

General
standard
disclosures

S Strategy and analysis

L'ORÉAL

G4₁

*Jean-Paul Agon,
Chairman and Chief executive Officer*

L'ORÉAL JUST MADE NEW COMMITMENTS THROUGH THE SHARING BEAUTY WITH ALL PROGRAMME. WHAT'S THEIR SIGNIFICANCE?

The programme's very name reflects both what has driven us for more than a century and our approach for the years to come. L'Oréal is a company that has always been centred on a single business: beauty. It is a business with profound meaning, because it helps each person feel better with himself and with others. It is our awareness of this social utility and the way in which we perceive our business that we wanted to express and amplify in a comprehensive, ambitious social and environmental responsibility programme. Sharing Beauty with All is therefore entirely consistent with who we are, with our ethical principles and commitments – we support and implement the Principles of the United Nations Global Compact, a commitment renewed in 2013 –, but also with the conviction we share with many others: that businesses' ability to serve the public interest is what will make all the difference in the years to come.

WHY MAKE THESE NEW COMMITMENTS NOW?

They are part of a transformation process begun at L'Oréal several years ago. We first redefined our mission: beauty for all. To accomplish this mission, we chose a new strategy that we call universalisation, which is globalisation that respects differences. To implement this strategy, we set an ambitious target: to attract and win the loyalty of a billion new consumers. However, more consumers, more growth, also means more responsibility. So we want to reduce the impact of our activity on the planet while increasing our positive socio-economic impact on the lives of communities around us. With the commitments we are making today, we are continuing our transition towards a new development model, which is constantly becoming more responsible. And we are clearly placing our non-financial challenges at the same level as our financial targets, and so expressing our vision of the global performance of our company.

WHY DO YOU SAY THESE COMMITMENTS ARE AMBITIOUS?

First, because they address our entire value chain. Sharing Beauty with All covers innovating sustainably, producing sustainably and living sustainably. We also want to do whatever it takes for all our partners to share in our success: our employees, of course, but also our suppliers – who we are fully involving in this approach – and the communities around us. Second, because these commitments will guide us in completely rethinking the way we design, manufacture and advertise our products. For example, we have made the commitment that, by 2020, 100% of our products will have an environmental or social benefit, meaning a demonstrable, improved impact over today's performance, one that is quantifiable, measurable and verifiable. This is a major change for our brands, an entirely new paradigm. Our goal is to encourage more responsible consumption, not only by reducing the impact of our products, but also by involving consumers in this movement. We believe it is our responsibility to make sustainable development desirable.

WHAT SUSTAINABLE DEVELOPMENT ADVANCES DID THE GROUP ACHIEVE IN 2013?

We continued to apply our strategy of reducing environmental impact by both producing and innovating sustainably. We also went further with our initiatives and experiments in sustainable consumption and responsible communication. A clear highlight of the year was the ongoing dialogue with stakeholders, which unquestionably determined and enriched our Sharing Beauty with All programme. For the past two years, we have been brainstorming with our external stakeholders on how best to exercise our responsibilities. We hold stakeholder forums around the world with NGOs, associations, experts and government representatives to engage in fruitful dialogue. This has helped us gain a clearer understanding of the expectations and needs such entities have with respect to a company like ours and address those needs in our strategy. Furthermore, L'Oréal is committed to ensuring that, by 2020, all its renewable raw materials come from sustainable sources. This is a reaffirmation of our ambition to reach "zero deforestation". This will be the final outcome of action plans we've had in place since 2007 for sustainable sourcing of soya oil, palm oil and wood-fibre products, to be certain none of our products contribute to deforestation. Lastly, 2013 was the year in which we launched a programme I care about deeply and that is the quintessential reflection of L'Oréal's culture and values, a company that has always been deeply committed to a humanist and socially responsible project.

This worldwide programme for employees, called Share & Care, will give them access, wherever they live in the world, to a level of health care and social protection coverage which will put us amongst the top companies in all the countries in which we operate. For example, we want every woman employee to have the possibility of enjoying 14 weeks of maternity leave. This is a highly original project, which is going to lead to important social advances in some countries. I see it as a true laboratory of social innovation at world level. We know that much remains to be done, but we are determined to forge ahead via the 2020 Commitments we have made. This is a vast challenge, which means a profound cultural change for our Group and the way it interacts with society. We are opening another thrilling phase in the great L'Oréal adventure.

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Description of key impacts, risks, and opportunities

THE L'ORÉAL GROUP'S SUSTAINABLE DEVELOPMENT COMMITMENTS FOR 2020: "SHARING BEAUTY WITH ALL"

On October 23rd, 2013, Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal, announced the commitments that L'Oréal has set itself by 2020 to reduce its impact while achieving its growth ambition.

