

L'ORÉAL AT COP21

TOWARDS / A LOW-CARBON FUTURE /

Press kit/November 2015



L'ORÉAL

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ABOUT COP21

What is COP21?

COP21, the 21st Conference of the Parties, is an international summit dedicated to climate change, that brings together 196 “parties” (representatives from 195 countries and the European Union) to determine measures to keep global warming below 2°C.

COP21 is being held in Le Bourget from 30 November to 11 December 2015.

The conference is expected to result in a new binding agreement applicable to all countries in 2020. It will set the framework for a transition toward low-carbon societies and economies, committed to address climate deregulation.

A diplomatic summit of rare proportions

About 40,000 attendees are expected, including 20,000 representatives of governments, international organisations, UN agencies, NGOs and civil society who will receive accreditations to enter the COP21 conference centre in Le Bourget.

This COP21 is poised to be historic because it is the first time in 20 years of UN negotiations that there will be a binding agreement applicable to all the countries.

L'ORÉAL'S CLIMATE COMMITMENT

With the launch of its **sustainable development program *Sharing Beauty With All*** end 2013, L'Oréal, the world's leading beauty company, began a far-reaching transformation process toward **a more ecological and responsible business model.**

As part of this effort and resulting from the dialogue with its different stakeholders, L'Oréal undertook ambitious commitments along its entire value chain. Four areas of commitments have been defined: innovating, producing, consuming and sharing sustainably. Each commitment is linked to specific and quantified targets to be achieved by 2020.

These commitments have become a strategic priority for the group and represent a major paradigm shift. **Chairman and CEO of L'Oréal Jean-Paul Agon said,** *"A company in the 21st century can no longer envision its success and durability exclusively through the prism of economic performance. It has a duty to be responsible and to share its success."*

With a strong belief that business has a fundamental role to play in addressing global challenges as complex as global warming, the growing scarcity of resources, and precarious social conditions, he added: **"Companies can have a really positive impact, not only through their actions but also through the chain reaction they can initiate among all their stakeholders."**

THREE SHARING BEAUTY WITH ALL COMMITMENTS

focused
on fighting climate change

1

By 2020, reduce CO₂ emissions from its production by 60% in absolute terms, from a 2005 baseline

(according to the GHG Protocol, Scope 1 and Scope 2);

2

Raise consumer awareness for a more sustainable consumption,

since the majority of L'Oréal's environmental impact is in the product use phase;

3

Zero deforestation commitment

Commit that none of L'Oréal's products were linked to deforestation.

Reduction of CO₂ emissions

L'Oréal had achieved a key milestone at the end of 2014, a year ahead of its initial objective: the Group reduced the CO₂ emissions of its operations by 50% in absolute value between 2005 and 2015, despite a 22% increase in production over the same period. With this achievement, L'Oréal demonstrated that companies can commit to fighting climate change, without compromising on growth.

Improving energy efficiency and reducing energy consumption are the main action drivers used by L'Oréal to achieve its objectives in regard to CO₂ reduction. This means that all new constructions of the Group are respecting the most advanced energy standards (sustainable building standards such as LEED, HQE, BREEAM).

L'Oréal's existing sites in 68 countries where the Group is present have been improving their energy efficiency for more than 20 years. Dedicated efforts including redefining processes, LED installation, building insulation, heat recovery, and improved overall production efficiency, have contributed with a third to the reduction of CO₂ emissions between 2005 and 2014.

L'Oréal continues to develop its **strategy to increase the use of renewable energies**. To this end, a number of major projects have been launched worldwide in the last few years. CO₂ emissions have been reduced considerably by large-scale installations and innovative technologies like a biomass plant and cogeneration systems in Belgium, trigeneration in Spain, heat networks in Germany and Italy, and photovoltaic power in China, the US and Spain. The programme has resulted in five of the Group's plants (Burgos in Spain, Settimo in Italy, Rambouillet in France, Libramont in Belgium and Yichang in China) and four distribution centres becoming carbon-neutral in 2015.

■ ASSOCIATE SUPPLIERS TO ACHIEVE ITS OBJECTIVES

L'Oréal is **involving its suppliers, encouraging the reduction of their carbon footprint** and thereby the Group's broader carbon footprint. Since 2009, the Group has involved its suppliers in measuring and reducing the carbon footprint by asking them to work with the CDP in the CDP Supply Chain programme. Since 2014, it became mandatory for strategic suppliers to join the CDP Supply Chain programme and as of today 89% of suppliers invited have participated. To allow L'Oréal's purchasing teams to evaluate suppliers' environmental performance, a dashboard summarising suppliers' responses to the CDP and their progress in regard to reducing greenhouse gas emissions, has been developed in conjunction with the CDP.



