



**SHARING  
BEAUTY**  
WITH ALL

## *DEAR SHAREHOLDERS,*



**Jean-Paul AGON**  
Chairman and CEO of L'Oréal

■ On October 23<sup>rd</sup>, 2013, L'Oréal announced its new sustainability commitment for 2020 "Sharing beauty with all" that I would like to share with you.

These new commitments are part of a transformation process at L'Oréal that began several years ago. We went back to the very essence of our business: beauty. This is what gives us our sense of purpose. We then redefined our mission: offering women and men all over the world the best of cosmetics in terms of quality, efficacy and safety, to meet all their beauty needs and desires in their infinite diversity.

*“I am proud to present to you in this letter our new commitment.”*

To accomplish this mission, we have chosen to apply a strategy we call universalisation, meaning globalisation that respects differences. It is aimed at offering tailor-made beauty by meeting

the specific expectations of consumers in each region of the world. To implement this strategy, we have set ourselves an ambitious target: to attract and win the loyalty of a billion new consumers.

We want to take our universalisation model even further, by creating a genuine virtuous circle. This consists of implementing everywhere that we operate, the best environmental, social and societal practices. And building, with our internal and external stakeholders, a universalisation that will benefit the greatest number of people. This is our responsibility as a leader.

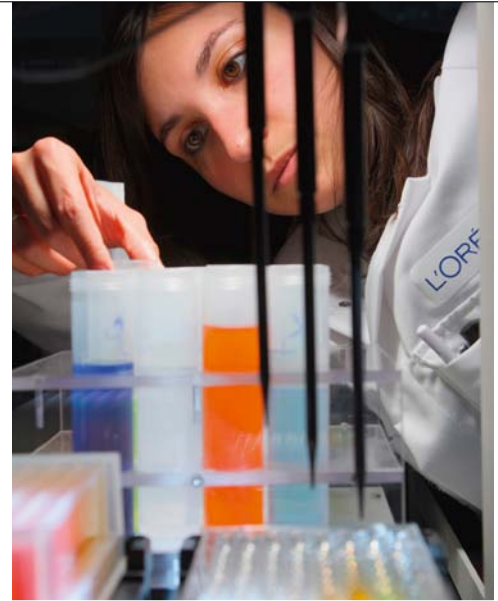
I am proud to present to you in this letter our new commitment in the field of sustainable development for 2020. We have already constructed a solid platform of actions, but I am convinced that there is still much more to be achieved. With these commitments, we are continuing our transition towards a new economic development model, which is constantly becoming more ecological, more responsible and more community-driven.

The L'Oréal of the 21<sup>st</sup> century is starting to take shape.

MAKING SUSTAINABLE DEVELOPMENT DESIRABLE

# 1/ INNOVATING sustainably

*“This is our very first duty: to offer our consumers not only the best products in terms of efficacy, quality and safety, but also the most responsible products, that is products designed to be ecologically and socially responsible. By 2020, we are committed to ensuring that 100% of our new products provide an environmental or social benefit. And that benefit must be quantifiable, measurable and verifiable.” J.-P. Agon*



Researcher in a laboratory evaluating the ecotoxicity of raw materials.

COMMITMENT

■ By 2020, 100% of our products will have an environmental or social benefit.

EXAMPLE

■ L'Oréal laboratories work to formulate shampoos that can be rinsed off with only 1 litre of water, instead of the 7 litres required today. In all, we could achieve a reduction of three-quarters in the quantity of water used, and a two-thirds cut in CO<sub>2</sub> emissions over the whole life cycle of the shampoo.

# 2/ PRODUCING sustainably

*“Our challenge is to keep on reducing our impact, when in fact we will be producing more.” J.-P. Agon*

COMMITMENT

■ By 2020, we will reduce our environmental footprint by 60% whilst bringing beauty to one billion additional consumers.