SUSTAINABILITY AT THE SERVICE OF GROWTH

L'Oréal's ambition is to reach one billion new consumers through its universalisation strategy which aims to respond to the different beauty needs of men and women all over the world. The Group's growth strategy is partly based on its commitment to produce more, with less impact, and to involve consumers, who are at the heart of its business activities, by offering them products which are both sustainable and aspirational, thus inciting them to make sustainable choices. For this purpose, L'Oréal has undertaken to improve its practices throughout its value chain, from research to production, while sharing its growth with the surrounding communities.

These commitments are the fruit of two years of consultation with various stakeholders throughout the world. L'Oréal will regularly communicate on its progress with regard to each of the objectives with the assistance of a panel of independent international experts⁽¹⁾ chaired by José María Figueres, recognised throughout the world for his commitment to Sustainable Development.

"SHARING BEAUTY WITH ALL": A COMMITMENT WHICH COVERS FOUR AREAS

1. INNOVATING SUSTAINABLY - BY 2020, 100% OF OUR PRODUCTS WILL HAVE AN ENVIRONMENTAL OR SOCIAL BENEFIT

Whenever the Group's brands invent or renovate a product, they will improve its environmental or social profile in terms of at least one of the following criteria:

- The new formula reduces its environmental footprint (and in particular its Water Footprint).
- The new formula uses sustainably sourced renewable raw materials or raw materials derived from Green chemistry.
- The new packaging has an improved environmental profile.
- The new product has a positive social impact.

2. PRODUCING SUSTAINABLY – BY 2020, THE GROUP COMMITS TO REDUCING ITS ENVIRONMENTAL FOOTPRINT BY 60% WHILST BRINGING BEAUTY TO ONE BILLION NEW CONSUMERS

- A 60% reduction of CO₂ emissions at our plants and distribution centres in absolute terms, from a 2005 baseline.
- A 60% reduction in water consumption per finished product unit from a 2005 baseline.
- A 60% reduction in waste generation per finished product unit from a 2005 baseline.
- Sending zero industrial waste to landfill.
- Reducing the CO₂ emissions from transportation of products by 20% per finished product/Km from a 2011 baseline.

3. CONSUMING SUSTAINABLY – BY 2020, THE GROUP WANTS TO EMPOWER ALL L'ORÉAL CONSUMERS TO MAKE SUSTAINABLE CONSUMPTION CHOICES

- A product assessment tool will evaluate the environmental and social profile of all new products. All brands will make this information available to allow consumers to make sustainable lifestyle choices.
- All L'Oréal brands will have assessed their environmental and social footprint and will have made commitments to improve it. Every brand will report on its progress and raise awareness among consumers about sustainable lifestyle choices. Consumers will be able to influence the Group's sustainability actions through a consumer consultative group on sustainability.

4. SHARING GROWTH

a) Employees: by 2020, L'Oréal employees will have access to healthcare, social protection and training, wherever they are in the world.

- Employees will benefit from health coverage which is aligned with the best practice of the country they are based in.
- Employees will receive financial protection in the event of unexpected life events, such as incapacity or permanent disability.
- Employees will have access to a training session per year, wherever they are in the world.

b) Suppliers: by 2020, 100% of the Group's strategic suppliers will be participating in the supplier sustainability programme.

- All strategic suppliers will be evaluated and selected on social and environmental performance.
- All suppliers will have completed a self-assessment of their sustainability policy with our support.
- All suppliers will have access to L'Oréal's training tools, in order to improve their sustainability policies.
- 20% of strategic suppliers will be associated with the Solidarity sourcing programme presented in 2012.

c) Communities: by 2020, through its actions, the Group will enable more than 100,000 people from socially or financially deprived communities to access work.

This goal can be achieved through the following programmes:

- "Solidarity sourcing";
- Inclusive distribution;
- Professionalization of beauty-related jobs;
- Mentoring and community education;
- Employment of disabled people and under-represented socio-ethnic groups.

(1) The panel of international experts:

Sze Ping, Chinese environmentalist, former Greenpeace activist, Executive Director of Greenovation Hub; Mehjabeen Abid-Habib, Pakistani researcher in human ecology, specialist of natural resources management; HRH Celenhle Dlamini, South African, one of the Directors of Ubuntu Institute working on the achievement of the UN Millennium Development; Zem Joaquin, American, eco-luxury specialist and founder of the "Eco-fabulous" website, aiming to make sustainability desirable; Anaisa Batares, American, Founder and CEO of WomensphereTM, developing medial tools, online communities, and an award to inspire and support women willing to make a difference in the world; Christian de Boisredon, French, promoting the concept of "Impact Journalism" through Sparknews, in order to give visibility to positive initiatives throughout the world.

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L'ORÉAL

rganizational profile

G4₃ *Name of the organization*

L'Oréal

G4₄ *Primary brands, products, and/or services*

L'Oréal has a portfolio of 28 international brands, each of which has a turnover in excess of fifty million euros.

