

L'Oréal takes sustainable palm oil sourcing one step beyond Sustainable development

Clichy, 14 June 2016 – L'Oréal unveils its first Palm Oil Progress report highlighting the latest results and innovations implemented for 100% responsible sourcing of palm oil and palm oil derivatives.

L'Oréal uses less than 400 tons of palm oil per year but purchases derivatives in a quantity equivalent to 60,000 tons of palm oil. L'Oréal's consumption remains low, representing 0.1% of worldwide palm production. Nevertheless the Group wants to be among the most responsible companies in the world and to lead by example on the issue of sustainable palm oil sourcing.

Since 2012 100% of L'Oréal's palm is certified through RSPO certification. But the challenge for a company like L'Oréal is the traceability of the supply chain of palm oil derivatives and how to improve the practices within this supply chain. L'Oréal pursues a threefold innovative approach.

1. Tracing back derivatives to make full transparency

L'Oréal goes one step further than RSPO certification, in order to ensure a deforestation-free and responsible palm production. Since 2014, L'Oréal deployed an unprecedented approach within the oleo-chemicals sector and started to map its entire supply chain and to trace derivatives back to their origin. **In 2015, L'Oréal achieved to trace back 80% of its derivatives up to the level of refineries, and 50% up to the mills.**

“This encouraging first outcome demonstrates that tracing back derivatives is feasible” said Alexandra Palt, L'Oréal Chief Sustainability Officer. *“By end of 2016, L'Oréal will have achieved 100% traceability, a first step to ensure compliance to Zero Deforestation among the concerned suppliers.”*

2. Supporting independent smallholders

L'Oréal is also committed to support independent smallholders, who face challenges such as deforestation and difficult living conditions. Through a multi-stakeholder partnership, L'Oréal helps to connect independent smallholders to the market demand for “Zero Deforestation” palm oil, fostering sustainable agricultural practices.

3. Driving change in the palm sector by transforming purchasing policies

L'Oréal created a “Sustainable Palm Index”. These new evaluation criteria for assessing palm derivatives suppliers are based on their commitments and achievements as regarding supply chain knowledge, sustainable sourcing practices and compliance with L'Oréal Zero Deforestation policy.

“By end 2016 L’Oréal will publish this new Sustainable Palm Index and make it available for all companies, business and partners of the palm sector. The aim is to support the effort of all stakeholders to commit to sustainable palm sourcing and achieve Zero deforestation” announced Alexandra Palt.

About L’Oréal

L’Oréal has devoted itself to beauty for over 105 years. With its unique international portfolio of 32 diverse and complementary brands, the Group generated sales amounting to 25.26 billion euros in 2015 and employs 82,900 people worldwide. As the world’s leading beauty company, L’Oréal is present across all distribution networks: mass market, department stores, pharmacies and drugstores, hair salons, travel retail, branded retail and e-commerce. Research and innovation, and a dedicated research team of 3,870 people, are at the core of L’Oréal’s strategy, working to meet beauty aspirations all over the world. L’Oréal’s sustainability commitment for 2020 “Sharing Beauty With All” sets out ambitious sustainable development objectives across the Group’s value chain. www.loreal.com