passively protected but in using their acuity and skills to be part of the protection process. When the safety culture at their manufacturing plant, research centre or office has developed to the level that they are ready, they are enabled and encouraged to become active agents in safeguarding themselves and their colleagues. This is the generative culture that is the Holy Grail in modern health and safety.

Health and safety structure

Group health and safety strategy is set by L'Oréal's Global Vice President of Health and Safety, Malcolm Staves.

Based at the group's Aulnay-sous-Bois campus 14 km from the corporate headquarters in the Paris, Staves reports to the General Manager of Quality, Environment, Health and Safety. The VP reports, in turn, to L'Oréal's Chief Operations Officer, who sits on the company's executive committee, where he represents quality, environment and health and safety. Staves works with a central team of six to develop the vision, strategy and governance for the group. Directives and programme development is carried out in collaboration with EHS Directors for the five geographical zones, plus their direct teams, who make up a 19-strong EHS Senior Network group, chaired by Staves. Throughout the factories, laboratories, offices, distribution hubs and stores, over 450 health, safety and environment professionals are employed to support operational management in implementing programmes and providing advice on risk control.



Malcolm Staves, L'Oréal's Global Vice President of Health and Safety

System principles

L'Oréal's safety regime is shaped by a set of core principles and tenets which reflect the company's values and the senior EHS management's views on what makes a system effective.

Risk assessment, excellence and beyond

The group's intention for its safety system is summed up in a phrase repeated in its management safety guidance "Risk assessment, excellence and beyond". This slogan acts as a shorthand for the three-stage journey to a world-class health and safety culture, from essential risk control, through excellent practice, to an extra dimension of employee engagement and ownership of safety in a truly evolved system. The three phases and a selection of the programmes and techniques that underpin them are summarised in the rest of this paper.

Strategic frame with flexibility

Though the LIFE rules for containing the highest-consequence hazards are universally applied throughout the organisation (see p07), for lower-level risks and safety culture initiatives L'Oréal adopts a goal-oriented approach to allow for the cultural differences which are inevitable operating in 140 countries across five continents. Country directors and site managers are allowed a degree of leeway for local adaptation to recognise and even take advantage of national or local customs to make programmes work well in their jurisdiction, as long as their variation of the scheme achieves the outcome set by the corporate EHS function. This flexibility allows global programmes to be implemented in countries and regions with markedly different cultures.

Visible felt leadership

Key to embedding consciousness of safety and health throughout the workforce is the principle that operational managers lead risk assessment and other controls rather than ceding responsibility to specialist OSH practitioners. In all major programmes, such as GHAP (see p07) and MESUR (p09) managers are in charge, setting an example to their teams. This approach extends even to more technical aspects of risk control such as safety validation of new equipment (p08), where the role of the OSH professional is only to check and sign off an operational manager's validation. Programmes such as MESUR are intended to ensure a dialogue between managers and teams, while the SIO initiative (see p09) is designed to develop a risk-searching culture using the eyes of all employees and visitors, creating the basis of a generative culture in which health and safety is every employee's concern.

Operating in

140

countries

Across

5

continents



System principles



The right tool at the right time

As well as - and overlapping with - its adaptation to national variations in the way occupational health and safety is perceived, L'Oréal's success in steering a global EHS system depends on its recognition that even within countries there will be different stages of safety culture development among its sales, manufacturing, research and administrative sites. Acting on the belief that it is counter-productive to try to teach people to run before they can walk, programmes associated with the "beyond" phase of the "risk management, excellence and beyond" safety culture trajectory, and even those in the advanced stage of the "excellence" phase, are not launched until sites are demonstrably ready for them. Multiple indicators, from the monthly statistics loaded on to the GRAAL database (see p13) to the triennial site culture audits, provide feedback to zone EHS directors and the organisation's centre about changes in the workers' understanding and tolerance of risk. This strategy of allowing the varying parts of the organisation to advance at different speeds towards a desired state, rather than trying to force a schedule, is similar to that used by the European Union - known as variable geometry - for economic integration of member states. The graph on p14 shows examples of L'Oréal's programmes mapped on to the stages of cultural and behavioural maturity.