List of group brands:

- L'Oréal Professionnel
- Redken
- Kerastase
- Matrix
- L'Oréal Paris
- Garnier
- Maybeline New York
- Softsheen Carson
- Essie
- Lancôme
- Giorgio Armani
- Yves Saint Laurent
- Inneov
- The Body Shop
- Biotherm
- Kiehl's
- Ralph Lauren
- Shu Uemura
- Diesel
- Cacharel
- Helena Rubinstein
- Urban Decay
- Clairisonic
- Victor & Rolf
- Vichy
- La Roche Posay
- SkinCeuticals
- Roger & Gallet

G4₅ *Location of organization's headquarters*

Head Office:

41, rue Martre - 92 117 Clichy - France
Tel. +33 1 47 56 70 00 - Fax +33 1 47 56 86 42

Registered Office:

14, rue Royale - 75 008 Paris - France
www.loreal.com

G4
6 *Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainable issues covered in the report*

L'Oréal has subsidiaries in 70 countries, with 64% of its sales being generated outside Western Europe. Global growth in the cosmetics markets has led L'Oréal to develop its activities in countries of the "New Markets" Zone, which represent over 39.8% of its cosmetic sales in 2013. The breakdown and changes in L'Oréal's sales are given in chapter 3 (Financial highlights) on pages 94 et seq. of the Registration Document 2013.

Besides the currency risks mentioned in chapter 4 in note 24.1. Hedging of currency risk on pages 150 to 152 and in the paragraph on currency risk page 26, political or economic disturbances in countries where the Group generates a significant portion of its sales could have an impact on its business activities.

However, its global presence helps to maintain a balance in sales and enables results to be offset between countries and geographic regions. In periods of major economic slowdown or in sovereign debt crisis situations in certain countries, growth in the Group's sales may however be affected.

G4
7 *Nature of ownership and legal form*

L'ORÉAL

Public company (S.A) with a capital of 121 180 377,40 euros

Registered in Paris under number : 632 012 100

Head office : 41 rue Martre - 92 117 Clichy Cedex

Registered office : 14 rue Royale - 75 008 Paris

ALLOCATION OF THE SHARE CAPITAL AT 31ST DECEMBER 2013

30,64 % Bettencourt Meyer family

29,44 % Nestlé S.A

38.21 % Public

1,01 % Acquired share Treasury stock ⁽¹⁾

0,70 % Company savings plan ⁽²⁾

⁽¹⁾ As required by law, acquired shares have no voting rights.

⁽²⁾ Company savings plan (Article L.225-102-1 of the French Commercial Code)

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8

Market served (including geographic breakdown, sectors served, and types of customers/beneficiaries)

For more than a century, L'Oréal has been pushing back the boundaries of science to invent beauty and to offer men and women all over the world the best of cosmetics in terms of quality, efficacy and safety. Giving everyone access to beauty by offering products in harmony with their needs, culture and expectations in their infinite diversity. This is the true meaning of L'Oréal's activity.

A HISTORICAL PRESENCE IN DEVELOPED MARKETS

L'Oréal is present in 130 countries in all 5 continents. Founded in France in 1909, the Group developed rapidly in Western Europe. In 2013, it made 35.1% of its cosmetics sales in this territory in which the Group is long established.

In the first half of the 20th century, L'Oréal gained a foothold in North America. Initially, the Group entrusted distribution companies with commercializing its products, these companies being united in 1953 around an exclusive agent, Cosmair. Following the Company's takeover in 1994, it ensured the Group's development on the North American continent with the status of subsidiary. The acquisition of brands like Maybelline (1996), Matrix and Kiehl's (2000), or more recently Clarisonic (2011) and Urban Decay (2012) have firmly anchored the Group in North America. In 2013, its sales on that continent increased by 3.8% like-for-like to reach 25.1% of world cosmetic sales.

Present in Japan for nearly 50 years, L'Oréal has developed its presence in that country by choosing the brands to be given priority for this extremely specific market: Kérastase in hair salons, Lancôme in Luxury products and Maybelline and L'Oréal Paris in mass-market products.

Despite the importance of the developed markets, their relative share in the Group turnover decreases from year to year in favor of the new markets.

RAPID DEVELOPMENT IN NEW MARKETS

Beginning in the 1970s, the Latin America Zone developed with a multi-divisional organisation that the Group has reproduced in the other major regions of the world.

The 1990s witnessed the opening up of New Markets with the fall of the Berlin wall which gave the brands access to the markets in Eastern European countries.

L'Oréal was among the first foreign groups to obtain an authorisation from the Indian government in 1994 for the creation of a wholly-owned subsidiary.

In 1997, the Group created a large multi-divisional zone in Asia and opened new subsidiaries, particularly in China where L'Oréal holds 100% of the capital of its entity.

