

25

Global brands

63,358

Employees

Over

130

countries

17,063

Million euros in consolidated sales

4.7

Billion units manufactured annually

560

Million euros in R&D investments



Titouan Lamazou photographs Halimé, a refugee at the UNHCR Camp at Goz Beida in Darfur, Chad.



Cover: Mounma from Mauritania is one of the 200 women to have captured Titouan Lamazou's attention. She works as a merchant between Nouakchott and Dakar. At a very young age she started to trade products between Mauritania and Senegal after leaving school. Extremely independent, she has since set up her own company. She now dreams of becoming a great merchant. A UNESCO Artist for Peace, Titouan Lamazou has captured the great humanity of women all over the world and revealed the variety of their beauty, reflecting the world's diversity.



WHAT IS L'ORÉAL?

L'Oréal is the global leader in cosmetics, with 25 global brands. We have five key areas of expertise—haircare, hair colourants, skincare, make-up and fragrances.

WHAT IS THIS REPORT?

This report is a concise summary of our more detailed 2007 Sustainable Development Report, which was published in June 2008. We produce this report to explain our efforts to improve our environmental, social and ethical performance to our stakeholders. We hope this shorter, simpler version will be more suitable for employees, students and consumers. The full 84-page report can be found both on our website and in hard copy. Both reports cover all of L'Oréal's operations over the year January-December 2007. A summary of our key achievements can be found on page 32.

PLEASE GET IN TOUCH!

If you have any ideas, questions, feedback, or would like to request a copy of the full version, please contact: sustainabledevelopment@loreal.com

L'ORÉAL
PROFESSIONNEL
PARIS

KÉRASTASE
PARIS

MATRIX

REDKEN
5TH AVENUE NYC

MIZANI

L'ORÉAL
PARIS

GARNIER

MAYBELLINE
NEW YORK

SOFTSHEEN-CARSON™

LANCÔME
PARIS

BIOThERM

HR
HEALTH RESEARCH

GIORGIO ARMANI
PARFUMS

DIESEL

RALPH LAUREN

cacharel

Kiehl's
SINCE 1851

shu uemura

VIKTOR&ROLF

VICHY
LABORATOIRES

LA ROCHE-POSAY
LABORATOIRE PHARMACEUTIQUE

innéov
nutricosmetics

SKINCEUTICALS

SANOFLORE
LABORATOIRE SPC

THE
BODY
SHOP

Our commitment to sustainable growth

“At the dawn of the 21st century, the world’s leading beauty company needs to be an authentic example in terms of sustainable development.”

OUR VISION

2007 has been a year of progress on the three objectives we set to ensure that L’Oréal is among the most exemplary companies of the 21st century.

The first priority is economic success, shared by all our employees, and to which they devote their talents, energy and commitment.

The second objective is to make L’Oréal a company where all employees thrive both personally and professionally, and where we are able to attract and retain the most talented individuals. We constantly strive to bring on board staff from different horizons, nationalities, ethnic origins and backgrounds.

The third is to ensure that as a company, L’Oréal is seen as a “global citizen”. At the dawn of the 21st century, the world’s leading beauty company needs to be an authentic example in terms of sustainable development.

OUR PROGRESS

- We were rated as one of the 100 most sustainable companies in the world by Innovest and Corporate Knights in January 2008.
- We were named as one of the world’s most ethical companies by *Ethisphere Magazine*.
- We appointed a worldwide Director of Ethics and launched our new *Code of Business Ethics*.

- We signed up to the French Union of Advertisers’ (UDA) *Charter on Responsible Communication* to promote the positive impact of responsible corporate communication on society.
- The L’Oréal Corporate Foundation was created to fund education, science and solidarity initiatives, with a budget of €40 million over five years.
- We continued to reduce the amount of waste, CO₂ emissions and water used, despite our growth.
- We committed to action on climate change by signing up to the Bali Communiqué, which called for a United Nations framework to tackle climate change. We also joined the Carbon Disclosure Project’s Supply Chain Leadership programme to work with suppliers on measuring their carbon emissions.
- We got a step closer to eliminating animal testing with the approval by the EU of the skin irritation test on our Episkin model, and by the creation of a complete reconstructed living skin model (RealSkin).
- Working together with our suppliers, we assessed 10% of our raw materials using our raw material Sustainability Assessment Framework.
- We set up a Natural and Organic Centre of Excellence to develop products, and integrated six raw materials resulting from fair trade into our portfolio.
- Over 1,400 managers attended a two-day training course on diversity during 2007.
- CSR Europe, the leading European business network for CSR, identified our Observatories of Diversity and Social Cohesion as good practice.



Jean-Paul Agon
Chief Executive Officer

Sir Lindsay Owen-Jones
Chairman

• We continue to monitor working conditions in our supply chain, with 585 social audits carried out at our suppliers' and subcontractors' factories.

Our achievements this year are testimony to the fact that our sustainability strategy is taking us in the right direction—but we know we have a lot further to go.

OUR TARGETS

In 2008, we plan to continue this progress, with targets including:

- reducing our total CO₂ emissions by 2%,
- reducing waste by 5%,
- sourcing all paper and board used in packaging from sustainably managed forests, ideally FSC-certified.

ANITA RODDICK

2007 was blighted by the untimely death of The Body Shop founder Dame Anita Roddick, who was quite simply extraordinary: inspired, visionary, very brave and extremely generous. We hope that Anita's vision of sustainable business will continue to motivate not only L'Oréal, but all companies and consumers around the world.

“ We constantly strive to bring on board staff from different horizons, nationalities, ethnic origins and backgrounds. ”



Sir Lindsay Owen-Jones
Chairman

Jean-Paul Agon
Chief Executive Officer

GOVERNANCE & ETHICS

At L'Oréal, we believe that lasting business success is built upon high ethical standards which guide growth, and on a genuine sense of responsibility to the community at large.

GOVERNANCE OF SUSTAINABILITY ISSUES

L'Oréal's progress on sustainability is driven by a Sustainable Development Steering Committee, and is chaired by Pierre Simoncelli, the Director of Sustainable Development. This Steering Committee reports to the Executive Committee for Sustainable Development, which is chaired by the Chief Executive Officer, Jean-Paul Agon and is responsible for overall, sustainability strategy and implementation.

The Sustainable Development Steering Committee is currently working on a number of different initiatives:

- raising awareness among employees of our sustainable development initiatives and performance,
- developing relationships with stakeholders, in particular, stronger relationships or partnerships with NGOs,
- further strengthening our work on diversity,

- incorporating sustainability principles into our business practices at all levels, for example our supply chain and raw material selection.

ETHICS

New Code of Business Ethics

L'Oréal released a new worldwide *Code of Business Ethics* in October 2007, which every member of staff received. Employees representing 22 nationalities were invited to attend International Advisory Panels to comment on the draft of the Code. The Code was then reviewed by 50 internal experts and reviewed by each Country Manager, Human Resources Manager and local legal counsel. We are proud that The Body Shop has since chosen to replace its existing code with the new L'Oréal *Code of Business Ethics*. The Code is available in 43 languages at www.loreal.com.