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Be the hummingbird
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L'Oréal is keen to instil in employees a sense that their individual contributions to creating and maintaining a safe workplace, however small, are vital in creating a self-sustaining bottom-up (rather than top-down) safety ethos. Global Vice President of Health & Safety Malcolm Staves often cites the South American story of the hummingbird who tried to extinguish a raging forest fire carrying tiny amounts of water in her beak while the other animals fled. Asked by a jaguar why she was engaged in a seemingly futile task she replied "At least I am doing my part". If everyone plays their part and contributes, they have collective significance. The hummingbird story also illustrates the concept of marginal gains where every act, no matter how small, counts toward a desired end.

Risk assessment, Excellence and Beyond

Whatever the regulatory safety and health standards in the countries it operates, L'Oréal applies a single set of baseline risk management standards. These are derived from whatever the company regards as the regime with the highest standard of controls for each risk category. So, for machinery used in potentially explosive atmospheres, L'Oréal sites worldwide implement controls aligned to the EU's ATEX Directive and for major accident hazards its framework follows the Seveso Directive. Minimum fire safety standards are based on the code of the US National Fire Protection Association (NFPA) and assessment of complex chemical processes uses the hazard and operability (HAZOP) system that has its origins in the UK. These minimum standards are codified and implemented through a set of programmes mandated for all sites.

GHAP and SHAP

Two significant tools for managing work-related risk at L'Oréal's operations are the Global Hazard Assessment Procedure (GHAP) and the Safety Hazard Assessment Procedure (SHAP). GHAP is applied to the hazards with the potential for the most serious consequences, including process safety risks and major environmental risks. The SHAP is used for the detailed assessment of all hazards related to equipment, tasks and workflows. All managers are trained to use the procedure, evaluating risks for probability and potential severity on a five-by-five matrix. They are expected to repeat the assessment at three-yearly intervals or whenever processes change.



LIFE 1 and 2

A programme to ensure tough, consistent controls for Life-changing Incident or Fatality Event (LIFE) risks was introduced in 2017. It focuses on activities such as work at height, fire, driving and working with electrical supplies, but also slips, trips and falls, which is one of the most frequent causes of incidents for staff in L'Oréal's retail stores. The 270 corporate requirements devised to control LIFE risks were drawn up by the company's EHS directors. These requirements are mandated for all sites and cannot be varied locally. Awareness campaigns are run regularly to maintain workers' focus on the risks and controls and to promote prevention of LIFE risks. LIFE requirements are subdivided into two categories. LIFE 1 covers the hazards that, if not under control, could result in a fatality. Within a year of the programme's launch all sites had to be compliant with the LIFE 1 requirements or stop the activity that presented the risk.

LIFE 2 requirements mitigate the risk of serious injury and cover issues such as prompt first aid provision. Site managers carry out twice-yearly assessments of LIFE 1 and 2 hazards in their operations using the company's Life SCANTool software and must stop any activity where they find they are no longer compliant with LIFE 1 risk controls.

The outcome is more important than the rule. If a site has an external risk report identifying that its way of managing a risk is equal or better to the LIFE requirement, then this is reported to the corporate centre and the requirement is adapted accordingly.

Risk assessment, Excellence and Beyond

Chemical Risk Evaluation

To control the chemical risks associated with its manufacturing operations, which include handling nanomaterials in beauty products, L'Oréal uses proprietary chemical risk evaluation (CHERIE) software. EHS staff and operators enter a description of the intended use of a raw material along with the hazard statements on the safety data sheets which accompany raw materials to determine what level of exposure of a substance is permitted, using a traffic light system in which red signifies unsafe to use, green is safe and yellow means more controls are needed to control health risks.

Ergonomic Risk Assessment

Employees use Ergo Fast – a self-screening tool – to assess the ergonomic risks of new tasks. If this shows an issue that should be escalated, trained professionals will use the Ergo Eval software tool and redesign tasks involving postures rated 4 or 5 on a five-point scale. Office staff carry out self-assessments of their workstations. A virtual reality simulator, ErgoCapt, allows managers to model the postural effects of proposed task changes before implementation. Ergonomic assessments are carried out at the design stage for all new equipment and facilities and after any reported musculoskeletal problem. Ergonomic Risk Assessment forms part of the larger Ergonomic Attitude programme (see p10).