Africa and the Middle East where the Group had a weak presence is a new frontier for development in the New Markets: the number of subsidiaries in that region has increased from 7 to 12 over the last four years.

The mid 2000s was the turning point: the strong acceleration of the development of New Markets is leading to a shift of the point of gravity in the economic world.

In all, the percentage of cosmetics sales generated by the Group in the New Markets was 15.5% in 1995, 27.1% in 2006 and 39.4% in 2012. This progress is expected to continue.

A COMMITMENT TO SHARED AND SUSTAINABLE GROWTH

Anxious to protect the future and to lay the foundations for lasting growth, the Group is striving to develop its presence in the New Markets by applying the fundamental rules of a good corporate citizen:

- the products offered to consumers meet the highest quality standards;
- the Group's commitments in social matters are the same in all its subsidiaries;
- all production centres comply with the same rules aimed at a reduction in environmental footprint. Social audits are carried out at suppliers of factories;
- each subsidiary participates, as far as its resources permit, in the large corporate philanthropy programmes of the L'Oréal Foundation such as For Women In Science, Hairdressers against AIDS and Beauty for a Better Life.

This global approach is in line with the Group's ambition as the world leader in cosmetic products: helping to make the world more beautiful.

► **IMMENSE DEVELOPMENT POTENTIAL**

Besides the major countries known as the BRIMC countries (Brazil, Russia, India, Mexico and China), L'Oréal has notably identified among its "growth markets" the following countries: Poland, Ukraine, Argentina, Colombia, Indonesia, Thailand, Vietnam, Philippines, Turkey, Egypt, Saudi Arabia, Pakistan, Kazakhstan, South Africa and Nigeria.

In many of these countries, the consumption of cosmetics products per inhabitant is 10 to 20 times lower than in mature countries. Several tens of millions of inhabitants have access every year to levels of revenues which make them part of the "middle classes" and allow them to consume modern cosmetics products.

The marketing teams, in particular in large countries, pay heed to these new consumers. The laboratories on all continents study their specificities. The Group's innovation policy is based on the accessibility and adaptation of products to the beauty habits and rituals of all men and women in their infinite diversity. These form the basis for the universalisation of beauty.

► **L'OREAL IS PRESENT IN 130 COUNTRIES THAT MAKE UP THREE MAJOR BUSINESS ZONES**

North America

+ 3, 8% growth in 2013 ⁽¹⁾

Western Europe

+ 0, 6 % growth in 2013 ⁽¹⁾

New Markets

+ 9, 4% growth in 2013 ⁽¹⁾

⁽¹⁾ On a like-for-like basis

L'ORÉAL IN AFRICA

In December 2011, L'Oréal opened its new subsidiary in Kenya. Situated in Nairobi, this new location will be the base for developing Group business in East Africa in Uganda, Tanzania, Rwanda, Burundi and Ethiopia. With the opening of subsidiaries in Kenya and Nigeria, the Group confirms its belief in the potential for growth in Africa. In the end of 2012, the Group has opened a new subsidiary in Saudi Arabia.

Asia Pacific

+ 8,4 % growth in 2013 ⁽¹⁾

Eastern Europe

+ 8, 2 % growth in 2013 ⁽¹⁾

Latin America

+ 11, 5 % growth in 2013 ⁽¹⁾

Africa, Middle East

+ 14, 3 % growth in 2013 ⁽¹⁾

⁽¹⁾ On a like-for-like basis

G4 9 Scale of the reporting organization

- Number of employees: 77 451
- Consolidated turnover : 22,98 billion euros (+2.3%)
- Net profit (other than non-recurring items, excluding minority interests): 3 117 million euros

Consolidated profit and loss account: from operating profit to net profit excluding non-recurring items.