EXTERNAL RECOGNITION

L'Oréal's sustainable development initiatives were widely recognised during 2007:

→ Innovest and Corporate Knights rated L'Oréal as one of the 100 most sustainable companies in the world (January 2008).

→ We were named as one of the world's most ethical companies by *Ethisphere Magazine*.

→ We were ranked by Merrill Lynch as a carbon leader.

→ We continue to be members of the FTSE4Good, ASPI Eurozone and Ethibel sustainability indices.





Launch of the new Code of Business Ethics in the Netherlands. All employees throughout the world received a copy of the Code of Business Ethics.

Embedding the new Code of Business Ethics

Two new management competences have been integrated into L'Oréal's annual staff appraisal system: "leading with human sensitivity" and "achieving results with integrity". An ethics module is being included into all our "Discovery" induction programmes and in L'Oréal's Country Managers seminars.

Monitoring ethics

Country Reporting Ethics, an annual reporting system on ethical issues including prohibition of child and forced labour, discrimination, sexual and moral harassment and integrity, has been helping assess the group's performance since 2005. 2007 results showed an increase in communication and training on the Code of Business Ethics, in part due to the launch of the new Code.

▣ DID YOU KNOW?

We also have an Open Talk process where employees can raise genuine concerns via their management, Human Resources Manager or the Director of Ethics. Some countries also have specially appointed Ethics Correspondents, grievance procedures or helplines.

Our commitment to the global compact and human rights

L'Oréal has been a signatory of the United Nations Global Compact since June 2003 and is committed to supporting a set of core values in human rights, labour standards, the environment and anticorruption. Emmanuel Lulin, Director of Ethics is responsible for ensuring compliance with the Code of Business Ethics, including with regard to human rights. L'Oréal wants to help end the exploitation of children in the workplace and the use of forced labour. We have therefore chosen to set a minimum age of 16 for all our employees, and all departments are required to check the age of new recruits.

L'Oréal supports the fight against corruption and abides by the United Nations Convention against Corruption. The Code of Business Ethics covers issues such as bribery and facilitation payments, conflict of interests and gifts and entertainment. L'Oréal's Purchasing Code also addresses these issues.



ECONOMIC AFFAIRS

As an international business L'Oréal is committed to growth that creates more value for more people with a stake in our success. The values that underpin our core business will be crucial as we grow further.



2008 Annual General Meeting of the L'Oréal shareholders.

2007 KEY FIGURES IN € MILLIONS

17,063

Net sales

4,914

Cost of goods, materials and services purchased⁽¹⁾

5,127

Advertising and promotion

3,318

Total payroll and benefits

175

Interest on debt

860

Total corporate income taxes

726

Distribution to shareholders

560

R&D investments

(1) Including related personnel costs.

GROWTH AND INNOVATION

Growth was strong in 2007 across all Divisions, as they each won market share in their respective distribution channels. Our growth accelerated compared with 2006. In terms of innovation, our research teams made several major technological advances and set up two new laboratories. The first is for organic and natural cosmetics for our brands THE BODY SHOP and SANOFLORE, and the second is for instrumental cosmetics, to "seize upcoming trends" in this promising area.

A GROWING MARKET

2007 was also a strong year for external growth. After successfully integrating THE BODY SHOP, we started up the DIESEL fragrance business, and began to globalise SANOFLORE, our organic cosmetics brand. The world

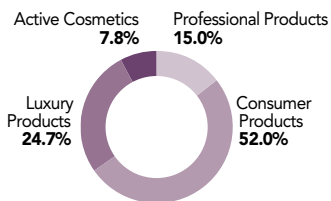
cosmetics market grew by +5% last year. Our share of this market rose substantially to 15.3%. Significant gains were made on all continents, particularly in emerging countries (such as Asia, Latin America and Eastern Europe), which became for the first time the largest market, on a par with Western Europe. Thanks to our diversified catalogue of brands and to the location of our research centres, we are perfectly placed to take advantage of these exceptional growth prospects.

The group's growth is never at the expense of a responsible attitude: by manufacturing locally as soon as is practical, we contribute to local economic development, applying the principles outlined in our *Code of Business Ethics*.

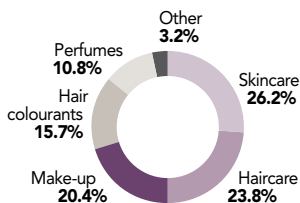
L'ORÉAL CREATES VALUE BY COMBINING OUR ENERGIES WITH A STRONG BUSINESS MODEL

COSMETICS BRANCH: 2007 CONSOLIDATED SALES

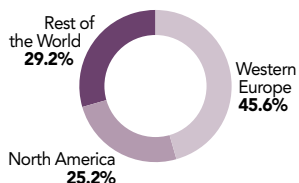
DIVISIONS WEIGHT



BUSINESS SEGMENTS WEIGHT



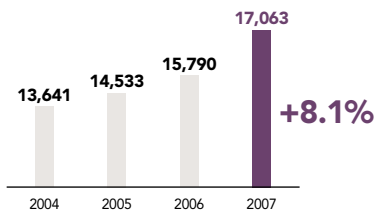
GEOGRAPHIC ZONES WEIGHT



GROUP PERFORMANCE OVER FOUR YEARS

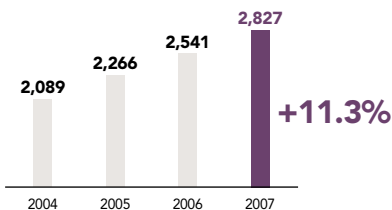
CONSOLIDATED SALES

(€ millions)



OPERATING PROFIT

(€ millions)



ENVIRONMENT, HEALTH & SAFETY

L'Oréal strives to reduce our environmental impact and resource use via greater eco-efficiency, and to maintain a safe and healthy workplace.



Zack Mansdorf, with SH&E team, inspecting the bamboo gardens planted at our new wastewater treatment site at our factory in Suzhou (China).

2007 KEY ACHIEVEMENTS

- Reduced energy per unit of finished product by 4% on last year.
- Reduced water consumption in factories by 6.8% per unit of finished product and overall by 2%.
- Reduced our CO₂ emissions by 5% from 2005 levels.
- Reduced our total sulphur dioxide (SO₂) emissions last year by 21.5%.
- Reduced our total emissions of volatile organic compounds (VOCs) by 1.1%.
- Reduced waste per unit of finished product by 9.7% from 2005 levels, exceeding our 5% target.
- Increased the proportion of our factories and warehouses sending zero waste to landfill from 44% to 54%.
- Increased the proportion of waste recovered, re-used or recycled from 91.2% in 2006 to 94.9% in 2007.

ENVIRONMENT

Our performance

We had another exceptional year of environmental performance in 2007, exceeding most of our targets. We also managed to make absolute reductions in water use and carbon dioxide emissions (CO₂) despite a 5.3% growth in the number of products manufactured.

We regret missing our target for regulated waste for factories: the improvement was 8.5% compared to the 10% target. However, our overall waste goal was achieved. In Safety, our performance was disappointing in that we did not continue the level of improvement of previous years.