Equipment safety validation

L'Oréal's insistence on setting its own standards for equipment safety (over and above any national regulations) and checking all machinery meets them before it is put into use, is key to its low manufacturing accident rates. All new equipment goes through pre-use checks to see that it meets L'Oréal's standards on issues such as ergonomics and guarding of hazardous moving parts. Potentially hazardous machinery is then validated periodically by health and safety staff to ensure it is still in fit condition. The validation covers issues including electrical and mechanical safety, ergonomics, adequacy of documentation and susceptibility to weather damage. Following inspection, the equipment will be issued with a label which follows a traffic-light style code, where green is authorisation to operate, since residual risks are within tolerance, amber is authorisation to operate temporarily with additional instructions to the operator to control risks and red signifies unacceptable risks have been flagged and the machine is locked off and not to be used. Safety validation is repeated every two years or whenever operating circumstances change.



Risk assessment, Excellence and Beyond

Regulatory standards for health and safety, at whatever level they are set in different parts of the world, are intended by governments as minimum accepted levels of protection. Along with many other evolved organisations L'Oréal has long been conscious that aligning its health and safety performance to meet such minima would still sanction a margin of injury and ill health that would reduce efficiency and be inconsistent with its ethos as a caring employer. Building on the risk assessment foundation, which incorporates the baseline of regulatory compliance, the EHS function has set its own internal standard of excellence in preventing harm aiming to minimise accidents and ill health through multiple systems and initiatives. These are a combination of behavioural and cultural initiatives. Using both types of approach avoids the limitations of each - for instance the tendency of behaviour-change programmes to foster a blame culture and to overlook unconscious decision making, and of cultural programmes to underrate low-probability catastrophic risks.

Behavioural programmes

Whatever protective structures the company maintains, individual decisions and actions have the potential to make the workplace safe or unsafe at a task level. L'Oréal's behavioural safety programmes train employees to think about the known risks involved in work activities and to watch for new ones.

Visible Fundamentals

Visible fundamentals are short sets of principal risks and controls associated with any work activity which employees must consult each time they carry out the activity. The process of rehearsing these priorities for completing any task safely keeps employees focused on safe and healthy behaviour. Line managers assess their teams' observation of Visible Fundamentals and give weekly feedback on levels of compliance.

Safety Improvement Opportunity

Employees are encouraged to submit ideas for safety or health improvements via an online suggestion scheme, Safety Improvement Opportunity (SIO). Line managers analyse all SIO forms and decide whether to act on the suggestion. In all cases they provide the submitting employee with feedback and encouragement to offer more suggestions. Site management review all SIOs annually, to identify those that would be useful to other sites and parts of the business. Each site is expected to follow up and act (where appropriate) on at least 90% of SIOs by each year end.

Take 2

Take 2 is an informal process of dynamic risk assessment in which employees are prompted to pause immediately before starting any task, think systematically, check the conditions and their readiness to carry out the task accounting for alertness, competence and PPE provision. Aide-memoire cards are distributed to help employees remember the sequence of questions at point-of-task and the Take 2 process is further promoted by managers on MESUR visits (see below).

MESUR

Measuring Effectively Safety Using Recognition and Readjustment (MESUR) is the behavioural programme for managers, who visit work teams and ask open-ended questions about how tasks could result in injury, such as "What could happen unexpectedly?" or "How might you be harmed?" The aim is to get operators to recognise risks and come up with their own solutions to control them. They are asked to summarise the actions they have suggested at the end of MESUR inspections to embed the learning.

Risk assessment, *Excellence* and Beyond

Safety culture programmes

Though the behavioural programmes contribute to the development of a strong safety culture, L'Oréal has also built up a suite of culture-specific programmes to encourage an ethos of risk perception and analysis.

Safety Accident Communications

After any incident or near-miss judged to have been potentially severe, a Safety Accident Communication (SAC) is distributed at divisional level giving brief details of the incident, the lessons and actions to be taken by sites to avoid a recurrence. These actions will be incorporated into site safety and health action plans. Where the lessons have wider application the notification will be reissued in French and English by the relevant zone to all divisions. New controls resulting are added to the EHS manual.

Accident investigation and root cause analysis

As well as triggering the issue of an SAC, any lost-time accident or potentially serious incident triggers a root cause inquiry. A line manager will convene a team of EHS specialists to talk to employees involved and witnesses to establish the facts then analyse the underlying conditions and actions that led to the incident. The team will use tested causal analysis methods such as the "five whys" method or fishbone diagrams to find the root causes and will check whether the same risk exists in other areas. Managers draw up corrective action plans to manage the risks identified and site EHS steering committees review the root cause analyses involving at least lost-time injuries.