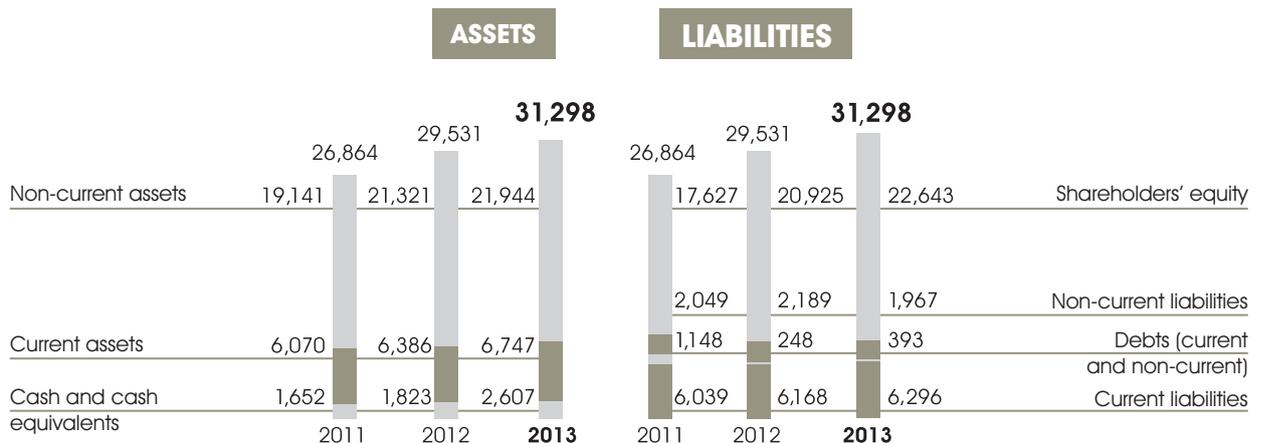
Allocation between debt and equity

The total funding is allocated to:

- Shareholders equality: 22 643 M€ on 31/12/13
- Debts: 393 M€
- Total balance sheet: 31 298 M€

A SOLID BALANCE SHEET

€ millions



FOR FURTHER INFORMATION CONCERNING THE 2013 BALANCE SHEET, SEE THE "KEY FIGURES AND COMMENTS ON THE 2013 FINANCIAL YEAR" CHAPTER ON PAGE 87 OF THE 2013 REGISTRATION DOCUMENT.

G4
10 Workforce

CHANGES IN GROUP WORKFORCE TRENDS AS PUBLISHED (DATA FOR PROPORTIONATELY CONSOLIDATED COMPANIES IS BASED ON THEIR PERCENTAGE OF CONSOLIDATION)

	<i>Cosmetics</i>			<i>The Body Shop</i>			<i>Dermatology</i>			<i>Group</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Western Europe	24,254	24,598	25,128	4,891	5,149	5,430	1,011	1,052	1,236	30,156	30,798	31,794 ✓
North America	11,762	12,814	12,318	2,948	2,878	2,718	485	488	461	15,195	16,180	15,497 ✓
Asia, Pacific	12,531	12,985	14,322	688	720	711	286	319	349	13,505	14,024	15,382 ✓
Latin America	4,760	5,758	7,869		5	7	233	282	304	4,993	6,045	8,180 ✓
Eastern Europe	3,902	4,328	4,787				22	45	60	3,924	4,373	4,846 ✓
Africa, Middle-East	1,101	1,203	1,732				15	16	21	1,116	1,218	1,753 ✓
Total	59,309	61,685	66,155	8,527	8,752	8,866	2,050	2,200	2,430	68,886	72,636	77,451 ✓

The workforce numbers indicated in the total workforce and breakdown of the workforce by geographic zone concern all Group employees on the payroll at December 31, 2013.

Workforce numbers for proportionately consolidated companies Galderma and Inneov at December 31, 2013 are recorded in proportion to L'Oréal's percentage interest in their capital.

COSMETICS + TBS WORKFORCE - HISTORICAL TREND

	<i>Total Cosmetics + TBS</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
Western Europe	29,145	29,747	30,558 ✓
North America	14,710	15,692	15,036 ✓
Asia, Pacific	13,219	13,705	15,033 ✓
Latin America	4,760	5,763	7,876 ✓
Eastern Europe	3,902	4,328	4,787 ✓
Africa, Middle-East	1,101	1,203	1,732 ✓
Total	66,836	70,437	75,022 ✓

COSMETICS + TBS WORKFORCE: BREAKDOWN BY GENDER AND AVERAGE AGE - 2013

	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Average age</i>	<i>% of women</i>
Western Europe	30,558	10,000	20,558	38	67%
North America	15,036	4,242	10,794	38	72%
Asia, Pacific	15,033	4,523	10,510	33	70%
Latin America	7,876	2,929	4,947	36	63%
Eastern Europe	4,787	1,611	3,176	34	66%
Africa, Middle-East	1,732	926	806	35	47%
Total	75,022 ✓	24,231 ✓	50 791 ✓	37 ✓	68% ✓

COSMETICS + TBS WORKFORCE: BREAKDOWN BY PART-TIME/FULL-TIME CONTRACT - HISTORICAL TREND

	<i>Part-time</i>			<i>Full-time</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Western Europe	5,980	6,360	6,927	23,165	23,387	23,631
North America	2,938	3,233	3,110	11,772	12,459	11,926
Asia, Pacific	61	78	220	13,158	13,626	14,813
Latin America	2	0	2	4,758	5,763	7,874
Eastern Europe	13	15	23	3,173	3,215	4,764
Africa, Middle-East	1	2	2	1,816	2,299	1,730
Total	8,995 ✓	9,688 ✓	10,284 ✓	57,842 ✓	60,749 ✓	64,738 ✓