Governance

Overall responsibility for environment, health and safety issues at L'Oréal rests with the Managing Director of the Operations. Reporting to him, Zack Mansdorf runs the SH&E Department with the help of SH&E managers within zones, divisions and at sites. The SH&E Department works closely with the Sustainable Development Director and Steering Committee.

▣ DID YOU KNOW?

We achieved a 10% reduction in energy from 2005 levels per unit of finished product, well exceeding our goal of 2%.

Energy use and CO₂ emissions

L'Oréal is working to reduce our energy consumption, as this makes sense financially as well as environmentally. Our greenhouse gas emissions are mainly CO₂ from the use of fossil fuels to generate steam in factories and to heat our buildings. In addition, CO₂ is indirectly generated through our electricity use, by the transportation of our products and from other aspects of the supply chain. We are continuing to reduce our dependence on oil, with just 4% used in energy consumption in factories and warehouses. The rest comes from electricity (47%) and gas (49%). We use gas where possible since it is a cleaner fuel than oil.

We have achieved a significant drop in total energy use since 2003, even though production has increased significantly. This greater eco-efficiency is a result of



L'ORÉAL SH&E AWARDS

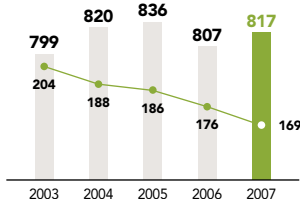
The SH&E awards are in-house prizes designed to motivate employees to contribute to environmental protection, improve risk management and promote sustainable development. In 2007 the winners were:

- **SH&E excellence:** Piscataway factory, New Jersey (United States), with more than 4.5 million hours (three years) without a single lost time accident.
- **SH&E excellence in distribution centres:** the Deluxe Products distribution centre in Saint-Quentin (France) for its zero accident record as well as significant improvement in their environmental performance.
- **Best safety initiative:** Gauchy fragrances factory (France), for their innovative programme in safety culture called, "555, The Prevention Reflex".
- **Best environment initiative:** Rio de Janeiro factory (Brazil) for their composting project.
- **Best SH&E initiative:** our Manchester warehouse (United Kingdom) for their employee programme (EHAP) in risk recognition and awareness.
- **Best Community Relations:** Cranbury warehouse, New Jersey (United States) for their programme on cancer awareness.

projects such as installing more efficient boilers and lighting, recovery of waste water heat and installation of solar power. Where we think our energy use has

TOTAL ENERGY USE

(factories and warehouses)



-17%

energy use
(Per unit of finished product)

■ Millions of kWh
● kWh per 1,000 finished products

1kWh=0.0036GJ. Data for equivalent kWh/T of bulk are 1,145 for 2005, 1,065 for 2006 and 1,054 for 2007.

been cut as much as possible, we are investigating more complex measures and/or renewable energy sources.

Climate change strategy

We are committed to reducing our impact on climate change, and we have decreased our CO₂ emissions by 5% since 2005 despite the growth in our business. We have also initiated work on raw materials, packaging, travel, transportation and product use and disposal. Over the last year L'Oréal has been working to analyse its carbon footprint at each stage of the manufacturing process. Work is ongoing in this area.

📌 DID YOU KNOW?

We use natural gas, a cleaner alternative to oil, in 33 of our 40 factories and approximately 60 of our 65 warehouses.

Green energy

L'Oréal's green energy projects include:

- a new bio-methane plant being built at our Libramont factory in Belgium, will provide 80% of its energy needs from renewable crops rather than fossil fuels,
- a solar water heating system installed in 2006 at our factory in Pune (India), with further capacity planned,
- solar panels to heat water and generate electricity at our Karlsruhe factory (Germany).

During 2008 we will look at the feasibility of other projects such as geothermal energy in Spain, and the use of bio-methane generated from our wastewater treatment operations.

New Sustainable Buildings Policy

We developed a new Sustainable Buildings Policy in 2007 which applies to all L'Oréal facilities worldwide. From now on all new buildings must meet certain standards on site selection, energy reduction, use of green or renewable energy and materials, conservation of water, quality of the interior spaces (user comfort) and innovation.

Transport

Our initiatives to reduce employee travel and encourage use of more environmentally friendly journeys include:

- installing state of the art video conferencing centres in all of our major operations,
- encouraging rail travel instead of air travel wherever available,
- incentivising low emission, high fuel efficiency vehicles. Our French headquarters provides an economic incentive for fleet cars producing less than 160g/km,
- providing preferential parking for ride share (car pool) vehicles and hybrids at many of our sites.

Water

We recognise the critical importance of water conservation and we are pleased to report that we far exceeded our goal last year of a 2% reduction based on 2005 (we achieved 9.5%). Water is mainly used in our manufacturing operations and since 2003, a special programme focussed on reducing water consumption has included the development of new cleaning technologies as well as the identification and reduction of water losses. For many years now machine-cooling water has been recycled and re-used to reduce water consumption.

REDUCING WATER AT AULNAY

→ Our Aulnay factory (France) has one of the lowest rates of water consumption of all our factories. In 2007 we cut consumption by 15,000m³, a reduction per finished product from 0.47 litre in 2006 to 0.39 litre in 2007.

This was thanks to highly motivated employees, who worked hard to optimise washing cycles, reduce water lost in cooling and reducing the water used by equipment including the ozone analyser. This reduction was particularly admirable as Aulnay was already one of the most efficient factories in terms of water consumption.





Solar water heating panels, Pune factory (India).

Waste

L'Oréal has an ambitious goal to send zero waste to landfill from our factories and warehouses. In 2007, 54% of our sites met this target. We achieved an overall recovery rate of 95% by re-using 37% of our waste, recycling 35% and incinerating 23% to generate heat. We believe this makes us a global leader in this area. We improved our eco-efficiency this year by using less packaging, and by encouraging the use of more returnable packaging (packaging that is re-used a number of times rather than discarded).

The Suzhou factory (China) achieved 100% recovery of waste (up from 83% in 2006) by encouraging 26 of its suppliers to re-use shipping cases and by providing training on waste classification and paper saving.

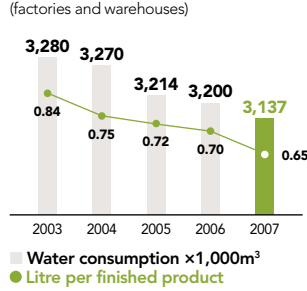
■ DID YOU KNOW?

Our Rio factory set up the state's first composting facility, which is now used by many other companies in the region. We have sent 38 tonnes of waste to be composted so far.

TOTAL CO₂ EMISSIONS



WATER CONSUMPTION



Equivalent water use as cubic meters per tonne of bulk was 4.4 for 2005, 4.2 for 2006 and 4.1 for 2007.

WASTE



Equivalent grams of waste per tonne of bulk product (g/T of bulk product) were 0.20 for 2005, 0.19 for 2006 and 0.19 for 2007.



Re-usable containers for our mascara packaging components in Ormes factory (France).

