

**SHARING  
BEAUTY**  
*WITH ALL*

*THE L'ORÉAL SUSTAINABILITY COMMITMENT*

**ENVIRONMENTAL  
REPORTING**

DESIGN & SOURCING

**INNOVATING**  
*SUSTAINABLY*

PEOPLE & PARTNERS

**DEVELOPING**  
*SUSTAINABLY*

**SHARING**  
**BEAUTY**  
WITH ALL

LESS & MORE

**PRODUCING**  
*SUSTAINABLY*

INFORM & EMPOWER

**LIVING**  
*SUSTAINABLY*

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**SHARING**  
**BEAUTY**  
WITH ALL

**INNOVATING  
SUSTAINABLY**

*By 2020, we will innovate so that 100% of products have an environmental or social benefit.*

**PRODUCING  
SUSTAINABLY**

*By 2020, we will reduce our environmental footprint by 60 % whilst bringing beauty to one billion new customers.*

**LIVING  
SUSTAINABLY**

*By 2020, we will empower every L'ORÉAL consumer to make sustainable consumption choices while enhancing the beauty of the planet.*

**DEVELOPING  
SUSTAINABLY  
EMPLOYEES**

*By 2020, L'ORÉAL employees will have access to health care, social protection and training, wherever they are in the world.*

**DEVELOPING  
SUSTAINABLY  
SUPPLIERS**

*By 2020, 100% of our strategic suppliers will be participating in our supplier sustainability program.*

**DEVELOPING  
SUSTAINABLY  
COMMUNITIES**

*By 2020, we will enable more than 100,000 people from underprivileged communities, equivalent to the size of our global workforce, to access work.*

# **INNOVATING** *SUSTAINABLY*

BY 2020, WE WILL INNOVATE SO THAT  
100% OF PRODUCTS HAVE AN  
ENVIRONMENTAL OR SOCIAL BENEFIT.



# INNOVATING *SUSTAINABLY*

Every time we invent or update a product, we will improve its environmental or social profile against at least one of the following criteria:

- the new formula reduces the environmental footprint
- the new formula uses renewable raw materials that are sustainably sourced or raw materials derived from Green chemistry
- the new packaging has an improved environmental profile
- the new product has a positive social impact



# PRODUCING *SUSTAINABLY*

BY 2020, WE WILL REDUCE OUR  
ENVIRONMENTAL FOOTPRINT BY 60 %  
WHILST BRINGING BEAUTY TO ONE  
BILLION NEW CUSTOMERS.



# PRODUCING *SUSTAINABLY*

- we will reduce CO<sub>2</sub> emissions at our plants and distribution centres by 60 % in absolute terms, from a 2005 baseline
- we will reduce our water consumption by 60% per finished product unit, from a 2005 baseline
- we will reduce waste by 60% per finished product unit, from a 2005 baseline
- we will send zero waste to landfill
- we will reduce our CO<sub>2</sub> emissions from transport of products by 20 % per finished product unit from a baseline 2011





# LIVING *SUSTAINABLY*

BY 2020, WE WILL EMPOWER EVERY  
L'ORÉAL CONSUMER TO MAKE  
SUSTAINABLE CONSUMPTION CHOICES  
WHILE ENHANCING THE BEAUTY OF THE  
PLANET.



SHARING  
BEAUTY  
WITH ALL



# LIVING *SUSTAINABLY*

- we will use a product assessment tool to evaluate the environmental and social profile of 100% of new products and all brands will make this information available to allow consumers to make sustainable lifestyle choices
- all l'Oréal brands will assess where they have the biggest environmental and social impact, and make commitments to improve their footprint. Every brand will report on its progress and raise awareness among consumers about sustainable lifestyle choices
- our consumers will be able to influence our sustainability actions through our consumer sustainability panel



# DEVELOPING *SUSTAINABLY* *EMPLOYEES*

BY 2020, L'OREAL EMPLOYEES WILL HAVE  
ACCESS TO HEALTH CARE, SOCIAL  
PROTECTION AND TRAINING,  
WHEREVER THEY ARE IN THE WORLD.