COSMETICS + TBS WORKFORCE: BREAKDOWN BY PART-TIME/FULL-TIME CONTRACT - 2013

	<i>Part-time</i>			<i>Full-time</i>			<i>Total</i>
	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	
Western Europe	421	6,506	6,927	9,579	14,052	23,631	30,558
North America	240	2,870	3,110	4,002	7,924	11,926	15,036
Asia, Pacific	10	210	220	4,513	10,300	14,813	15,033
Latin America	0	2	2	2,929	4,945	7,874	7,876
Eastern Europe	3	20	23	1,608	3,156	4,764	4,787
Africa, Middle-East	0	2	2	926	804	1,730	1,732
Total	674 ✓	9,610 ✓	10,284 ✓	23,557 ✓	41,181 ✓	64,738 ✓	75,022 ✓

COSMETICS + TBS WORKFORCE: BREAKDOWN BY TEMPORARY/PERMANENT CONTRACT - HISTORICAL TREND

	<i>Temporary contract</i>			<i>Permanent contract</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>
Western Europe	1,569	2,116	2,181	27,576	27,631	28,377
North America	139	199	198	14,571	15,493	14,838
Asia, Pacific	3,647	3,608	4,195	9,572	10,097	10,838
Latin America	6	698	343	4,754	5,065	7,533
Eastern Europe	195	185	191	2,991	3,045	4,596
Africa, Middle-East	26	31	127	1,791	2,270	1,605
Total	5,582	6,837	7,235	61,255	63,601	67,787

COSMETICS + TBS WORKFORCE: BREAKDOWN BY TEMPORARY/PERMANENT CONTRACT - 2013

	<i>Temporary contract</i>			<i>Permanent contract</i>			<i>Total</i>
	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	
Western Europe	1,569	2,116	2,181	9,496	18,881	28,377	30,558
North America	139	199	198	4,140	10,698	14,838	15,036
Asia, Pacific	3,647	3,608	4,195	3,250	7,588	10,838	15,033
Latin America	6	698	343	2,865	4,668	7,533	7,876
Eastern Europe	195	185	191	1,516	3,080	4,596	4,787
Africa, Middle-East	26	31	127	867	738	1,605	1,732
Total	5,582	6,837	7,235	22,134	45,653	67,787	75,022

COSMETICS + TBS WORKFORCE: % OF EXECUTIVES (CADRES)

	<i>% of executives</i>		
	<i>2011</i>	<i>2012</i>	<i>2013</i>
Western Europe	33%	33%	34%
North America	26%	26%	28%
Asia, Pacific	33%	34%	35%
Latin America	36%	33%	29%
Eastern Europe	52%	54%	51%
Africa, Middle-East	45%	43%	47%
Total	33%	33%	34%



FOR FURTHER INFORMATION CONCERNING THE GROUP'S WORKFORCE, SEE SECTION 6.2.2.1 "EMPLOYMENT" ON PAGE 201 OF THE 2013 REGISTRATION DOCUMENT.

G4 11 Percentage of total employees covered by collective bargaining agreements

In all, 43% of the Group's employees are officially covered by collective bargaining agreements (national and/or industry-specific and/or company-specific). 90% of these are covered by company-specific collective bargaining agreements.

Worldwide, 73% of L'Oréal's employees work in subsidiaries where representative bodies are officially in place, even though not all of these employees are officially covered by collective bargaining agreements (in some countries, collective bargaining agreements only cover employees belonging to a trade union, while in other countries, they automatically cover all employees in accordance with the *erga omnes* principle).

Situation with regard to collective bargaining agreements

The social policy at L'Oréal permits the signature of a certain number of collective agreements each year within its subsidiaries. In 2013, 39 agreements were signed in France and 57 agreements were signed in the rest of the world.

In total, the number of agreements in force worldwide at December 31, 2013 was 426.

FOR MORE INFORMATION CONCERNING COLLECTIVE BARGAINING AGREEMENTS, SEE THE PARAGRAPH ON "SITUATION WITH REGARD TO COLLECTIVE AGREEMENTS" ON PAGE 207 OF THE 2013 REGISTRATION DOCUMENT. SEE ALSO THE LABOUR PRACTICES FACT SHEET, MANAGEMENT APPROACH, IN THIS REPORT.

G4 12 Organization's supply chain

L'Oréal produces 86.8% of its products in its own factories. For its production processes, L'Oréal purchases:

- **raw materials** (various raw materials used in its products): polymers, oils/fats, natural products, fragrances, etc.;
- **packaging** (plastic and glass bottles and jars, injection-moulded parts, plastic and aluminium tubes, aerosol cans, diffusers, labels, inserts, corrugated cardboard, cases, etc.);
- **and production equipment:** manufacturing equipment (manufacturing skids, weighing equipment, washing equipment), packaging machines (filling, labelling, dispensing, and bundling machines, etc.) and industrial facilities (compressors, boilers etc.) needed to manufacture the finished products.