PACKAGING—A NECESSARY EVIL

Since the 1990s, L'Oréal has had a proactive policy to ensure that our packaging has minimal impact on the environment, and our policy is based on three principles: Respect, Reduce, Replace. When designing packaging, we try to:

- reduce the amount of raw materials used,
- facilitate recycling by:
 - reducing the variety of materials involved,
 - labelling products with details of the components and their recyclability,
- continually involve our packaging suppliers in our efforts.

In 2007, L'Oréal introduced a target for all paper and board used in packaging to come from sustainably managed forests, ideally FSC-certified, by the end of 2008.

☑ DID YOU KNOW?

A handful of the group's brands, **THE BODY SHOP** and **KIEHL'S** for example, are already using bottles made from 100% recycled plastic.

Measuring the environmental footprint of packaging

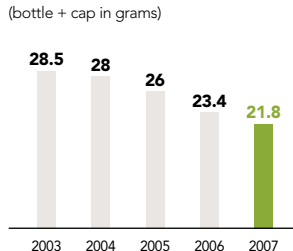
Eco-designs to reduce the environmental impact of packaging are considered at every stage of the product lifecycle. Our initial studies have shown that manufacturing of the material is the stage that has the most impact, which supports L'Oréal's policy of reducing the amount of material used and replacing certain substances with less harmful alternatives.

REDUCING PLASTIC—WEIGHT OF FRUCTIS SHAMPOO BOTTLE

1996		2005		2007	
Bottle	24g	Bottle	20g	Bottle	18.5g
Cap	4.5g	Cap	3.4g	Cap	3.3g



WEIGHT CHANGE OF FRUCTIS PACKAGING (bottle + cap in grams)





Training session of L'Oréal firemen, Rio factory (Brazil).

HEALTH AND SAFETY

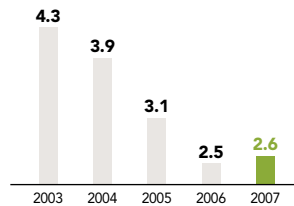
We are committed to a safe and healthy workplace at L'Oréal and have dramatically reduced our lost time injury rates over the last five years by more than 39.5%. However, we are disappointed to report that after more than 10 years of continuous improvement our performance has stalled over the last year.

We have initiated a number of new approaches to re-energise our efforts to reduce our injuries and accidents:

- we have widened the scope of our data collection on accidents,
- we have launched "safety culture" surveys at many of our sites and included safety culture programmes in our plans for 2008,
- we are implementing a more comprehensive training approach for all L'Oréal employees on the expectations and responsibilities for management and workers on safety.

We believe these and other initiatives along with strong senior level management support will lead to a return to improvement in this area. Our ultimate goal is to eliminate all accidents.

LOST TIME INJURY RATE (factories and warehouses)



The actual values (without rounding) are 2.53 for 2006 and 2.55 for 2007.

2008 TARGETS

- Reduce energy use by 5% per finished product*.
- Reduce total CO₂ emissions by 2%*.
- Reduce factory water use by 3% per finished product*.
- Reduce waste by 5%* (excluding returnable packaging).
- Achieve an "enlarged frequency rate" (our new and more comprehensive KPI) of lost time accidents and restricted work cases of 4 per million hours worked or less.
- All paper and board used in packaging from sustainably managed forests, ideally FSC-certified, by the end of 2008.

*Compared to 2007

RESEARCH & DEVELOPMENT

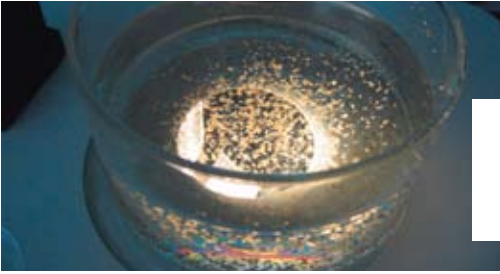
L'Oréal is committed to promoting sustainable innovation by integrating principles of sustainability into our R&D processes and activities.



L'Oréal Research teams are responsible for the development of a product from the selection of raw materials to the manufacturing process.

2007 KEY ACHIEVEMENTS

- 576 patents registered.
- €560 million invested in R&D.
- 10% of raw materials evaluated under our Sustainability Assessment Framework.
- Raw materials assessment on persistence, bio-accumulation and toxicity 95% complete.
- 90% of relevant plant species assessed for impacts on biodiversity.
- 20% of Advanced Research budget invested in tissue engineering to develop reconstructed skin for alternatives to animal testing.



Daphnia are micro-crustaceans used for the ecotoxicity assessment of cosmetic products, together with unicellular algae and Mekada fish eggs.

SUSTAINABILITY PRINCIPLES IN PRACTICE

We believe in:

- Guaranteeing that ingredients are harmless to humans and the environment by:
 - enabling the safe handling of raw materials,
 - assessing, from the design stage, the safety of raw materials and formulas.
- Increasing the proportion of raw materials derived from renewable plant resources,
- Continuing to develop alternatives to animal testing.
- Helping suppliers to take account of sustainable development.
- Assessing the sourcing and processing of ingredients against sustainability criteria.
- Protecting biodiversity.
- Assessing the ecological impact of our most commonly used ingredients.

▣ DID YOU KNOW?

In 2007, L'Oréal created a new Natural and Organic Centre of Excellence to find ways to integrate more natural ingredients into our products.

- Working to ensure that our demand for raw materials supports local and regional development.
- Safeguarding the interests of local populations by:
 - ensuring their access to natural resources,
 - acknowledging their traditional skills and know-how,
 - making sure they receive a fair return.
- Engaging in open dialogue with stakeholders.

In 2007, L'Oréal's laboratories introduced 6 ingredients sourced from fair trade projects:

- Argan oil from Morocco's Targanine Cooperative.
- Sesame oil from Nicaragua's ECJFPS Cooperative.
- Cane sugar from Paraguay's Montillo Cooperative.
- Olive oil from Italy's Nuovo Cilento Cooperative.
- Cocoa butter from Ghana's Kuapa Kokoo Cooperative.
- Soya oil from Brazil's Capanema Farmers Cooperative.

The Sustainability Assessment Framework for raw materials

This is an effective tool for assessing suppliers' understanding of the social and environmental impacts of the ingredients they sell us. The tool analyses 25 criteria including effects on biodiversity and social impacts. In 2007 10% of raw materials were assessed under this Framework. ■





The test on Episkin “predicts the potential skin irritation of chemical substances with great reliability and accuracy and could therefore replace tests on animals”, according to ECVAM, the relevant EU authority. ■

- We have an “**environmental impact**” indicator, which measures the impact of the ingredient in terms of persistence, bioaccumulation and toxicity.
- Our **plant assessments** determine the impact of ingredient use on biodiversity. At the end of 2007 90% of plant species had been assessed.
- We use **product life cycle analysis** to evaluate the ecological footprint of a product.
- Our “**naturalness**” index indicates the origin of an ingredient and the degree of transformation it undergoes from its natural state.

▣ DID YOU KNOW?

We have over 100 scientists working on developing alternative methods to animal testing, including those using reconstructed skin.