Employee working on the solar panels at the L'Oréal professional hair products manufacturing site in Burgos, in Spain, in September 2014
(© Paco Santamaria for L'Oréal)

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L'ORÉAL SITES WILL ACHIEVE
A CARBON NEUTRAL
FOOTPRINT BY THE END
OF 2015

- 60%

OF CO₂
EMISSIONS
BY 2020





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100%
OBJECTIVE TO IMPROVE
THE ENVIRONMENTAL
AND SOCIETAL PROFILE
OF ITS PRODUCTS
IN 2020

A reduction of the environmental impact of formulas and products

L'Oréal has committed to source all its renewable raw materials from sustainable sources or respecting the principles of Green chemistry and to achieve "zero deforestation".

Since 2007, the Group has put in place specific action plans to sustainably source soya oil, palm oil and wood fibre-based products to fight deforestation.

L'Oréal has undertaken to improve the environmental and societal profile of 100% of its products by 2020. At the end of 2014, improvements had been made to 67% of all new or renewed products. **Alexandra Palt, the Group's Chief Sustainability Officer**, said, "We are currently overhauling all of our products on the market from a sustainable development perspective. We are analysing the whole life cycle of each product".

To encourage its consumers to adopt a more sustainable lifestyle, L'Oréal is developing a tool which will allow evaluating the environmental and societal profile for all its products.

This information will be made public to allow consumers to make sustainable consumption choices. "For us, today, **the challenge is to find the solutions that will enable us to encourage our consumers to adopt more responsible consumption attitudes**. It is at the heart of our vision and what we believe is our responsibility," added Alexandra Palt.

100 %

of the palm oil, palm oil derivatives, and palm kernel oil derivatives supplies have been certified sustainable per RSPO criteria (www.rspo.org) since 2012. By 2015, these supplies will have to come entirely from known, traced sources.

97,9 %

of the paper and cardboard supply is certified (FSC, PEFC, etc.).

A renewed climate objective

To go further, the Group has a two-pronged approach:

1 • achieve a new objective to **reduce its emissions by 60% by 2020**,

2 • counterbalance the rest of its emissions from industrial activity through an innovative system of **generating carbon gains within its sustainable supply chain of raw materials**. The goal is to generate the same proportion of gains as incompressible greenhouse gas emissions.

This ambition to become a carbon-balanced company and begin transitioning toward a low-carbon model by 2020 was announced by Jean-Paul Agon on 3 September 2015, three months before the COP21.

Partnering with its suppliers, **L'Oréal will endeavour to generate carbon gains through its sustainable sourcing projects for raw materials**. In line with the methods developed by international standards and the Kyoto Protocol, it has outlined three action pillars:

- 1** • improve energy efficiency,
- 2** • promote more efficient and low-carbon agricultural practices,
- 3** • develop forest management projects.

To ensure that its approach is effective, L'Oréal has put together an expert committee of independent carbon specialists chaired by Christian de Perthuis, Professor at the Paris Dauphine University and Founder of the Climate Economics Chair.

■ A GLOBALLY RECOGNISED PERFORMANCE

In 2003, L'Oréal joined the Carbon Disclosure Project (CDP), an independent international NGO that analyses corporate efforts to measure, disclose and reduce their greenhouse gas emissions.

For the third year in a row, **L'Oréal has been recognised as a global leader in the fight against climate change** in the CDP's annual ranking. L'Oréal was given **an A rating, the highest level in the Climate Disclosure Leadership Index (CDLI)**, for managing its carbon footprint and climate change strategy as well as a score of 99/100 for transparency in reporting.

In the 2015 edition of the 100 Best-Performing CEOs in the World, *Harvard Business Review* ranked **Jean-Paul Agon 29th in the world - and 1st in France** - according to CSR metrics.





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IN BURKINA FASO,

where almost 22,000 women harvest the nuts used to produce shea butter, L'Oréal will help them adopt improved cook stoves which require less wood consumption. This initiative will help reduce the activity's carbon footprint, contribute to fighting deforestation and result in economic savings for producers.

Women boiling shea nuts to make butter, au Burkina Faso, in July 2015- (© L'Oréal).

L'ORÉAL INITIATIVES FOR COP21

L'Oréal recognised the urgency of the negotiations that will take place in Paris, so throughout 2015 it will do its part in encouraging civil society to support the work of governments. Three key actions have been defined.