In parallel to its own in-house production, the Group calls on a selection of subcontractors for packaging or finishing operations on finished products, for the manufacture of specific finished products (soaps, pencils, wipes, etc.) and for logistics services.

As well as these direct production-related purchases, L'Oréal also buys:

- **promotional and advertising items** (various materials for POS advertising, cardboard used in POS displays (display stands), gift boxes, printed material (inserts, books, etc.), gift accessories for consumers (bags, textiles, accessories, etc.), and **marketing services** (creative and post-production agencies, advertising slots, upstream market surveys and of course digital media);
- products and services not related to production, generally known as indirect supplies (intellectual services, travel expenses, facility management, energy, temporary staff, training, IT and telecommunications).

To cover all of its needs, L'Oréal uses several thousand suppliers around the world.

The bulk of the Group's purchases are made in the same area in which its factories are located: on average, 80% of the amount spent on packaging, raw materials and subcontracting is paid to suppliers based in the geographic zone of the factory concerned (Europe, USA, Asia, Latin America, Africa/Middle East).

The worldwide volume of direct production-related purchases (packaging, raw materials and subcontracting) represented €3.69 billion euros in 2013 (Cosmetics scope, excluding TBS).

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Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain

SHARE CAPITAL

The share capital amounted to €121,180,377.40 as of December 31st, 2013. It was divided into 605,901,887 shares with a par value of €0.20 each, all of the same class and ranking *pari passu*.

SIGNIFICANT EVENTS OF 2013

- On January 10th, 2013 L'Oréal inaugurated its new R&I Centre in India, in Mumbai and Bangalore.
- On January 31st, 2013 L'Oréal finalised the acquisition of the Vogue group in Colombia.
- On February 11th, 2013 the Board of Directors decided on the implementation of a share buyback programme for 500 million euros during the 1st half of 2013.
- On February 27th, 2013 Galderma finalised the acquisition of Spirig Pharma A.G. in Switzerland.
- On April 15th, 2013, L'Oréal announced the acquisition of the Health & Beauty business of Interconsumer Products Limited (ICP) in Kenya.
- On April 26th, 2013, the Annual General Meeting of L'Oréal shareholders approved the appointment as Director of Ms. Virginie Morgon and renewed the tenures as Director of Ms. Françoise Bettencourt Meyers, Mr. Peter Brabeck-Letmathe and Mr. Louis Schweitzer.
- On May 17th, 2013, L'Oréal announced several appointments within its Executive Committee: Marc Menesguen was appointed as President of the Consumer Products Division, Nicolas Hieronimus was appointed as President of the Selective Divisions (Luxe, Professional Products, Active Cosmetics, The Body Shop). Frédéric Rozé was appointed Executive Vice-President for the Americas Zone, which includes North and Latin America. Alexandre Popoff was appointed as Executive Vice-President for the Eastern Europe Zone. Jochen Zaumseil was appointed as Executive Vice-President for the Western Europe Zone. Finally, Alexis Perakis-Valat was appointed as Executive Vice-President for the Asia, Pacific Zone. These appointments were effective as of June 1st, 2013.
- On August 15th, 2013, L'Oréal announced its intention to acquire all the shares of Magic Holdings International Limited, a Chinese company, listed on the Hong Kong Stock Exchange, specialised in cosmetic facial masks.
- On September 20th, 2013, L'Oréal India announced the acquisition of Cheryl's Cosmeceuticals, a company based in Mumbai, specialising in professional skin care products and treatments in beauty salons.
- On October 15th, 2013 L'Oréal announced the acquisition by The Body Shop of a majority stake in Emporio Body Store in Brazil, with the option of increasing its shareholding to 80% by 2019. Following approval by the Brazilian anti-trust authority CADE, the acquisition was completed on December 12th.
- On October 17th, 2013, L'Oréal announced that it had been granted exclusive negotiation rights by Shiseido for the acquisition of the Decléor and Carita brands.
- On November 19th, 2013, Beauté Créateurs, a subsidiary that distributes brands specific to the mail order business, announced its intention to cease its mail order activity during the first half of 2014.
- On November 21st, 2013, L'Oréal announced that it was creating a Group Travel Retail Division encompassing all the brands sold in the Travel Retail channel, which posts particularly dynamic growth.
- On November 29th, 2013, the Board of Directors meeting chaired by Mr Jean-Paul Agon decided to buy back L'Oréal shares for a maximum amount of 500 million euros between November 30th and the end of the first quarter of 2014.

FOR FURTHER INFORMATION CONCERNING 2013 HIGHLIGHTS, SEE SECTION 3.3.1, "SIGNIFICANT EVENTS OF 2013" ON PAGES 102 AND 103 OF THE 2013 REGISTRATION DOCUMENT.

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Commitments to external initiatives

At the request of the Chairman and Chief Executive Officer, the Administration and Finance Division compiled the information contained in this report based on the different types of work carried out by departments working on Internal Control and management of the Group's risks and which aims at covering the main operational, legal, industrial, environmental, economic and financial risks described in section 1.8. on pages 20 to 27 of the Registration Document.

