

REWARDS

ONE PROFILE

4 pillars of Rewards vision



Clarity

Clarity of Reward pay elements, decisions and policies (Employees, Managers & HR)



Partnership

Strong partnership between Reward and HR Generalists to coach, advise and guide managers



Empowerment

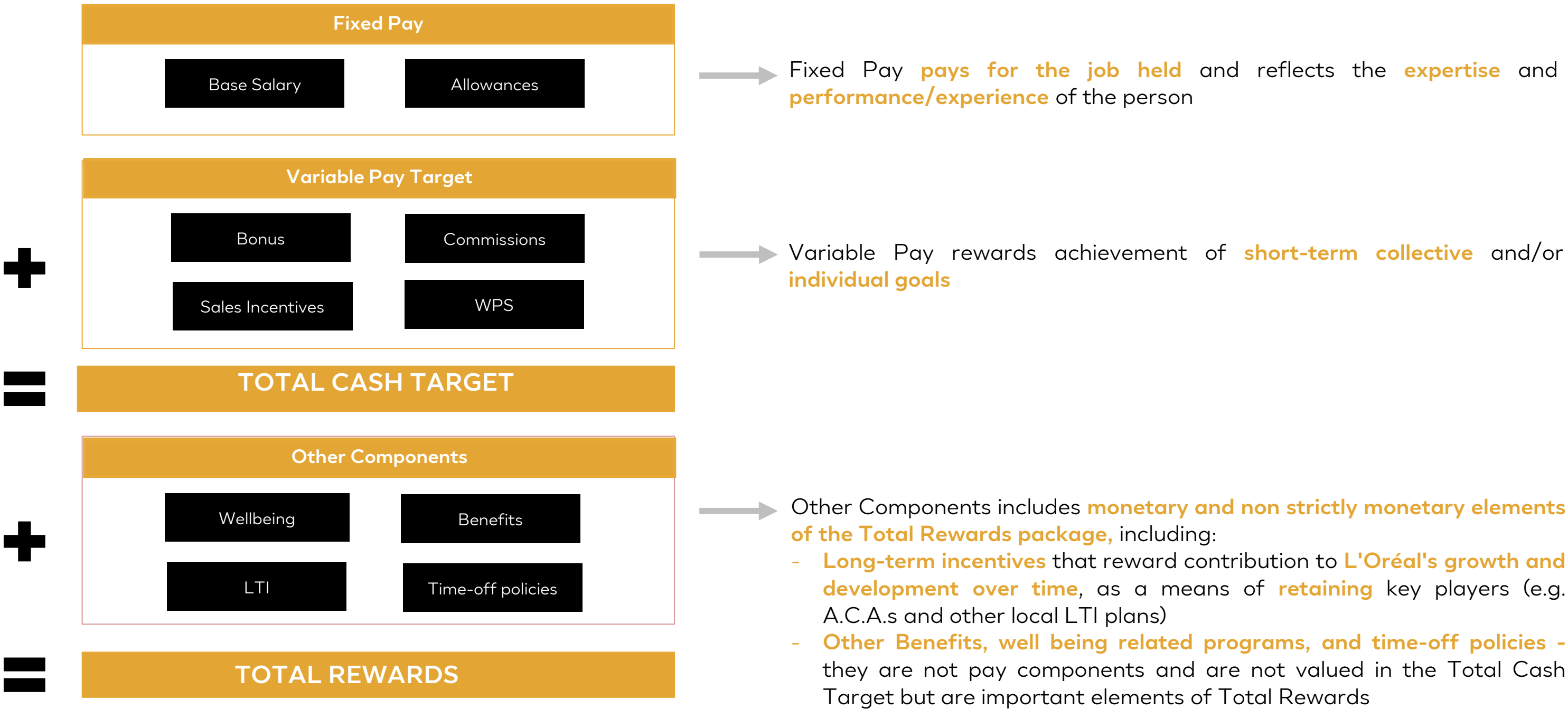
Empower Managers & HR to speak confidently about Reward policies



Simplicity

Clear, easy to understand policies and processes for employees and managers

REWARDS PAY COMPONENTS



CONCEPT DEFINITIONS

“**Position in range**” indicates how an employee is positioned relative to the “salary range” defined for the respective position & JML (Job Mapping Level): Below, Above or Within the competitive salary range for the position. (An employee paid 80k€ salary for a 50-70k€ salary range is “Above” the competitive range).