Working alongside French and American industries for a bold agreement

L'Oréal is part of the *French Business Act on Climate Pledge* alongside French industry in response to a call from the French government, which is hosting COP21. French industry will be taking a collective quantified commitment based on three indicators:

- two indicators on low-carbon capital investment and low-carbon R&D,
- one funding indicator.

L'Oréal USA also joined the *American Act on Climate Pledge*, that brings together 81 companies and that was launched for the second time on 19 October 2015.

Joining the collective corporate action

Through the Consumer Goods Forum, **L'Oréal joined the collective corporate action of companies in preparation for COP21**. In this project, L'Oréal has coordinated the production of a brochure listing the climate commitments taken by the 18 member companies. Each company provided a description of its climate initiatives, measured results and a quote from its CEO about its commitment.

> To see the brochure "Climate change commitments & achievements of CGF members" on the website of the Consumer Goods Forum [CLICK HERE](#).

As a board member of the Consumer Goods Forum, Jean-Paul Agon, CEO and Chairman of L'Oréal, attended the **Business & Climate Summit in Paris on 20 May**. This meeting, held 200 days before the beginning of COP21, was attended by business and political leaders from around the world with an objective to confirm their engagement toward low-carbon solutions. Jean-Paul Agon delivered a strong message that for a large global company fighting climate change can go hand in hand with economic performance.

Supporting the mobilisation of the general public

L'Oréal is a partner of the **Solutions COP21** initiative, created by Comité 21 in collaboration with Club France Développement Durable ("*France Sustainable Development Club*", regrouping over 120 public and private member networks). **The main focus of this initiative is an exhibition at the Grand Palais on 4-10 December.**

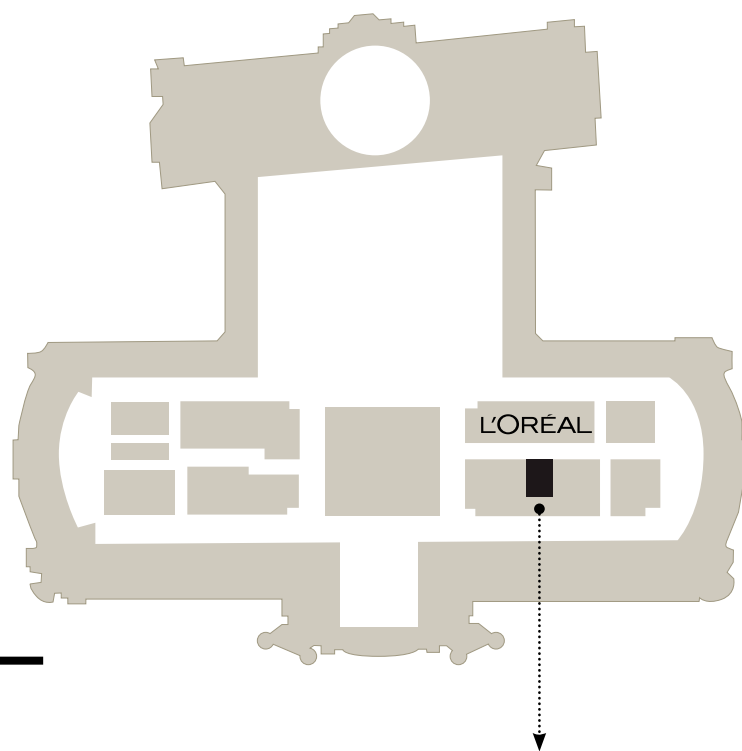
L'ORÉAL TO TAKE PART IN THE SOLUTIONS COP21 EXHIBITION AT THE GRAND PALAIS

As part of the **Solutions COP21 exhibition at the Grand Palais on 4-10 December, L'Oréal will have a 100 m² space.**

Objective: Make visitors discover L'Oréal, the world's leading beauty company, and its transformation process towards a low-carbon model of economic development that is more ecological, responsible and sustainable. In L'Oréal's exhibition space, visitors will discover the commitments made by the Group to meet the climate change challenge, its field projects and results.

L'Oréal's space at the Grand Palais: “Towards a low-carbon future”

In L'Oréal's exhibition space, visitors will discover the Group's transformation on its way to a low-carbon model. Through a presentation of L'Oréal sustainability projects across the world and an exhibition of natural ingredients used by L'Oréal brands in their products, they will be able to learn more about the commitments made by the Group to meet the climate challenge, its field projects and results.



Consumption,
Food and
Daily Life display

**Free entry to the public/
10:00 am-7:00 pm/
4-10 December**

GRAND PALAIS – Paris



**SHARING
BEAUTY**
WITH ALL

www.sharingbeautywithall.com

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