ASSESSING THE ENVIRONMENTAL AND SOCIAL IMPACTS OF OUR INGREDIENTS

L'Oréal uses a number of tools to try to ensure our ingredients do not damage the environment or have adverse social impacts.

For example:

- Our **Sustainability Assessment Framework** for ingredients is designed to enable our suppliers to evaluate the overall impact of their ingredients. So, if by buying a certain ingredient we are contributing to deforestation, abuse of human rights or local communities are not benefiting appropriately, we will work with suppliers to resolve the issue.

ALTERNATIVES TO ANIMAL TESTING

Recent changes to the European Cosmetic Directive mean that:

- there will be a ban on testing ingredients on animals from 2009,
- there will be a ban on selling cosmetics containing raw materials tested on animals as from 2009 for most tests, and from 2013 for the most complex tests.

In 1989 L'Oréal ended all animal testing on our finished products prior to their launch on the market, and has invested heavily since in alternative methods. Our Advanced Research team has developed Episkin and SkinEthic, which are reconstructed skin

▣ 2007 KEY FIGURES

€4.2bn

invested in R&D
in ten years

+7,000

new formulae
each year

1/4

of the R&D budget
invested in
Advanced Research

16

R&D centres



Using a methodology patented by L'Oréal, research scientists have measured the skin colour of nearly 3,500 women throughout the world. They have thus defined 63 distinct shades.

and tissue models, to use as alternatives to animal testing. Since 2006, all skin and eye irritation tests for L'Oréal's raw materials have been assessed on these new models. In 2007 we achieved a significant break through when EU authorities announced that L'Oréal's Episkin model could be used as an alternative to animal testing.

CONSUMER SAFETY

For L'Oréal, consumer safety is the highest priority, and the group does not compromise on this issue. We keenly monitor all scientific research, and if evidence showed an ingredient to be harmful, we would remove it from our products.

In 2007 we phased out the use of diethylphthalate (DEP) used to denature alcohol, and by the end of 2008, our products will no longer contain triclosan. We also carried out detailed chemical analysis of the heavy metals in our formulae, and found any accidental traces to be at least ten times lower than those accepted in the food processing industry.

More detail on our position on parabens, phthalates, musk ketones, sun screens, nanotechnologies and genetically modified organisms can be found on page 37-38 of the main Sustainable Development Report.

80

scientific communications and publications each year

3,095

employees, bringing together 60 nationalities and 30 disciplines

100

active scientific partnerships worldwide

SOCIAL AFFAIRS

L'Oréal aims to promote the self-fulfilment of our employees within a multicultural, stimulating community that is rich in diversity and talent, to which all individuals contribute their creativity and enthusiasm.



Developing products and sharing know-how at a L'Oréal product meeting, in Paris (France).

2007 KEY ACHIEVEMENTS

→ The Pulse employee opinion survey was conducted in 14 countries covering more than 28,000 employees.

→ 73% of managers and 58% of all employees took part in a formal training course⁽¹⁾.
→ CSR Europe singled out L'Oréal's Observatories of Diversity and Social Cohesion as good practice.

→ 2007 was Apprenticeship Year at L'Oréal in France with 479 apprentices employed (4% of its workforce).
→ €203 million of profit was shared globally, up 11.8% from 2006.

(1) Percentages based on 2007 training programmes vs headcount at 12.31.2007.

L'Oréal believes that employee development is a fundamental driver of economic performance. Opportunities generated by the group's growth allow L'Oréal to support the development of all of our employees, to effectively manage changes in organisation, and to attract the most talented individuals to ensure future success.

EMPLOYEE OPINION SURVEY

In 2007, more than 28,000 employees in 14 countries took part in PULSE, our employee opinion survey. The PULSE 2007 results showed strong employee commitment to the company, its values and strategy. Career development and the circulation of information within departments were areas highlighted for improvement. Working groups have been set up in each country to identify and implement improvement plans.

DIVERSITY

At L'Oréal, we strongly believe that diversity is a source of creativity, growth and performance. Our aim is to reflect the diversity both of our consumers and our catchment areas, in our teams and at all levels, particularly in terms of nationality, ethnic and social origins, disability, gender and age.

By promoting the respect and value of difference, the group establishes itself as a global corporate citizen and a preferred employer.

To promote diversity in 2007, we:

- Initiated the European "Mainstreaming Diversity" Laboratory in partnership with CSR Europe and the French association "IMS-Entreprendre pour la Cité";
- Created a Diversity and Performance Chair at the ESSEC business school in Paris to develop expertise in the area;

UNDERSTANDING EMPLOYEE OPINION - THE UK

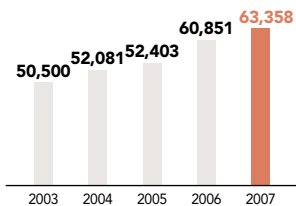
In 2006, the London office employee opinion survey revealed positive feedback about the dynamic buzz and fast pace of the business, the great people and excellent training and development opportunities. However, employees were less happy about meeting management, IT systems and frequent requests for last minute information. As a result, an action plan was set up. A "meetings charter" was initiated to improve the efficiency of meetings. Several IT improvements were made, including greater availability of hardware and internet access speed. In addition, a marketing intranet portal was established, eliminating the need for last minute requests for information. Other initiatives included a summer work pattern, new services to make life easier (massage, manicures, dry cleaning at the office), the introduction of a Family Day, and a new maternity policy.

- Actively contributed to the 'European Year of Equal Opportunities' through other initiatives in several European countries.

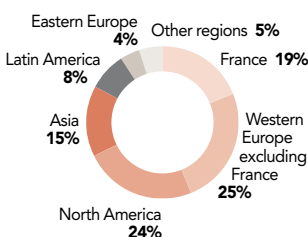
DID YOU KNOW?

1,409 managers have now attended the 2 day course on diversity training set up in 2006. Our target is to train 8,000 managers by the end of 2009.

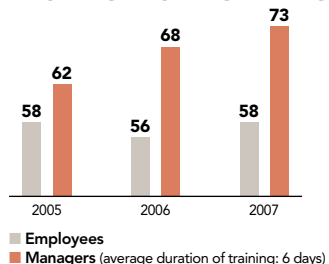
WORKFORCE
(including The Body Shop and Galderma)



GEOGRAPHIC DISTRIBUTION OF WORKFORCE IN 2007



PERCENTAGE RECEIVING TRAINING





In China, the minimum salary applied at L'Oréal is 18% higher than the national minimum salary.

RECRUITMENT

Attracting and retaining talented people is an essential and major activity. In 2007 we received 712,400 job applications, carried out 53,980 interviews and recruited 2,566 managers, 10% more than in 2006. We place a strong emphasis on diversity in our recruitment. For example in the US, 32% of managers recruited in 2007 were from minorities, up from 24% in 2006.

☑ DID YOU KNOW?

- Women now represent 35% of management committees;
- There are 113 different nationalities among managerial staff;
- 61% of management committee members are non-French and 27% work outside of their native country.