Ergonomic Attitude

Ergonomic Attitude is the umbrella term for a global benchmark programme to eliminate work-related musculoskeletal problems and promote good posture. It encompasses and builds on the Ergonomic Risk Assessment measures (see p08). The programme is overseen by a steering committee which sets annual targets for reductions in musculoskeletal disorders and elimination of extreme postures. Staff are encouraged to follow a schedule of warm-up and stretching exercises before work. A website titled Ergonomics for All offers advice on fitness and exercise. The Ergonomic Attitude programme is promoted with the slogan: *Take care of your body as it needs to last you the rest of your life.*

Risk and Culture Audits

The EHS Risk and Culture audit programme involves an assessment of manufacturing sites every three years and distribution centres, research facilities and administrative offices every four years, to verify that hazard controls are robust and to monitor the safety culture maturity level. The risk audits assess the performance of the site on

risk management criteria, including meeting regulatory requirements and L'Oréal's internal programmes such as control of LIFE risks (see p07), prompt issue of SACs (p10), monitoring of environmental hazards and the quality of EHS reporting. The culture audits evaluate the health of the site's EHS culture, including the quality of leadership and to reassess its place on the culture maturity curve (see graph p14), that runs from the reactive state of merely complying with instructions from an EHS manager, to the interdependent state in which employees actively care for their own and their colleagues' health and safety.

Safety training

Central to L'Oréal's safety regime is that everyone should be trained and competent to carry out their work safely and to support the organisation's safety culture. From visitors and contractors to corporate directors, training is prescribed and checked for effective delivery. All employees receive induction training and job safety training, plus training in cultural and behavioural programmes such as MESUR or constructive challenge according to their grade and the safety maturity of their site. Numbers of training hours and evaluation of whether trainees have understood and remembered safety tuition are used as a leading indicator of group safety performance (see Leading indicators). A development programme for directors is run in conjunction with the French business school CEDEP, with seminars focusing on safety leadership and culture. The programme has expanded to admit executives from other companies. EHS-specific training is also given to line managers and to the EHS professionals.

Roadmaps

The health and safety function makes extensive use of roadmaps to show managers responsible for managing specific risk areas the pathways to improvement and to extend their horizons beyond the four or five years common to most business planning. In the Ergonomic Attitude programme (p10), for example, a site manager will be able to grade their facility from one to five on its ergonomic standards and the roadmap will show the steps necessary to move to the next level. Similarly in the cultural audit programme, whichever stage a site has reached on L'Oréal's adapted version of the Dupont Bradley curve of cultural maturity, the senior managers will be able to consult a roadmap setting out what needs to be achieved to move to the next stage.

Risk assessment, Excellence and Beyond

Excellence in health and safety is becoming a common goal in major multinational organisations, driven by a mixture of increasing professionalisation of OSH practitioners, investor pressure and consciousness that simple regulatory compliance does not drive accident and ill health costs down to a low enough level. Conscious that the adoption of more elevated standards by other organisations means it has to set its sights even higher to maintain competitive advantage, L'Oréal has relegated excellence to a waymarker, which all sites are expected to pass. Its aim is to achieve a generative safety culture in which every employee is alert to risks and has the desire, knowledge and skills to mitigate them, rather than assuming the duty lies with managers or safety professionals. A set of programmes underpins this sense of individual and collective responsibility to maintain a culture of care.

Health and wellbeing

As part of its campaign to create a "culture of care" in which employees are aware of the company's concern for their general health and welfare, not just while they are at work - as demonstrated by the Safe@work - Safe@home programme - L'Oréal is building on existing programmes to reduce fatigue and promote good sleep, nutrition and exercise among employees. The group EHS function has assumed responsibility for all aspects of wellbeing and mental health, working with Human Resources staff where appropriate. This wider "whole-life" focus on supporting people beyond their working time forms part of the company's social sustainability efforts, since it has positive impacts on families and on the communities L'Oréal operates in.