**-60%**<sup>(1)</sup>

TARGET 2020

WE WILL **REDUCE CO<sub>2</sub> EMISSIONS** AT OUR PLANTS AND DISTRIBUTION CENTRES **BY 60%** IN ABSOLUTE TERMS



**0%**

TARGET 2020

WE WILL SEND **ZERO WASTE TO LANDFILL**



**-60%**<sup>(1)</sup>

TARGET 2020

WE WILL **REDUCE OUR WATER CONSUMPTION BY 60%** PER FINISHED PRODUCT UNIT



**-20%**<sup>(2)</sup>

TARGET 2020

WE WILL **REDUCE CO<sub>2</sub> EMISSIONS FROM TRANSPORTATION OF PRODUCTS BY 20%** PER FINISHED PRODUCT UNIT PER KM



**-60%**<sup>(1)</sup>

TARGET 2020

WE WILL **REDUCE WASTE BY 60%** PER FINISHED PRODUCT UNIT

# 3/ CONSUMING sustainably

*“In 2020, we will communicate the environmental and social profile of our products, in every country, so that consumers are able to judge for themselves and thus make enlightened consumption choices. We want the environmental and social performance of a product to become a factor that is just as crucial as its quality, efficacy and safety.” J.-P. Agon*

COMMITMENT

■ By 2020, we will empower every L'Oréal consumer to make sustainable consumption choices.

**65%**<sup>(3)</sup>

**of consumers say :**

“I HAVE A RESPONSIBILITY TO PURCHASE PRODUCTS THAT ARE GOOD FOR THE ENVIRONMENT AND SOCIETY.”

(1) Period 2005-2020. (2) Period 2011-2020. (3) Source: Regeneration Roadmap Survey, 2012.



# 4/ SHARING our growth...

## ... with our employees

*“ We have a long history of social advances, particularly in our historic subsidiaries. Everyone should be able to benefit from them. We have devised a worldwide programme, called “Share & Care”, which will give all our employees access, wherever they live in the world, to a level of health care and social protection coverage which will put us amongst the top companies in all the countries in which we operate. ” J.-P. Agon*

### COMMITMENT

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

### EXAMPLE

■ For L'Oréal, it is fundamentally important that each woman, wherever she lives in the world, should have the possibility of taking maternity leave that is sufficiently long and fully paid.



Supplier of high-quality glass and plastic packaging in Belgium.

## ... with our suppliers

*“ We look on our suppliers as true partners in shared growth. In 2020, 100% of our strategic suppliers will take part in our sustainable development programme. All will be selected and evaluated on the basis of their societal and environmental performances. ” J.-P. Agon*

### COMMITMENT

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

**4,400**  
social audits  
AROUND THE WORLD  
SINCE 2006

## ... and with communities around us



Nut supplier in Brazil: THE BODY SHOP supports community fair trade by buying natural products from local producers.

*“ We want to share our prosperity through the involvement of economically vulnerable people. That means, in practice, providing long-term access to work and to an income for more than 100,000 people from communities in social or financial difficulty. ” J.-P. Agon*

### COMMITMENT

■ By 2020, we will enable more than 100,000 people from underprivileged communities to access work.



### EXAMPLE

■ L'Oréal has set up new models for micro-distribution, as in Brazil where many women in the favelas of Rio de Janeiro distribute the professional hairdressing brand MATRIX.

**“SHARING BEAUTY WITH ALL”: A PROJECT FOR SOCIETY**

*“Through these commitments, we are clearly placing our non-financial challenges at the same level as our financial targets, and so expressing our vision of the global performance of our company. This transition towards a new development model is fully in line with our strategy of universalisation. It is not just a company project. It is in fact a project for a better society, in which the company takes a new stance in relation to its consumers, to citizens, and to countries.*

*A new era is opening up ahead of us. It is another thrilling phase in the great L’Oréal adventure.*

*I would like to say to our shareholders: Thank you for your interest and your loyalty.”*

**Jean-Paul AGON**  
Chairman and CEO of L’Oréal

**Co-created commitments**

■ These commitments for 2020 are the result of 2 years of consultation, concerted discussion and co-construction with various stakeholders throughout the world, in particular through forums in the United States, South Africa, India, Brazil, France, China and Northern Europe. L’Oréal has met with more than 250 external organisations: including NGOs, associations and experts. The group will report regularly on the progress of each goal with the help of a panel of independent international experts.



**FOR FURTHER INFORMATION:**

■ Visit your digital magazine, L’Oréal Finance Mag, to find an article dedicated on this topic, an **interview with Alexandra Palt, Director Corporate Social Responsibility and Sustainability** of the L’Oréal group, as well as a video presenting the commitments for 2020.



■ Visit [www.loreal-finance.com](http://www.loreal-finance.com), to read the news release or download the booklet **“Sharing beauty with all”**.



■ If you would like to learn more about the corporate social responsibility and sustainability of your company, please visit [www.loreal.com/sharingbeautywithall](http://www.loreal.com/sharingbeautywithall)