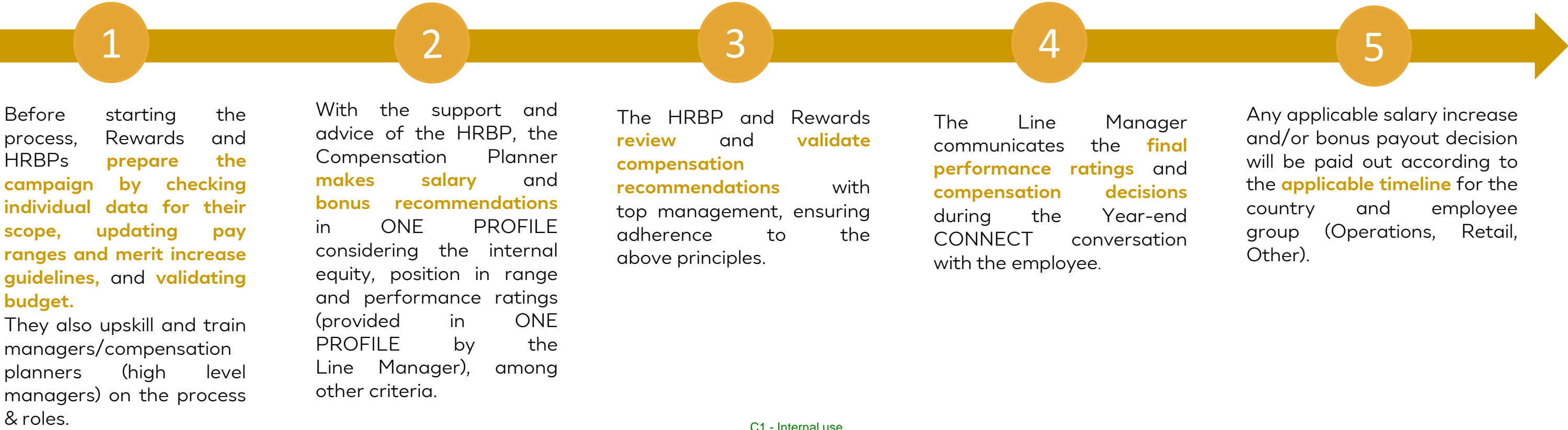
This is the information shared with managers as a guideline for them to make their salary recommendations

“**Salary range**” refers to the range of salary (e.g. 50k-70k€) defined by L’Oréal and within which the company considers that it is rewarding employees competitively holding similar level (JML) positions, taking into account both local market practices (market surveys) as well as internal pay practices and rewards structure (WPS, Bonus eligibility & level...).

“**Compa-ratio**” indicates the % difference between the employee’s pay level and the middle/median of their salary range : +20% comparatio means the employee is positioned +20% above the middle of the “salary range” (With a 60k€ Mid-Point / Median, the employee with a +20% Comparatio would be paid at 60k€ x 120% = 72k€).

This information is only visible for HR, as a complement of Position in Range, for their review & validation after the Managers recommendations.