# DEVELOPING *SUSTAINABLY* *EMPLOYEES*

- we will provide health coverage for employees which is aligned with the best practice of the country they are based in
- we will provide financial protection for all employees if unexpected life events such as incapacity or permanent disability, occur
- every L'Oreal employee will have access to at least one training per year wherever they are in the world



# DEVELOPING *SUSTAINABLY* *SUPPLIERS*

BY 2020, 100% OF OUR STRATEGIC  
SUPPLIERS WILL BE PARTICIPATING  
IN OUR SUPPLIER SUSTAINABILITY  
PROGRAM.





# DEVELOPING *SUSTAINABLY* *SUPPLIERS*

- all strategic suppliers will be evaluated and selected on social and environmental performance
- all strategic suppliers will have completed a self-assessment of their sustainability policy with our support
- all suppliers will have access to L'Oréal training tools to improve their sustainability policies
- 20% of strategic suppliers will be associated with our solidarity sourcing program



# DEVELOPING *SUSTAINABLY* *COMMUNITIES*

BY 2020, WE WILL ENABLE MORE THAN 100,000 PEOPLE FROM UNDERPRIVILEGED COMMUNITIES, EQUIVALENT TO THE SIZE OF OUR GLOBAL WORKFORCE, TO ACCESS WORK.



# DEVELOPING *SUSTAINABLY* *COMMUNITIES*

We will achieve our goal through programmes in the following areas :

- Solidarity sourcing
- Inclusive distribution
- Beauty professionalization
- Mentoring and community education
- Employment of disabled people and under-represented socio-ethnic groups





# SUMMARISING *THE ESSENTIAL*

We are committed to the acceleration and promotion of sustainable innovation and consumption by :

- continuously improving the environmental profile of our products
- making sustainability desirable for consumers through our brands and their commitments
- making available all relevant environmental and social information on products so that consumers can make more sustainable lifestyle choices