Constructive challenge

Constructive Challenge involves training managers and employees to approach colleagues when they see them behaving unsafely. Employees are empowered to challenge anyone, including company directors and site visitors, and are expected to avoid blame but to start a constructive, non-conflictual dialogue about the unsafe behaviour and how it could be corrected and to help devise a safer method if needed. The programme emphasises caring, supportive approaches that provide a positive incentive for employees to safeguard themselves and colleagues. Constructive Challenge is only introduced when a site's health and safety culture is judged mature enough for employees to make and accept challenges.

Safe@Work - Safe@Home

Introduced in 2016, Safe@Work - Safe@Home is one of L'Oréal's major global programmes which aims to combine a social purpose - improving community health and safety (see p16 - with enhancing employees' own perception and ownership of safety issues. As well as training employees to manage safety in their own homes, outreach activities have included visits to schools by employees in China, France and the US to teach pupils safety basics, and poster campaigns in China and Brazil focusing on protecting under-fives. The programme is particularly useful in growing safety awareness among staff who work in less hazardous environments such as offices who could become complacent. It has succeeded in making health, safety and wellbeing personal to the group's workers - whatever the maturity level of the safety culture at their site - positively impacting on their risk perception at work.



Risk assessment, Excellence and Beyond

The eight pillars

L'Oréal has codified its multiple safety and health programmes as fitting into eight pillars on which the whole system rests. The pillars range from foundation elements of a system, such as strategy and objectives, through the cultural and behavioural aspects affecting day-to-day work, such as visible leadership and employee engagement, and on to system verification in reporting and audits. The schema provides an at-a-glance model for senior management to see where the various initiatives fit in and how they underpin a robust system. The pillars are as follows with the associated statements in management guidance and supporting tools and programmes.

- **Strategy and Objectives:** *"Drive safety improvement throughout the entire organization towards our vision of the future of health and safety at L'Oréal".* Supported by Site EHS Steering Committees and GRAAL (see p13).
- **Risk Management:** *"Managing risks starts with being able to see risks. This requires having methods and competencies to identify the hazards and assess their level of risk".* Supported by LIFE SCANTool (see p07), Ergonomic Risk Assessment (p08), GHAP (p07), Detailed SHAP (p07), CHERIE (p08) and Safety Validation (p08).
- **Safety Culture:** *"Safety culture is simply who we are and how we do what we do. It is a journey towards excellence and beyond".* Supported by EHS Risk Culture Audits (p10), MESUR (p09), health and safety training (p10), constructive challenge (p11), Ergonomic Risk Assessment and SIO (p09).
- **Employee Engagement:** *"Health and safety needs to involve everyone at all levels of the organization. Employee involvement and engagement is key".* Supported by Detailed SHAP, Visible Fundamentals (p09), SIO and Take 2 (p09).
- **Visible Leadership:** *"Embody safety in every management decision".* Supported by MESUR, Constructive challenge, GHAP, site steering committees, Root Cause Analysis (p10) and SIO.
- **Training and Expertise:** *"L'Oréal provides Health Safety training at all levels of the organization and has a solid network of health and safety expertise across all entities".* Supported by EHS Manual and Health Safety Training.
- **Incident Investigation:** *"Prevent the possible repetition of a similar incident locally and at the Group level".* Supported by Root Cause Analysis and SAC (p10).
- **KPIs, Reporting & Audits:** *"Review the status of our programs and initiatives and the resulting safety performance through reported KPIs and regular governance audits".* Supported by GRAAL, EHS Risk Culture Audits and Site Steering Committees.

FOR MORE ON THE EIGHT PILLARS AND THE PROGRAMMES THAT COMPRISE THEM,
SEE L'ORÉAL'S HEALTH AND SAFETY ESSENTIAL GUIDE FOR MANAGERS:

➤ https://www.ioshmagazine.com/sites/default/files/2021-03/ESSENTIAL_HEALTH_%26_SAFETY_-_English_version.pdf

Performance metrics and assurance

The devolution of risk assessment and control to line management plus the “right tool at the right time” staged introduction of programmes (see p06) makes it vital that the Zone health and safety directors and the Group health and safety function have a flow of reliable performance data from all parts of the organisation. There are strict reporting requirements and audit processes to allow assurance to L’Oréal’s executive committee and to allow the central team to identify any issues of concern and track the effects of safety initiatives.