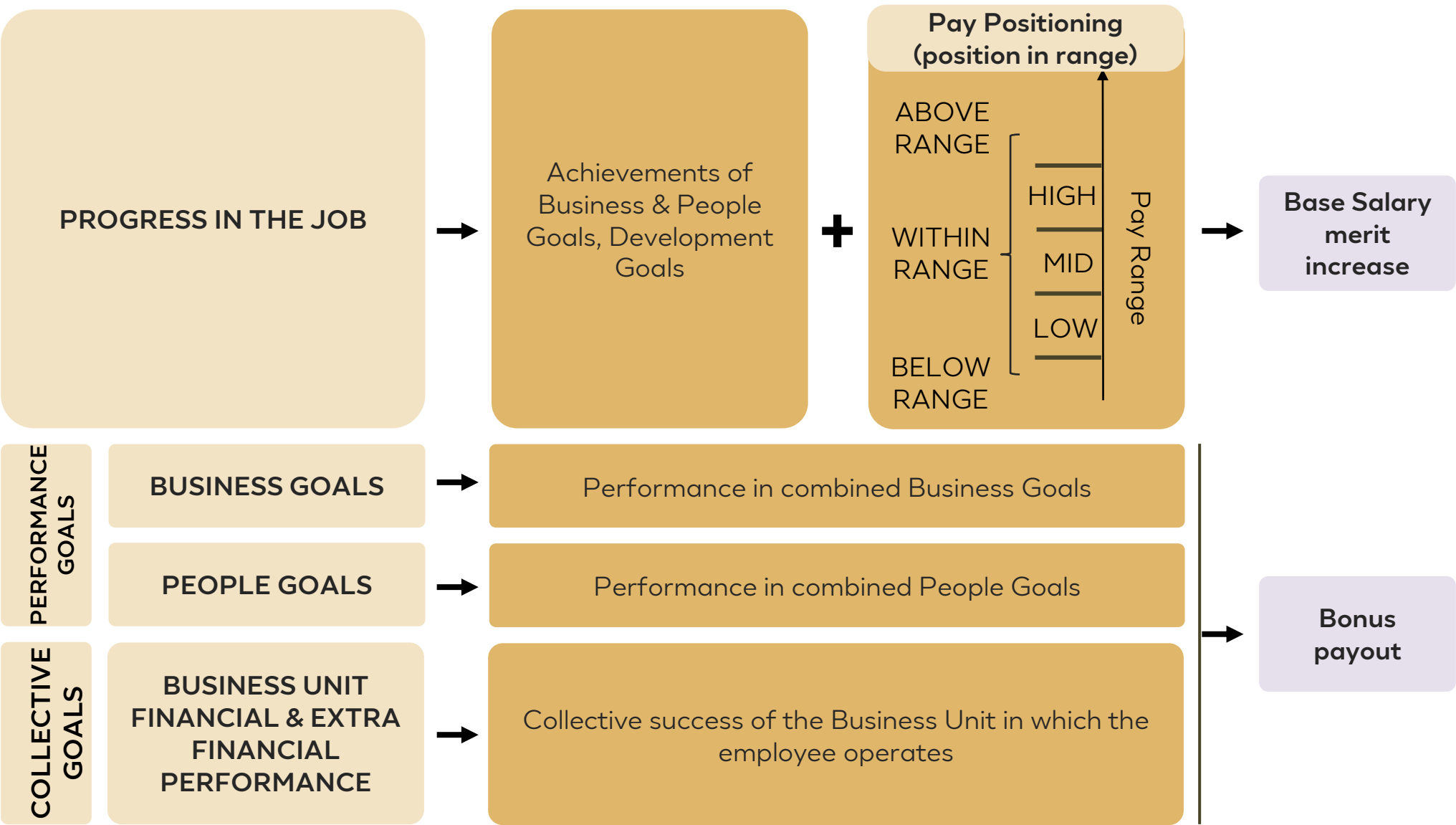
REWARDS YEAR-END PROCESS



REWARDS (2/2)

ONE PROFILE

SALARY MERIT INCREASE & BONUS PAY OUT



Thanks to ONE PROFILE, the HR team can access all Year-End Forms and Bonus Scorecard Forms for their scope, and review the team's performance ratings, key player status, Job Mapping Level, detailed pay positioning (comparatio and position in range) and the budget.

You can see the proposed range of salary merit increase (based on 'Progress in the Job') and the Global bonus payout if applicable (based on both Business and People goals) in ONE PROFILE.

You can also see whether the employee is:

- Within the competitive range (In the low, mid or high part of the competitive range set for the position)
- Outside the competitive range (Either below or above the competitive range set for the position)

You will be able to see the comparatio against the middle of the pay range.

For employees with a Global Bonus, ONE PROFILE automatically calculates the bonus pay out, and shows the details of collective financial & extra financial targets achievement and helps you understand how the total bonus payout is impacted with less manual work.