

L'Oréal takes sustainable palm oil sourcing one step beyond

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.

Download L'Oréal's **2015 Palm Oil Progress Report**: <http://bit.ly/1PiG6aU>

Find out more and see the **video** on L'Oréal's initiative on derivatives traceability:
www.sharingbeautywithall.com/en/innovating/achieving-zero-deforestation/loreal-takes-palm-oil-sustainable-sourcing-one-step-beyond

Follow [@LOrealCommitted](https://twitter.com/LOrealCommitted), the Twitter account dedicated to L'Oréal's sustainability commitment
Alexandra Palt is available for interviews. A **Q&A session on Twitter** will be organized on June 23rd and questions may be asked from now on using the hashtag **#AskAlexandra**. The answers will be released on the @LOrealCommitted Twitter account on June 23rd, at 12 pm (UTC).

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

Press contacts

Polina Huard

polina.huard@loreal.com

tel.: + 33 1 47 56 87 88

Adelaide Colin

adelaide.colin@loreal.com

tel.: + 33 1 47 56 80 83

About L'Oréal

L'Oréal has devoted itself to beauty for over 100 years. With its unique international portfolio of 34 diverse and complementary brands, the Group generated sales amounting to 25.8 billion euros in 2016 and employs 89,300 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

"This news release does not constitute an offer to sell, or a solicitation of an offer to buy L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our Internet site www.loreal-finance.com.

This news release may contain some forward-looking statements. Although the Company considers that these statements are based on reasonable hypotheses at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual results to differ materially from those indicated or projected in these statements."

Contacts L'OREAL (switchboard + 33 1.47.56.70.00)

Individual shareholders and market authorities

Jean Régis CAROF
Tel : + 33 (0)1.47.56.83.02
jean-regis.carof@loreal.com

Financial analysts and institutional investors

Françoise LAUVIN
Tel : +33 (0)1.47.56.86.82
francoise.lauvin@loreal.com

Journalists

Stéphanie Carson-Parker
Tel : + 33 (0)1 47 56 76 71
stephanie.carsonparker@loreal.com

For further information, please contact your bank, stockbroker or financial institution (I.S.I.N. code: FR0000120321), and consult your usual newspapers or magazines or the Internet site for shareholders and investors, www.loreal-finance.com, the L'Oréal Finance app or call the toll-free number from France: 0.800.66.66.66.

Anne-Laure RICHARD
Tél : +33 (0)1.47.56. 80.68
annelaure.richard@loreal.com

Polina Huard
Tél : +33 (0)1 47 56 87 88
polina.huard@loreal.com

Vanessa Wang
Tel : +33 (0)1 47 56 76 88
vanessa.wang@loreal.com