

Particulars

Organisation Name	L'Oreal
Corporate Website Address	www.loreal.com
Primary Activity or Product	Manufacturer
Related Company(ies)	None
Country Operations	
Membership Number	4-0021-07-000-00
Membership Type	Ordinary Members
Membership Category	Consumer Goods Manufacturers

Consumer Goods Manufacturers

Operational Profile

1.1 Please state what your main activity(ies) is/are within manufacturing

■ Other

- Food goods

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- Home and personal care goods

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Operations and Certification Progress

2.1 Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

2.2.1 Do you manufacture for:

Own Brand

2.2.2 Total volume of Refined Palm Oil or RBD Palm Oil used in the year:

450.00

2.2.3 Total volume of Palm Kernel Oil used in the year:

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2.2.4 Total volume of other Palm Oil Derivatives and Fractions used in the year:

61000.00

2.2.5 Total volume of all palm oil products you used in the year:

61450.00

2.3 Palm oil volume used in the year in your own brands that is sourced through RSPO-certified physical supply chains:

In Your Own Brand

No	Description	Refined palm oil/RBD palm oil (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)
1	Book & Claim			61000.00
2	Mass Balance			
3	Segregated	450.00		
4	Identity Preserved			
5	Total volume of palm oil handled that is RSPO-certified	450.00		

2.4.1 Volume of Palm Kernel Expeller used/ handled:

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2.4.2 What type of products do you use CSPO for?

The palm oil and its derivatives are mostly used in skin care products and shampoos. The palm oil or kernel oil derivatives include for example, certain surface active agents which provide the detergent and foaming qualities of shampoos.

2.5 Do you plan to ask your suppliers if the palm oil supplied comes from growers who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8?

No

L'Oréal does not ask its suppliers to disclose their GHG emissions within the RSPO P&C 5.6 & 7.8. However, as part of its sustainability strategy, L'Oréal has set clear target for its plants and distribution centres: to reduce by 60 per cent greenhouse gas emissions by 2020. L'Oréal has reported its emissions to Carbon Disclosure Project (CDP) since 2003. L'Oréal's supply chain contributes an estimated 28 per cent of the CO2 impacts within the product's lifecycle, that is why L'Oréal joined the CDP Supply Chain Programme in 2007. The goal of the initiative is to encourage suppliers to measure and manage their CO2 emissions. In 2013, 152 of our suppliers have responded to the CDP Supply Chain.

Moreover, L'Oréal is well aware that some agricultural commodities may lead to deforestation and has been implementing specific action plans to avoid contributing to this phenomenon by favouring sustainable sourcing of palm oil. As part of its "zero deforestation" commitment by 2020, the Group plans to take this commitment further by closely involving its suppliers in this objective. At the end of 2013, all of L'Oréal's palm oil purchases were made according to sustainable procedures whose aim is to guarantee preservation of the biodiversity of forests in South East Asia.

Since 2010, direct purchases of palm oil have been based on total traceability certified by RSPO SG. Since 2012, another category of ingredients, palm oil derivatives, whose supply channels are very complex, have also been certified as sustainable by the RSPO. They are compensated for by GreenPalm (RSPO Book & Claim) certificates, the purchase of which enables the marketing of an equivalent volume of palm oil certified as sustainable. The aim in the long term is that all raw materials obtained from palm trees should come directly from plantations certified as sustainable by the RSPO and free from deforestation (see L'Oréal Zero deforestation Commitment: http://www.forumpalmoel.org/fileadmin/user_uploads/NEWS/L_Oreal.pdf [Click here to visit the URL](#)

That is why our approach is to work in close collaboration with our first-tier suppliers to train them to recognize palm cultivation challenges and build with them a common strategy that is technically feasible and economically viable in order to deliver sustainable palm oil to the group. In 2013, L'Oréal has launched several campaigns towards all its suppliers explaining its ambition of knowing the origin of sourcing of its PO & PKO derivatives and sending to them questionnaires. L'Oréal is working to reach by end 2015 the traceability of its major derivatives back to companies' plantations or mills.

In this framework, as committed in its Zero Deforestation Commitment:

- L'ORÉAL will promote and support the most innovative and progressive suppliers, especially those who will overpass the challenges associated with the complexity of palm derivatives supply chains.
- L'ORÉAL commits to ultimately work with suppliers whose responsible practices can guarantee:
 1. Full compliance with the laws in the country where they operate, and especially anticorruption legislations and land tenure rights.
 2. A comprehensive and formal free prior and informed consent from indigenous people and local communities potentially impacted by new plantations development:
 - a. with a specific focus on respect for workers rights as defined by ILO
 - b. and bringing a special attention to Palm Oil Small Holders by engaging partnerships with communities aiming at improving environmental, social and economic outcomes of their palm plantations
 3. The conservation and restoration of High Conservation Value and High Carbon stocks Areas when expanding palm plantations
 4. The renouncement to peat clearance for new plantations and the adoption of a responsible maintenance system of peatlands in existing plantation.

Report on supplier who disclose their GHG emissions within the RSPO P&C 5.6 & 7.8

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Time-Bound Plan

3.1 Date expected to/or started to use any RSPO certified palm oil products - own brand

2010

3.2 Date expected to be using 100% RSPO certified palm oil products from any supply chain option - own brand

2012

3.3 Date expected to be using 100% RSPO certified palm oil from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

2020

3.4 Do your (own brand) commitments cover your company's companies' global use of palm oil?

Yes

3.5 Does your company use palm oil in products in goods you manufacture on behalf of other companies?

No

When do you expect to actively promote the use of certified sustainable palm oil in other manufacturers' brands that you sell?