SKILLS DEVELOPMENT

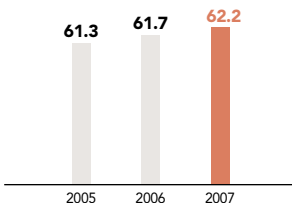
We aim to offer all our employees high quality training and tailored career development. In 2007, 73% of managers and 58% of all employees received formal training. Training accounted for 2.6% of the total gross salary cost.

2007 was Apprenticeship Year at L'Oréal in France. 479 apprentices worked for the French operation, making up 4% of its workforce.

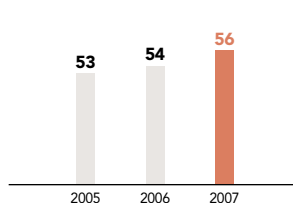
REWARDING POLICY

Our compensation package is designed to be highly competitive to attract and retain talented individuals. Almost all our subsidiaries carry out compensation surveys every year.

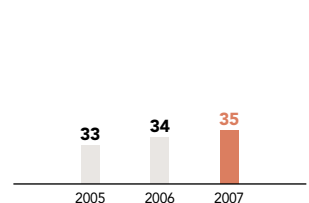
% WOMEN



% FEMALE MANAGERIAL STAFF



% FEMALE MANAGEMENT COMMITTEE MEMBERS



In France a Profit Sharing system has been in place since 1988. Since 2001 a Worldwide Profit Sharing Plan was gradually implemented in all the other subsidiaries, so that all employees can benefit from their local business results. In 2007, €203 million of profits were shared amongst employees, up 12% from 2006. Benefit programmes to protect employees and their families are in place to complete, where necessary, local social security and mandatory programmes.

DID YOU KNOW?

L'Oréal France has a target to increase the proportion of disabled employees working directly or indirectly for the company to 6% by 2010.

SOCIAL DIALOGUE

At L'Oréal, social dialogue is based on an open and participative approach, following our principles of trust and respect. These principles are applied through a direct dialogue with our employees including in those countries where formal employees' representatives are not in place.

Over 24,670 employees are covered by our European Works Council, the Instance Européenne de Dialogue Social (IEDS), across 23 countries. In 2007, 614 employee representatives in France and 366 employee representatives outside France ensured partnership between management and employees.

WORKING CONDITIONS

Keeping our employees healthy is always a priority for L'Oréal. We do this by implementing preventative measures to ensure working does not cause occupational ill-health.

MOST POPULAR EMPLOYERS⁽¹⁾

1. McKinsey & Company
2. The Boston Consulting Group
3. L'Oréal
4. Google
5. Goldman Sachs

(1) Survey by the Universum Institute.



**SOUTH AFRICA
HIV/AIDS programme**

L'Oréal South Africa launched its HIV/AIDS programme for its staff and their families at the end of 2005. Today 32 people are registered in the programme providing free medicine. We set up a peer-to-peer educators' network of 12 fully trained L'Oréal South Africa employees, and hold quarterly information sessions, which have contributed to programme awareness and better education about HIV/AIDS and sexually transmitted infections.

During 2007, 54% of staff underwent voluntary testing for HIV. Another Wellness Day with free testing and counselling will be organised in July 2008. ■

SUPPLIER RELATIONS

L'Oréal is committed to building long-term partnerships with suppliers, based on mutual respect, transparency and sharing of information, strong communication and high standards.



L'Oréal buyer with our supplier Pochet (France) who provides us with glass bottles for our fragrances.

2007 KEY ACHIEVEMENTS

- Carrying out 585 independent audits on labour standards at our suppliers, subcontractors and traders' production sites.
- Working with stakeholders to develop a simplified Code of Conduct and labour standards toolbox.
- Holding our annual supplier forum on the subject of diversity. Over 100 suppliers took part in the day long L'Oréal "Together for Diversity" convention, together with several institutions and NGOs specialising in diversity.
- Joining the Carbon Disclosure Project's programme to encourage supplier disclosure on carbon emissions.



L'Oréal Supplier Convention on Diversity.
L'Oréal Managing Director of Operations launches the event with the Human Resources Diversity Worldwide Manager.

Our 40 factories and 65 warehouses manufacture and distribute products around the world and are at the centre of a complex supply chain. This includes packaging, ingredients, industrial equipment, promotional items and indirect purchasing. We manufacture the vast majority of our own products, with only 6% being made by other companies.

L'ORÉAL'S "PURCHASING CODE OF ETHICS"

The Purchasing Department integrates L'Oréal's fundamental values in all its dealing with suppliers. All buyers are notified of our commitment when they take on their position via the *Purchasing Code of Ethics*, and undertake to respect all items in this Code. In 2008, an updated version will be disseminated to our buyers.

PARTNERSHIP WITH THE CARBON DISCLOSURE PROJECT (CDP)

→ In October 2007 L'Oréal joined the CDP's Supply Chain Leadership Collaboration (SCLC) project to encourage suppliers to measure and manage their carbon emissions. The SCLC sent a questionnaire to a pilot group of our suppliers to find out information on their emissions, climate strategy and associated risks and opportunities. The results of the pilot survey will help us to prepare for a wider roll out, and will help customers and suppliers to reduce their carbon footprint.

L'ORÉAL SUPPLY CHAIN

PURCHASING - SUPPLY

Suppliers

- Raw materials
- Packaging
- Industrial equipment
- Indirect purchasing (overheads)
- Promotional items

MANUFACTURING

L'Oréal factories (40)

- 94% of the finished goods

Subcontractors

- 6% of the finished goods

DISTRIBUTION

L'Oréal warehouses (65)

SALES

Stores

- Supermarkets
- Perfume shops
- Department stores
- Etc.

L'Oréal external L'Oréal internal

UPHOLDING LABOUR STANDARDS IN SUPPLIER FACTORIES

L'Oréal does its utmost to ensure that its suppliers respect labour standards, notably the International Labour Organisation (ILO) conventions, and has strengthened this commitment through a methodology aimed at monitoring our community of suppliers and subcontractors.

L'Oréal asks our suppliers to sign a letter of ethical commitment, which sets out the labour standards we expect and explains our requirement for independent audits. We sent this to a further 3,000 suppliers this year. In cases of non-compliance the required corrective actions are presented to our suppliers and implementation of the corrective action plans is followed by our buyers. Our emphasis is as much on compliance with our standards as on the ability and the willingness of the supplier to engage in corrective action.

All subcontractors are audited wherever they operate, as well as all suppliers of packaging and raw materials in countries we have identified as "at risk": a list drawn up with the help of our independent auditors Intertek and SGS.

We also sent 600 audit feedback forms to suppliers

to help improve our audit process. 30% of suppliers responded, 90% of whom were happy with our audit process.

INTERNAL COMMUNICATION

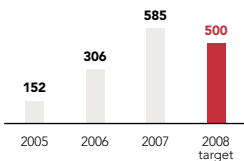
In 2007, L'Oréal again held several internal events to raise awareness of our policy on labour standards, attended by our international quality, development and packaging teams, factory managers, administrative and operations managers and technical managers. In addition, two presentations were made to our Executive Committee on the work on labour standards audits.