GRAAL

GRAAL is the internal management tool – based on Sharepoint - used to gather and manage all corporate EHS data, including accident figures, as well as environmental and quality management metrics. The central GRAAL database is updated monthly by all sites. In the first week of each month, figures for indicators such as incidents and near-misses, safety and health training sessions, MESUR visits and SIO suggestions received, are uploaded to the database by each site. In the second week these are checked by the regional zone EHS directors and then they are consolidated and analysed at corporate level in the second half of the month. GRAAL data form the basis of all internal and external reports and allows the corporate EHS team or zone directors to identify emerging trends and plan interventions where necessary.

Key performance indicators

Key performance indicators (KPIs) in the form of leading indicators, inputs into the health, safety and wellbeing system, drive improved health and safety performance and set parameters for success in the various EHS programmes. KPIs such as the number of MESUR visits by managers in a year are monitored at site, zone and corporate level. L’Oréal is convinced that developing the correct KPIs for major programmes underpins its high-performance culture.

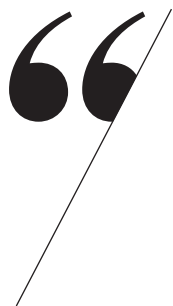
Audit systems

The primary internal audit system is the Risk and Culture Audit schedule (see p10). This is supplemented by an external audit programme in which all sites with more than 50 employees (272 facilities worldwide) are subject to periodic assessments by the external business assurance agencies ERM or DNV. The frequency is three-yearly for manufacturing sites and four-yearly for others such as offices and research laboratories.

The company also carries out its own audits on suppliers and contractors such as third-party distribution centres. When a supplier fails an audit L’Oréal will pay for a consultant to work with them and develop an improvement plan followed by another audit six months later. If there is not sufficient improvement at the second audit the supplier risks being delisted. The audit programme includes final disposal and recycling sites for used aerosols, flammables and products containing oxidisers.

EHS Senior Leadership Network

Another layer of central governance is provided by the EHS Senior Leadership Network group of 19, chaired by Malcolm Staves and comprising the Zone Health and Safety Directors and their direct reports. The group meets quarterly to discuss strategy and implementation plans for new programmes.



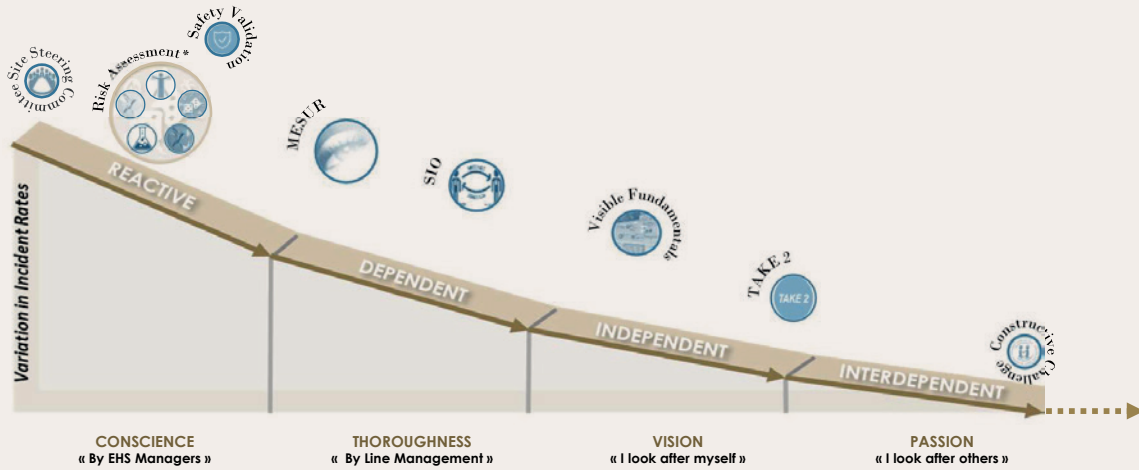
L’Oréal is a valued thought leader and partner. The company’s LIFE programme puts individuals at the center of the corporate decision-making process, driving a high value for workers and the communities they live in.