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3.6 Which countries that your organization operates in do the above commitments cover?

3.7 What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies

Since 2010: 100% certified sustainable palm oil – RSPO segregated model => Achieved
 Since 2012: 100% certified sustainable palm-based derivatives – RSPO Book and Claim model (GreenPalm Certificates) => Achieved
 From 2013: Increase progressively the % of physically sustainable feedstock in our supply chain (ongoing)

3.8 Date of first supply chain certification (planned or achieved)

2010

Trademark Related

4.1 Do you use or plan to use the RSPO trademark on your own brand products?

No

- Please state for which product range(s) you intend to apply the Trademark and when you plan to start

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GHG Emissions

5.1 Do you publicly report the GHG emissions of your operations?

Yes

- Please upload related report:

[M-GHG-Emissions-Report.pdf](#)

For administration purpose, attachment files are renamed automatically

- Add link to website

<https://www.cdp.net/en-US/Pages/CDPAdvancedSearchResults.aspx?k=L'Oreal> [Click here to visit the URL](#)

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5.2 Does your company have a public commitment to only purchase palm oil from suppliers that disclose their GHG emissions?

No

- Please upload related report:

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- Add link to website

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We strongly encourage our suppliers to measure and manage their CO2 emissions. In 2013, 152 of our suppliers have responded to the CDP Supply Chain.

Actions for Next Reporting Period

6.1 Outline actions that will be taken in the coming year to promote sustainable palm oil.

2014: "Zero deforestation" Public Commitment:

=> By 2015: 100% palm oil and major palm derivatives should come from known sources

=> By 2020 the latest: 100% of palm supply will be free from deforestation

For more details, please see: http://www.forumpalmoel.org/fileadmin/user_uploads/NEWS/L_Oreal.pdf [Click here to visit the URL](#)

Actions:

1/ RSPO Certification: Continue to support RSPO Certification, while progressively increase the % of physically sustainable feedstock in our supply chain (ongoing) ;

2/ Traceability of our derivatives supply chain: By 2015, work with strategic suppliers to get full traceability of major derivatives back to companies' plantations or mills (ongoing) ;

3/ Support independent smallholders by improving their agricultural practices in order to avoid illegal deforestation

4/ Active interaction with key stakeholders

Reasons for Non-Disclosure of Information

7.1 If you have not disclosed any of the above information, please indicate the reasons why

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- Others:

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Application of Principles & Criteria for all members sectors

8.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:

- Water, land, energy and carbon footprints
- Ethical conduct and human rights
- Labour rights
- Stakeholder engagement

- Water, land, energy and carbon footprints

[M-Policies-to-PNC-waterland.pdf](#)

For administration purpose, attachment files are renamed automatically

- Land Use Rights

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- Ethical conduct and human rights

[M-Policies-to-PNC-ethicalconducthr.pdf](#)

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- Labour rights

[M-Policies-to-PNC-laborrights.pdf](#)

For administration purpose, attachment files are renamed automatically

- Stakeholder engagement

[M-Policies-to-PNC-stakeholderengagement.pdf](#)

For administration purpose, attachment files are renamed automatically

8.2 What steps will/has your organization taken to support these policies?

Please see the actions developed by L'Oreal and reported in the 2013 GRI attached above.

Commitments to CSPO uptake

As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions:

Do you have plans to?

Yes

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9.1 Do you have plans to immediately cover the gap using Book & Claim?

Yes

- How and when do you plan to immediately cover the gap using Book & Claim?

Since 2010, 100% of our crude palm oil is certified sustainable through the RSPO segregated model.
Since 2012, 100% of our palm-based derivatives are certified sustainable through the RSPO Book and Claim model (GreenPalm Certificates).

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Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

For L'Oreal which purchases few volumes of crude palm oil and uses essentially palm oil and palm kernel oil based derivatives (fatty acids, fatty alcohols and glycerin), here are the very specific obstacles:

- The derivatives supply chain complexity with a multiplicity of actors involved => No traceability
- A lack of Mass Balance availability among suppliers
- The price of Segregated

2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

Yes

Robust:

Yes

Simpler to Comply to:

similar

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

We continuously work with our direct suppliers to improve traceability of our ingredients, including palm oil. Our approach is to work in close collaboration with our first-tier suppliers to train them to recognize palm cultivation challenges and build with them a common strategy that is technically feasible and economically viable in order to deliver sustainable palm oil to the group. We also aim to diversify our palm oil sourcing by developing new partnerships with suppliers, which would allow us to increase the volumes of Mass Balance for the palm-based derivatives. Because today, our objective concerning the derivatives is clearly to go further than the Book and Claim certification and ensure a full traceability by implementing programs supporting independent smallholders in the countries we source our palm oil and derivatives from, in close partnership with our suppliers and through the support of local NGOs. In S1 2014, we took advantage of several public opportunities to reaffirm our support to RSPO: during a workshop held with our strategic suppliers, during a roundtable on sustainable palm organized by the Indonesian Embassy in Paris or even through the Task Force of the Consumer Goods Forum on Palm.

4 Other information on palm oil (sustainability reports, policies, other public information):

For more details on L'Oreal commitments and policies, please see:

- 2013 L'Oreal Sustainability Report:

- 2013 Global Reporting Initiative:

<http://loreal-dam-front-resources-corp-en-cdn.brainsonic.com/ressources/afile/120071-b72cb-resource-l-oreal-rse.html> [Click here to visit the URL](#)

- Zero Deforestation Commitment:

http://www.forumpalmoel.org/fileadmin/user_uploads/NEWS/L_Oreal.pdf [Click here to visit the URL](#)