☑ DID YOU KNOW?

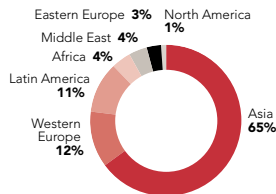
In 2007, we carried out 585 audits of working conditions at our suppliers' factories, comfortably exceeding our aim of 200. By the end of 2008, we hope to have audited the vast majority of our suppliers.

We also trained more than 100 of our main suppliers in China on our labour standards requirements in capacity building workshops.

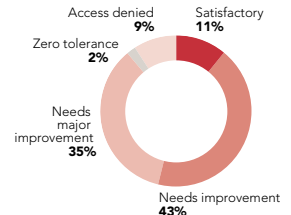
NUMBER OF AUDITS CARRIED OUT



DISTRIBUTION OF AUDITS BY GEOGRAPHICAL AREA



AUDITS RESULT 2007





Capacity building workshop with our Chinese suppliers on Health & Safety and new labour regulations.

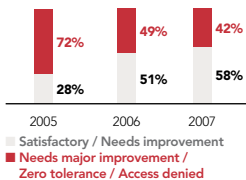
L'ORÉAL SUPPLIER CODE OF CONDUCT AND TOOLBOX

L'Oréal believes we should help our suppliers and their own supply chain by providing tools to help implement our labour standards. In 2007, we held workshops with NGOs, other key stakeholders and L'Oréal departments to build a new type of Code of Conduct. This will set out our main requirements in simple terms, and also provides tools for self-training and case studies of best practice and failures. The final release is scheduled for October 2009.

2008 OBJECTIVES

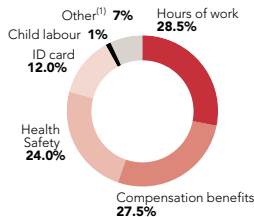
- Continue work to develop a L'Oréal *Supplier Code of Conduct*, for release in 2009.
- Issue an updated version of L'Oréal *Purchasing Code of Ethics*.
- Work with other companies on supply chain initiatives.
- Hold further capacity building workshops for suppliers on labour standards and SH&E.
- Continue work researching the root causes of supplier non-compliance with our labour standards.
- Encourage environmental innovations by suppliers.

AUDITS RESULTS BY CATEGORY

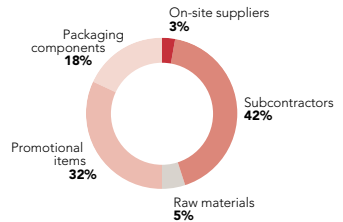


(1) Other including: forced compulsory labour (2.7%), disciplinary practices (1.7%), harassment and abus (0.9%), non-discrimination (0.9%), job subcontracting (0.8%).

MAIN NON-CONFORMITIES



DISTRIBUTION OF AUDITS CARRIED OUT BY THE PURCHASING TEAM



CONSUMER RELATIONS

L'Oréal aims to provide excellent service and advice to our consumers, and to market our products responsibly.



Consumer Advisory Department, Saint-Ouen (France).

2007 KEY ACHIEVEMENTS

- We handled worldwide in excess of 1 million consumer contacts in 2007.
- 82% of our total contacts are by telephone, 15% by email and 3% by letter.
- North America and Canada combined account for half of our total contacts.
- Around 70% of all contacts relate to enquiries or advice, and 30% to a complaint.



Consumer Advisory Departments.
Left: Johannesburg (South Africa).
Right: Rio de Janeiro (Brazil).

L'Oréal is committed to excellence as a service industry. We realise the value of offering a pre- and after-sales service to our consumers and the importance of getting closer to the people who buy our products. It is also necessary to feed consumer comments back into our business in order to understand their demands and improve our products accordingly.

CONSUMER ADVISORY DEPARTMENTS

We aim to have a Consumer Advisory Department in each country or zone, staffed by highly trained individuals who are experts in haircare, skincare, make-up and communication. Our Consumer Advisory Departments advise and receive feedback, which we then use to build value into our products.

As a new step in fulfilling our commitment to our consumers, L'Oréal has recently appointed a Director of International Consumer Affairs. This position will help us to achieve our aim of providing the best advice, support and education to our consumers.

CONSUMER CONCERNS

In 2007 we carried out a survey of what environment/sustainability-related issues were raised by consumers. Analysis showed that, in the 33 countries that participated in the survey, the large majority of questions were on ingredients (85%). Enquiries about our animal testing policy represented 11% of the total, with environmental and ethical enquiries at only 2% each.

RESPONSIBLE MARKETING AND ADVERTISING

L'Oréal is committed to ensuring that our marketing and advertising is responsible, and based on our products' actual characteristics and performance. We follow three policies which outline our standards in these areas. As well our Business Code of Ethics and Internal Control policy, in 2007 we signed up to the French Union of Advertisers' (UDA) Charter on Responsible Communication. This Charter commits us to ensuring that all external communication conforms to internal codes of responsible communication, and to having an internal process to validating communications prior to public disclosure.

PRODUCT SAFETY

The International Safety Assessment Department evaluates the safety of formulas and products prior to their launch on the market. Our "Post-Marketing Surveillance" network is then used to rapidly detect slight signs of intolerance to any one of the products, allowing the company to immediately take corrective action. L'Oréal has taken steps to phase out use of certain chemicals that are of concern to consumers, even when in many cases scientific evidence shows that they are safe.

▣ DID YOU KNOW?

We have nearly 300 specialist Consumer Advisers in more than 50 countries.

COMMUNITY AFFAIRS

L'Oréal is committed to being a good corporate citizen, promoting women in science, community solidarity and educational opportunity. In every country that we do business we support charities and projects that contribute to the community at large.



L'Oréal supports and participates in the "Look Good... Feel Better" programme, which helps women deal with appearance-related changes from cancer treatment.

2007 KEY ACHIEVEMENTS

- Creation of the L'Oréal Corporate Foundation.
- Extension of the UNESCO L'Oréal "For Women in Science" national fellowship programme to 35 countries (from 20 in 2006), notably in France with the award of the first 10 fellowships.
- Extension of the "Hairdressers against Aids" programme to a further 12 countries.
- Sponsorship of the *Femmes du Monde (Women of the World)* exhibition by Titouan Lamazou at the Musée de l'Homme, Paris, which celebrated the cultural diversity of women.

CREATION OF THE L'ORÉAL FOUNDATION

The L'Oréal Corporate Foundation was launched in October 2007 to encourage education, promote scientific research and help vulnerable people. The Foundation focuses in particular on women, supporting projects that emphasise their diversity and help to promote them. To fulfil its mission, the Foundation has a budget of €40 million over five years. As proof of its transparency and good practice, a third of the Board of Directors come from outside L'Oréal. Initiatives supported by the Foundation in the following include:

PROMOTING SCIENTIFIC RESEARCH

For Women in Science

Because we know that women today are under-represented at the highest levels of science, in 1998 we joined forces with UNESCO to promote women in scientific research by creating the "For Women in Science" programme. To date, 47 international awards of \$100,000 and 105 fellowships of \$40,000 had been awarded to women scientists all over the world. In 2007, we started National Fellowship programmes in a further 15 countries.