# REPORTING

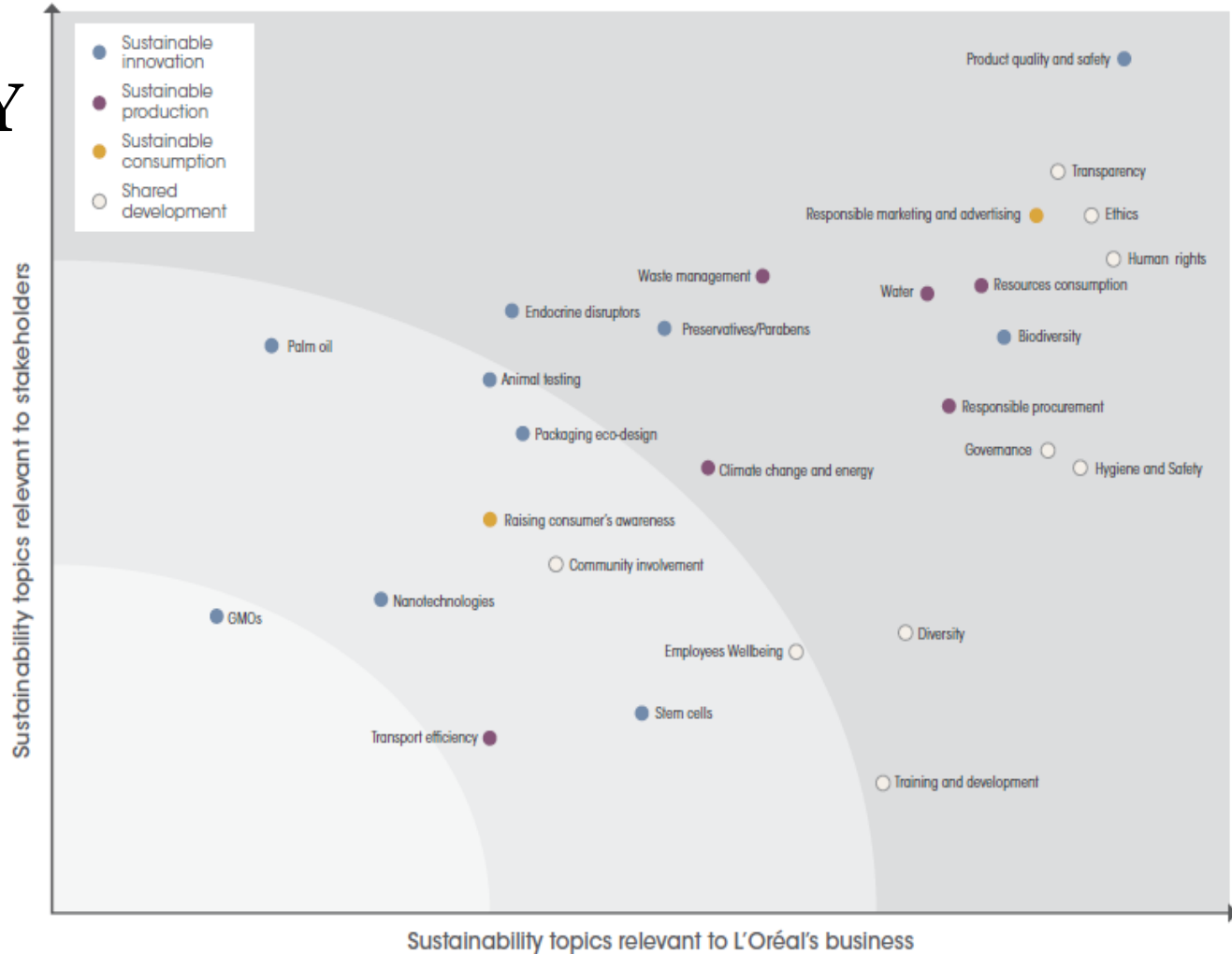
*Our progress*

Define relevant indicators and materiality

Choose supports

# MATERIALITY

2012  
Stakeholders  
Internal Experts



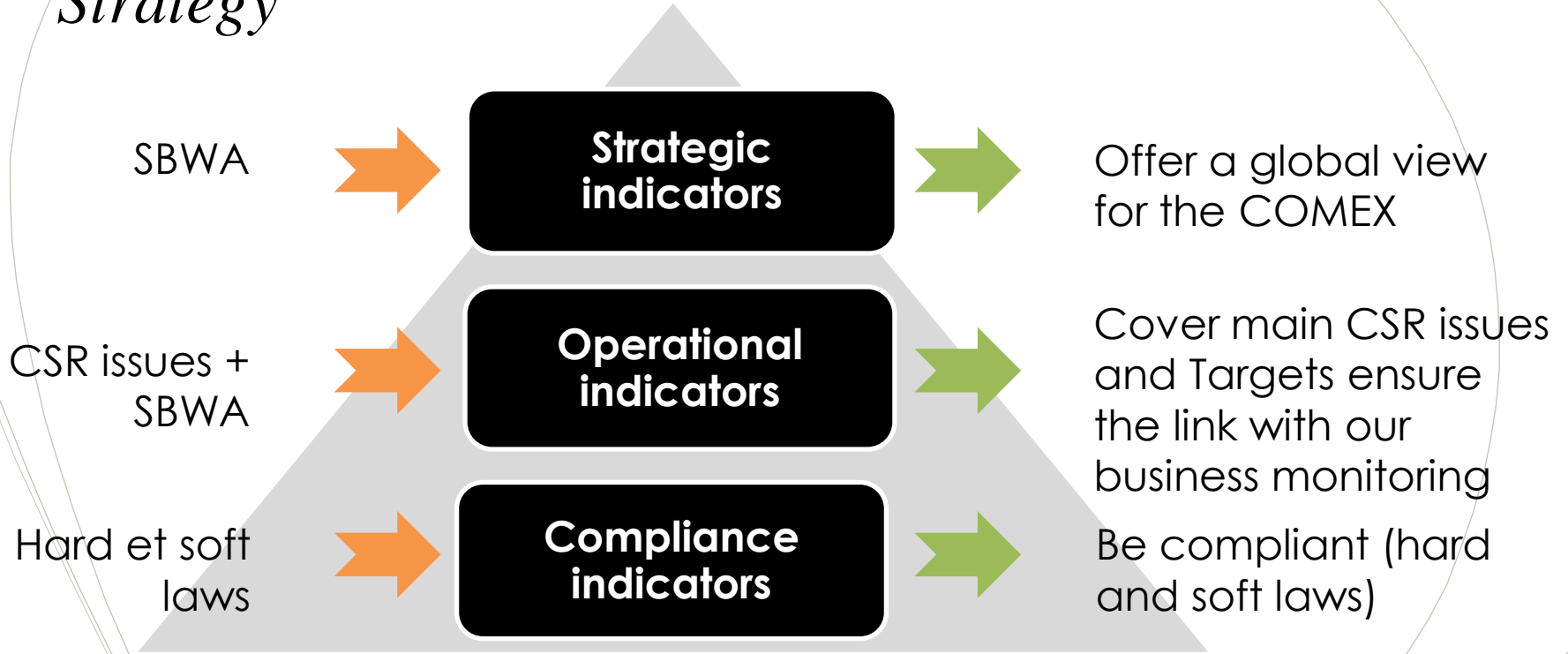
# REPORTING

*2013 (re)define relevant indicators*

Set up a reporting strategy

Redefine our indicators

# REPORTING *Strategy*



# REPORTING

## *Re-define indicators*

### PROCESS:

- 4 workshops with internal experts:
  - Human rights, HR and procurement
  - Product responsibility and R&I
  - Environment
  - Economic/Legal/Governance/Ethics and Society
- Define relevant topics to report on according to their importance on L'OREAL business

# Materiality matrix per topic / Environment

2013  
Internal Experts

Importance to society

High  
Medium  
Low

Low Medium High

Importance to L'Oréal's business

	Low	Medium	High
High			Climate change Water
Medium		Energy Emissions Transport Packaging eco design Biodiversity Environmental grievance mechanisms	Raw materials Effluent and waste Deforestation
Low		Soil use Overall	

Replaces « Palm oil »



# **REPORTING**

*Environmental indicators*

**COMPLIANCE**

**OPERATIONNAL**

**STRATEGIC**

# REPORTING

## *Environmental indicators*

COMPLIANCE  
Grenelle law

GRI G4 – Core


CDP (*disclosed today*)

CDP Water

CDP Supply Chain

CDP forest

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### Publishing of 2014 Responses and Scores

2014 Climate Change responses and scores will be published on 15 October  
2014 Water responses will be published on 5 November  
2014 Forest responses will be published in November (launch date TBC)

**L'Oréal**  
**Country:** France  
**Sector:** Consumer Staples  
**Industry Group:** Personal Products  
**Sub Industry:** Personal Products

Year	Program	Status	Disclosure Score	Performance Band