Jennifer McNelly, CEO,
American Society of Safety Professionals




Performance metrics and assurance

Maturity curve



 SAFE@WORK
SAFE@HOME

spread the culture 



Measures of success

The success of L'Oréal's EHS systems in controlling risk while supporting enhanced productivity and profitability is summarised by the fact that the group recorded a global lost-time accident (LTA) rate per million hours worked of 0.76 in 2021, a reduction of almost two-thirds since 2009. This achievement validates the group's focus on inputs and leading indicators to drive better outcomes. In the same 12-year period the group's consolidated global sales increased 85% from 17.4 billion Euros a year to 32.28 billion Euros. Its stock price grew 645% from 62 Euros to 400 Euros – France's benchmark CAC 40 index of major companies rose by only 213% over the period.

Further indicators of EHS success come from external validations and awards. These include:

- In 2021 the UK Royal Society for the Prevention of Accidents (RoSPA) awarded L'Oréal's group health and safety function its award for Corporate Health & Safety Team of the Year. In 2021 the administrative sites of the group's Brazil operation also won RoSPA's highest prize, the Sir George Earle Trophy, awarded for the most outstanding performance in health and safety by a company or organisation. The judges noted the Brazil team's "commitment to a strong health and safety management capability, rooted in the care and concern shown by the organisation's culture, outwardly displayed through strong employee-focused health and safety leadership from senior management, and clear local-level workforce ownership of L'Oréal's group policies."
- An academic paper titled *Ensuring Safe Behaviour on a Global Scale: L'Oréal's Approach* in the journal *Policy and Practice in Health and Safety* in 2019* reviewed the group's safety culture systems and found its approach had "sufficient breadth and implementation depth to, in principle, sustain safe behaviour" and that the drop in the annual reported accident figures "implies that the approach is working".
- In 2017 the group achieved the No.1 position in Newsweek Magazine's global ranking of the 500 biggest publicly-traded companies according to their sustainability performance. The ranking was based on eight sustainability criteria including energy use, greenhouse gas emissions and water use as well as executive and third-party governance arrangements.
- In November 2021, L'Oréal was one of 45 companies awarded the Terra Carta seal by HRH the Prince of Wales for its commitment to sustainability. The award recognised the fact that since 2005 the group has reduced its plants' CO2 emissions by 81% while growing production volume by 29%.

* *Ensuring Safe Behaviour on a Global Scale: L'Oréal's Approach*, J Lunt, M Staves, A Weyman, *Policy and Practice in Health and Safety* 2019, Vol. 17, No. 1, 32–53 <https://doi.org/10.1080/14773996.2018.1528724>



Measures of success

Sharing safety with all

As well as its internal focus on building a strong health and safety framework and protecting its own employees, L'Oréal is committed to exemplary standards in its responsibility to the wider world, summed up in its Sharing Beauty with All corporate social responsibility programme (<https://www.loreal.com/en/commitments-and-responsibilities/>).

- The Safe@Work - Safe@Home programme, developed with the safety charity RoSPA, expands beyond promoting home safety in L'Oréal's workforce. The company has supported free resources on a web hub that other organisations can use. It also sponsors an annual Safe@Work - Safe@Home award to recognise businesses that have acted to raise employees' awareness of home, road and leisure safety.
- Extending its own commitment to valuing employees as human capital, L'Oréal actively sponsors the work of the Capitals Coalition, promoting the coalition's work in redefining the value of social, human and natural capital to business. The company supported the coalition's report *Social & Human Capital Protocol: a Primer for Business*. In 2019, the company hosted a symposium in Paris, convened by the US Center for Safety and Health Sustainability and the UK Institution of Occupational Safety and Health, to examine the place of safety, health and wellbeing in corporate sustainability management. Participants ranged from investment management firms to ESG ratings agencies and from non-governmental organisations to major corporates. In December 2022, L'Oréal sponsored a second summit with RoSPA and the Capitals Coalition at London's County Hall: People Sustainability: The Future. The event aimed to explore developments since the previous summit and to "join the dots" between health and safety management and corporate sustainability programmes. The summit was preceded by a L'Oréal-funded research report *Connecting the Dots*, prepared by consultants ERM.
- Building on its work as one of the first employers to create a Women in Safety network for its own female safety and health professionals, L'Oréal was the one of the founders of the OneWISH global coalition of organisations committed to seeing more women assume leadership positions in health and safety. The company also sponsors the Leading Safety for Women in OSH initiative with RoSPA, which organises 12-months' mentoring for female future leaders.
- L'Oréal co-founded the INNSafety group for start-up businesses to pitch innovations in health and safety technology to multinational corporations.