PROMOTING LEARNING THROUGH EDUCATION

• The L'Oréal "Hairdressers Against Aids" programme, launched in partnership with UNESCO in 2005, promotes awareness of HIV through the regular training we provide to our global network of hairdressers. This year the programme was expanded to include 12 more countries.

EVALUATION AND MEASUREMENT

over
€17M

L'Oréal's total investment in philanthropy in 2007.

• **Mentorship programme** – 1,500 mentor partnerships were formed in 2007 with students from the top Paris area universities.

HELPING VULNERABLE PEOPLE

• **Samusocial Shelter** – in 2007, the Foundation helped to set up the Samusocial "Maison des Femmes" shelter in Montrouge.

• **"Restaurants du Cœur"** – this year L'Oréal has donated 50,000 kits containing essential hygiene and beauty products to this charity.

• **Look Good... Feel Better** – now active in 16 countries, this industry initiative helps women by offering skincare and make up lessons to chemotherapy patients.

OTHER INITIATIVES

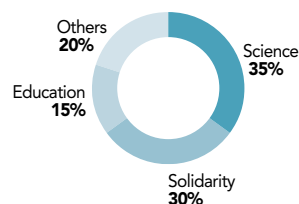
• **Nicholas Hulot Foundation** – in 2007 L'Oréal participated to the "Défi pour la Terre" (*Challenge for the Earth*) programme, to raise the awareness amongst our 11,000 employees in France of environmental and climate change issues.

• **Planete Urgence** – During the last three years 29 members of our staff volunteered to work with this French NGO on various humanitarian missions in Africa and South America to help local populations in their development efforts.

📌 DID YOU KNOW?

"For Women in Science" is one of the most active scientific communities in the world. For the 10th anniversary of this programme, L'Oréal and UNESCO signed the *Charter of Commitment For Women in Science* that affirms their longterm dedication to promote women in science.

2007 INVESTMENT IN PHILANTHROPY



THE BODY SHOP

L'Oréal greatly values the exceptional emphasis The Body Shop places on being a sustainable and ethical business. We hope that close co-operation between our businesses will result in shared best practice.



Anna, a member of the Eudafano Women's Cooperative in Namibia, which supplies The Body Shop with marula nuts, used in make-up products.

SUSTAINABILITY PROGRESS IN 2007

Environmental and social data from The Body Shop is reported separately from L'Oréal's, via the Values Report found on our website www.thebodyshopinternational.com. Highlights include the following:

PROTECT OUR PLANET

- we aim to be carbon neutral by 2010;
- in 2007 we introduced our first 100% recycled PET bottle, for the 250ml Pink Grapefruit Shower Gel. We

aim to increase the recycled content of all our packaging to 80% by 2010;

- in June 2007 we became the first cosmetics company to source traceable, sustainable palm oil for use in our soaps.

SUPPORT COMMUNITY TRADE

In 2007 we worked with L'Oréal to explore the potential for Community Trade ingredients to be incorporated into L'Oréal products. The number of farmers,

A TRIBUTE TO DAME ANITA RODDICK



In 2007 The Body Shop mourned the death of its inspirational founder Anita Roddick. Adrian Bellamy, Chairman of The Body Shop at the time of Anita's sad death, said:

"All of us in The Body Shop family were deeply shocked and saddened to hear the news of Anita's passing away. Anita was not only our founder but she was also the heart and passion of The Body Shop and with her we achieved so much. It is no exaggeration to say that she changed the world of business with her campaigns for social and environmental responsibility... Anita leaves us with an enduring legacy which will long guide the affairs of The Body Shop."



producers and workers who benefit from a fair income directly from our Community Trade programme now stands at over 25,000.

DEFENDING HUMAN RIGHTS

A founder member of the Ethical Trading Initiative (ETI), The Body Shop continues to align itself to the Code and Principles of Implementation. Throughout 2007, The Body Shop ran an extensive training programme equipping all our buyers with the skills and knowledge they need to assess suppliers' ethical performance.

ACTIVATE SELF-ESTEEM

By 2007 the Stop Violence in the Home campaign raised over £1.6 million for organisations working to stop domestic violence. And as part of our ongoing

commitment to HIV/AIDS awareness, we teamed up with MTV to launch the Stop HIV: Spray to Change Attitudes campaign in 2007.

AGAINST ANIMAL TESTING

The Body Shop Foundation is proud to continue its long standing relationship with the British Union for the Abolition of Vivisection (BUAV). This year we awarded a two-year grant of £60,000 for the new position of BUAV European Union Policy Office.

■ DID YOU KNOW?

66% of our UK stores are powered by renewably-sourced electricity.



NAMIBIA

Community Trade – Marula oil

"We can now help support our families, it has helped our kids with schooling, while healthcare is possible because of the payment. We have gone from nothing to an international business in such a short time, something which we are very proud of." – Selma Ekanjo, leader of the Kuupenda Kuliwa Cooperative in Namibia, which supplies The Body Shop with marula oil. ■

2007 KEY DATA

ECONOMIC AFFAIRS

- Total shareholder return over ten years 11.26%.

ENVIRONMENT, HEALTH & SAFETY

- Energy use reduced by 4%.
- Water use cut by 6.8%.
- Carbon dioxide emissions from factories and warehouses reduced by 7%.
- Waste reduced by 6.2% (excluding returnable packaging)
- 54% of our factories and warehouses send no waste to landfill.
- We raised our recovery, recycling or re-use rate by 4% to 95% globally.
- All of our factories worldwide are certified to ISO 14001.
- Our lost time accident rate remains essentially unchanged (2.55 per million hours worked).

Note: all reductions are per finished product.

R&D

- 10% of raw materials evaluated under our Sustainability Assessment Framework.
- 90% of relevant plant species assessed for impacts on biodiversity.
- Raw materials assessment on persistence, bio-accumulation and toxicity 95% complete.
- 20% of Advanced Research budget invested in tissue engineering to develop reconstructed skin for alternatives to animal testing.

SOCIAL AFFAIRS

- 28,000 employees in 14 countries took part in our PULSE opinion survey.
- 56% managers are female.
- 1,409 managers have now attended our 2-day diversity training course.
- €203 million of profits shared with employees.
- 58% of all employees received training.

SUPPLIER RELATIONS

- 585 independent labour standards audits carried out at our suppliers, subcontractors and traders.

CONSUMER RELATIONS

- Nearly 300 specialist Consumer Advisers in more than 50 countries.
- 70% of contacts related to enquiries or advice, 30% to complaints.

COMMUNITY AFFAIRS

- L'Oréal Corporate Foundation set up with a budget of €40 million over five years.
- Hairdressers Against AIDS awareness-raising programme extended to 12 new countries.
- €17 million of charitable donations and philanthropic activity.

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L'Oréal is offsetting all the carbon emissions resulting from the creation, production and distribution of the Sustainable Development Report. We are doing so via ClimateCare, one of the most reputable companies providing offsets. www.jpmorganclimatecare.com



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