2014	Climate Change 2014	Submitted (not published)	Not Available	Not Available
2014	Forests 2014	Submitted (not published)	Not Scored	Not Scored
2014	Water 2014	Submitted (not published)	Not Scored	Not Scored
2013	Forests	<a href="#">Submitted</a>	Not Scored	Not Scored
2013	CDP Supply Chain 2013	<a href="#">Submitted</a>	Not Available	Not Available
2013	Climate Change (Investor CDP)	<a href="#">Submitted</a>	94	A
2013	CDP Water Disclosure	<a href="#">Submitted</a>	Not Scored	Not Scored
2012	CDP Water Disclosure	<a href="#">Submitted</a>	Not Scored	Not Scored
2012	Investor CDP	<a href="#">Submitted</a>	94	B
2012	Forest Footprint Disclosure	Submitted (not published)	Not Scored	Not Scored

# REPORTING

## *Environmental indicators*

### OPERATIONAL (excluded compliance KPIs)

Biodiversity (7)

Packaging (9)

Deforestation (8)

Soil use (2)

Transport (1)

Water

# REPORTING

## *Environmental indicators*

### STRATEGIC

### 22 KPIs

Pillar	Targets	Indicator
<b>Producing sustainably : By 2020, we will reduce our environmental footprint by 60 % whilst bringing beauty to one billion new customers</b>		
Producing sustainably	We will reduce CO2 emissions at our plants and distribution centres by 60 % in absolute terms, from a 2005 baseline	<b>% of CO2 emissions reduction at our plants and distribution centres in absolute terms from 2005 baseline</b>
Producing sustainably	We will reduce our water consumption by 60% per finished product unit, from a 2005 baseline	<b>% of water consumption reduction per finished product unit from 2005 baseline</b>
Producing sustainably	We will reduce waste by 60% per finished product unit, from a 2005 baseline	<b>% of waste reduction per finished product unit from 2005 baseline</b>
Producing sustainably	We will send zero waste to landfill	<b>% of industrial waste send to landfill</b>