L'Oréal has made their health and safety arrangements a brand differentiator and lead the way not only for their sector but as an example for all organisations wherever they are in the world

Louise Hosking, Director, Hosking Associates and
Director and Co-founder, OneWISH Coalition



Next steps

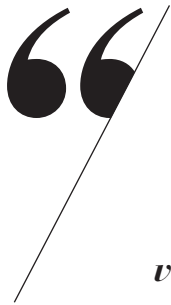
As part of the route to excellence and beyond at all L'Oréal sites, the central function under the direction of Malcolm Staves regularly reviews the health, safety and wellbeing system's operation and seeks improvements. The EHS staff analysed all programmes in the light of the COVID-19 pandemic to ensure they were still working as intended. Staves is drawing up a health, safety and wellbeing strategy with road maps to 2030 and beyond.

New technologies, such as virtual reality are kept under review to see how they could assist with risk assessment or safety planning. In communications, the function makes increasing use of phone-based apps for training-on-demand and has recently launched a series of podcasts offering employees "behind the scenes" explanations of the background to the programmes and initiatives such as LIFE and MESUR that form part of their working lives.

As part of the continual drive to review performance Staves oversaw a thorough review of the previous 10 years' findings from risk audits, culture audits, environmental audits, fire audits and certification audits to see if any previously-overlooked patterns could be identified and lessons gleaned from them. A parallel outward-looking exercise involved benchmarking against 40 global companies to see what strengths and weaknesses the comparators reflected in the organisation's safety system and priorities.

A safety climate questionnaire is being sent out to give all of L'Oréal's 88,000 staff the chance to give their views on safety at the company. The function has undertaken a survey of non-EHS staff to judge its performance and to seek guidance on what it could do better; this poll is being followed up with in-depth interviews with stakeholders. Staves says this approach will be extended to the work of the Senior EHS Network group, where he plans to co-opt non EHS specialists to provide expertise and perspectives from other functions.

Within the function a programme is being launched to try to ensure that the EHS staff fully reflect the diversity of L'Oréal's workforce, to make them representative of the workforce they serve but also to promote diversity of thought for more creative management. Staves plans programmes to help them develop more collaborative approaches, improve their listening skills and to ensure they are future-fit as leaders.



L'Oréal and RoSPA share a holistic approach to their health and safety operations, which can be summarised by their 'whole person, whole life' vision. We believe reducing the threat of harm is just as important during your periods of leisure as it is during your working hours. This philosophy has been carefully threaded throughout many of L'Oréal's modern initiatives, and their future plans to further strengthen the wellbeing of their colleagues, backed by data-driven schemes that have stemmed from the Global Accident Report in 2021, signify a company that is organically ever-changing and constantly pushing best practice forwards.

Lord Jordan of Bournville, President, RoSPA



Fit for the future



L'Oréal is a culture forward organization that leads with intention and supports the safety and health of its people. Organizational leaders are provided the right tools and resources at the right time to manage safety and health risk in the areas they oversee. This includes accounting for safety and health management, maturity and performance. And they hold their people to account for safety and health performance. L'Oréal also sees their people holistically, embedding a 'safe at work - safe at home' mindset throughout the organisation, extending their culture 24/7.

Kathy Seabrook, CEO,
Global Solutions and Ambassador, The Capitals Coalition



In the "Swiss cheese" model of accident causation, layers of controls such as safety training are portrayed as blockades to accidents, though each with inevitable holes through which the accident can pass if the holes are big enough and align. L'Oréal's multiple programmes, addressing safety by design, strict rules for life hazards, promoting safe behaviour, and generating a positive organisational culture, form a set of barriers carefully tailored and integrated so that they have no negative impact on business efficiency but with checks and assurance requirements that ensure the gaps (or holes) in them are minimised. The result is minimised incident and ill health rates and a system that is seen as a benchmark among multinational businesses.

Beyond this, the company is leveraging the value of protecting employees and enhancing their wellbeing, emphasising a "whole life-whole person" approach to looking after its people. This use of health and safety as a critical underpinning of human capital management, creating a people-centred culture where employees feel valued and can thrive, is explicitly seen by L'Oréal as a way of setting apart from its competitors, ensuring its resilience in a fast-changing world and enabling it to attract and retain the talent that is vital to its success now and in the future.



Barb

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