# SPECIALISTES (Analystes extra-financiers, investisseurs, experts, parties prenantes avancées)

*Publications axées résultats*



**Initiatives ponctuelles**

*(présentations internes, rapports de progrès, roadshows)*



Roadshow

**Agences de notation**  
*(questionnaires, rapports)*



**TOUS TYPES DE PUBLICS**

*Publication complète*



**Site internet :**

- \* Contenu pdf à télécharger
- \* Contenu hiérarchisé et dynamique



**Chap. RSE du Doc de référence**  
*(pdf à télécharger)*



**Rapport DD**  
*(pdf à télécharger)*



**Chap. RSE du RADD**  
*(pdf à télécharger)*

**GRAND PUBLIC**

*Publications succinctes*



**Reporting**

*(outil interne connecté)*

**ENTREPRISE**



**Interne - pilotage**

*(tableau de bord)*














THANKS

# Compliance indicator choice (1/3)









Indicators	Relevance (Yes/No)
<b>Raw materials</b>	
 EN1 - Materials used by weight or volume	Yes
 EN2 - Percentage of materials used that are recycled input materials	Yes
<b>Energy</b>	
 EN3 - Energy consumption within the organization	Yes
 <del>EN4 - Energy consumption outside the organization</del>	No
 EN5 - Energy intensity	Yes
 EN6 - Reduction of energy consumption	Yes
 <del>EN7 - Reductions in energy requirements of products and services</del>	No
<b>Water</b>	
 EN8 - Total water withdrawal by source	Yes
 EN9 - Water sources significantly affected by withdrawal of water	Yes
 EN10 - Percentage and total volume of water recycled and reused	Yes



# Compliance indicator choice (2/3)

Indicators	Relevance (Yes/No)
<b>Biodiversity</b>	
 EN11 — Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No
 EN12 - Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Yes
 EN13 — Habitats protected or restored	No
 EN14 - Total number of IUCN Red List species and national conservation list species with habitat in areas affected by operations, by level of extinction risk	Yes
<b>Emissions</b>	
 EN15 - Direct greenhouse gas (GHG) emissions (Scope 1)	Yes
 EN16 - Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Yes
 EN17 - Other indirect greenhouse gas (GHG) emissions (Scope 3)	Yes
 EN18 - Greenhouse gas (GHG) emissions intensity	Yes
 EN19 - Reduction of greenhouse gas (GHG) emissions	Yes
 EN20 - Emissions of ozone-depleting substances (ODS)	Yes
 EN21 - NOx, SOx, and other significant air emissions	Yes

# Compliance indicator choice (3/3)

Indicators	Relevance (Yes/No)
<b>Effluents and waste</b>	
 EN22 - Total water discharge by quality and destination	Yes
 EN23 - Total weight of waste by type and disposal method	Yes
 EN24 - Total number and volume of significant spills	Yes
 EN25 - Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Yes
 EN26 - Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and run off	Yes
<b>Transport</b>	
 EN30 - Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Yes
<b>Overall</b>	
 EN31 - Total environmental protection expenditures and investments by type	Yes
<b>Environmental alert mechanisms</b>	
 EN34 - Number of grievance about environmental impact filed, addressed, and resolved through formal grievance mechanisms	Yes



# Operational indicator choice (1/4)

Issue	Indicator	Reference	Comments
<b>Biodiversity</b>			
Biodiversity	% of raw materials from renewable origin that are sustainably sourced (volume based)	New	
Biodiversity	% Purchasing turnover of raw materials from renewable origin that are sustainably sourced	New	
Biodiversity	Number of raw materials from renewable origin that are sustainably sourced	New	
Biodiversity	% of new formulas containing sustainably sourced raw materials	New	
Biodiversity	Number of new formulas containing sustainably sourced raw materials	New	Need to confirm
Biodiversity	% of new raw materials from renewable origin produced with the respect of green chemistry principles	New	
Biodiversity	Number of new raw materials from renewable origin produced with the respect of green chemistry principles	New	
Climate change → Does this issue really need operational indicators? → Moved to “Strategic indicators” (added 10/03/2013)			

# Operational indicator choice (2/4)

Issue	Indicator	Reference	Comments
<b>Deforestation</b>			
Deforestation	% of certified office paper	New	
Deforestation	% of certified cardboard POS	New	
Deforestation	% of certified timber for building	New	
Deforestation	Tons of crude palm oil certified RSPO SG	New	All is already segregated
Deforestation	% of crude palm oil certified RSPO SG	New	All is already segregated
Deforestation	Tons of palm oil derivatives: - Segregated - Mass balanced - Book and claim	New	
Deforestation	% of palm oil derivatives - Segregated - Mass balanced - Book and claim	New	The global list of indicators could be enriched later because we must work to know if the commitment on the "0 deforestation" is higher than the RSPO certification
Deforestation	% of soy sustainably sourced	New	No certification → Need to define "sustainably sourced"
<b>Effluent and waste</b>			
Effluent and waste	% of recovered waste : - Recycled - Reused - Incinerated with energy recovery	Custom G4-EN23	
Effluent and waste	% of effluent non-conformity	New	See if this indicator can be communicated outside
<b>Emissions</b>			
Emissions	Greenhouse gas (GHG) emissions intensity	G4-EN18	Scope 1&2
Emissions	Reduction of greenhouse gas (GHG) emissions	G4-EN19	Scope 1&2

# Operational indicator choice (3/4)

Issue	Indicator	Reference	Comments
<b>Energy</b>			
Energy	Energy intensity	G4-EN5	
Energy	Reduction of energy consumption	G4-EN6	
Energy	% of renewable energy	New (CDP)	See the European target for 2030
<b>Environmental grievance mechanism</b>			
Environmental grievance mechanism	Number of grievance about environmental impact filed, addressed, and resolved through formal grievance mechanisms	G4-EN34	
<b>Overall (environmental investment)</b>			
Overall (environmental investment)	Total environmental protection expenditures and investments by type	G4-EN31	
<b>Raw materials</b>			
Raw materials	Materials used by weight or volume	G4-EN1	
Raw materials	% of materials used that are recycled input materials	G4-EN2	
<b>Soil use</b>			
Soil use	Total surface of occupied land by L'Oréal's sites	New	
Soil use	Total surface of artificialized land by L'Oréal sites	New	
<b>Transport</b>			
Transport	gCO2 per finished product transported	New	Define the perimeter (link with Targets 2020)

# Operational indicator choice (4/4)

Issue	Indicator	Reference	Comments
<b>Packaging eco design</b>			
Packaging eco design	<b>Tons of PVC</b>	New	Include POS and goodies
Packaging eco design	<b>Tons saved via lightweighting</b>	New	Only for renovation + ISO raw materials
Packaging eco design	<b>Tons of PCR used</b>	New	
Packaging eco design	<b>% of suppliers sites certified FSC or PEFC</b>	New	
Packaging eco design	<b>% of certified cardboard and paper</b>	New	
Packaging eco design	<b>% of FSC certified cardboard and paper</b>	NEw	
Packaging eco design	<b>% of pack with SPR</b>	New	SPR : Sustainable Packaging Report
Packaging eco design	<b>% of compliant SPR</b>	New	SPR : Sustainable Packaging Report
Packaging eco design	<b>Breakdown of SPR non-compliance :</b> <ul style="list-style-type: none"> <li>- PVC</li> <li>- FSC</li> <li>- RPP900</li> <li>- RPP916</li> <li>- Unfavorable PIQET for Reno</li> <li>- Unnecessary PKG</li> <li>- Environmental optimization</li> </ul>	New	
<b>Water</b>			
Water	<b>% of water consumption reduction per finished product unit from 2005 baseline</b>	Targets 2020	
Water	<b>% of absolute water consumption reduction from 2005 baseline</b>	Custom Targets 2020	
Water	<b>% of product units produce in water stress zones</b>	New (CDP)	

# Strategic indicator choice

Pillar	Targets	Indicator	Comments
<b>Producing sustainably : By 2020, we will reduce our environmental footprint by 60 % whilst bringing beauty to one billion new customers</b>			
Producing sustainably	We will reduce CO2 emissions at our plants and distribution centres by 60 % in absolute terms, from a 2005 baseline	<b>% of CO2 emissions reduction at our plants and distribution centres in absolute terms from 2005 baseline</b>	-
Producing sustainably	We will reduce our water consumption by 60% per finished product unit, from a 2005 baseline	<b>% of water consumption reduction per finished product unit from 2005 baseline</b>	-
Producing sustainably	We will reduce waste by 60% per finished product unit, from a 2005 baseline	<b>% of waste reduction per finished product unit from 2005 baseline</b>	-
Producing sustainably	We will send zero waste to landfill	<b>% of industrial waste send to landfill</b>	"Industrial" added, included R&I waste but not company restaurant waste Define the perimeter (EHS)
<b>Climate change</b>			
New	<b>Risk management (adaptation to climate change)</b>	Can be considered as a combination of deforestation, energy, transport, emissions indicators + indicators linked to suppliers and clients	See with Alexandra Added 10/03/2013