These considerations are contained, it should be noted:

► STRONG COMMITMENTS WITH REGARD TO SOCIAL RESPONSIBILITY AND SAFETY

The Operations Division, like the Group as a whole, plays a predominant role in the field of social responsibility and safety. L'Oréal incites its suppliers to be more responsible and carries out rigorous monitoring of their commitments through a large number of social audits carried out on suppliers throughout the world; 5,295 social audits have been carried out since 2006. The objective is not to impose sanctions on suppliers but to help them to improve their safety standards and their environmental and social performances. The Group received a prize from VIGEO⁽¹⁾ in 2012 for the prevention of social dumping in the supply chain.

By creating the "Solidarity Sourcing" programme in 2010, the Group took the initiative of using local suppliers who make commitments in favour of minorities: disabled workers or workers from deprived communities. It may also involve very small suppliers or fair trade players that L'Oréal calls on to contribute with the help of its suppliers. This programme was officially launched in 2012 to the Group's suppliers in order to encourage them to develop the same approach with their own suppliers. In 2013, the "Solidarity Sourcing" programme provided access to employment to over 22,000 people.

With regard to safety, the Operations Division pays particular attention to employees who work on production sites. They are trained in compliance with safety rules and observe "a safety minute" every day in order to prevent and avoid accidents.



FOR FURTHER INFORMATION REGARDING THE SOLIDARITY SOURCING, SEE THE SECTION "SOLIDARITY SOURCING", PAGE 41 OF THE SUSTAINABLE REPORT 2013

► ENVIRONMENTAL PROTECTION AT THE HEART OF PRODUCTION

Throughout the whole of the production chain, innovative measures with regard to Sustainable Development are implemented all over the world, from projects with regard to efficient everyday use of resources to breakthrough projects. Many initiatives that are most suited to the local ecosystem are being introduced at the Group's sites (geothermal energy in Vichy, photovoltaic panels in Mexico, biomethanation in Belgium, phytoremediation in Mourenx (France), and so on).

Through "Commitments for 2020", the Group carries on with the approach initiated in 2009 aiming at reducing the environmental footprint of its factories and logistics centres. The pledge to reduce by 50% carbon emissions in absolute terms (both direct and indirect) water consumption and waste generation per finished product unit, by 2015 from a 2005 baseline, is now a pledge to reduce by 60% by 2020 from a 2005 baseline (see chapter 6, paragraph 6.3.1, page 213 of the Registration Document). Furthermore, the environmental impacts related to packaging, transport and buildings are also taken into consideration.

(1) European extra-financial ratings agency.

MEASURES ADOPTED WITH REGARD TO CONSUMER HEALTH AND SAFETY

Protection of consumer safety is one of L'Oréal's absolute priorities: Safety assessment is at the centre of development of new products and a prerequisite before any product is launched on the market.

The evaluations by L'Oréal's International Safety Assessment Department, based on a multidisciplinary scientific approach, are carried out at all stages of the product life cycle.

The product safety evaluation is based on the evaluation of each ingredient and finished product on the basis of existing safety data and the latest medical and scientific knowledge. If necessary, L'Oréal conducts additional safety studies in qualified laboratories all over the world. The results of these studies are interpreted by experienced scientists who are specially trained in safety assessments with regard to cosmetic ingredients and products.

A safety certificate signed by a safety assessment expert was issued for each product launched on the market. Furthermore, L'Oréal's ethics principles, rooted in both scientific rigour and responsiveness to societal concerns, lead to a pre-emptive approach whereby formulations are evolved by removing and/or replacing substances that are the subject of concern.

L'Oréal's added value, in terms of the safety assessment of its ingredients and finished products, lies in its investment for over twenty years in the development of predictive methods and tissue engineering. For many years, L'Oréal has thus been investing in science and technology to create new evaluation tools which are used every day by safety assessors.

L'Oréal also works closely with all the international stakeholders involved in relevant industries in order to progress the development of alternative multidisciplinary solutions in the field of safety assessment.

In fact, L'Oréal's products continually evolve as and when technological innovations occur, but with the constant desire to guarantee the highest level of safety for both consumers and professionals.

FOR FURTHER INFORMATION CONCERNING PRODUCT QUALITY AND SAFETY, SEE:

- SECTION 6.4.4 "FAIR BUSINESS PRACTICES", PARAGRAPH ON "MEASURES ADOPTED WITH REGARD TO CONSUMER HEALTH" ON PAGE 227 OF THE 2013 REGISTRATION DOCUMENT;
- SECTION 1.8.1.2 "PRODUCT QUALITY AND SAFETY" ON PAGE 21 OF THE 2013 REGISTRATION DOCUMENT.

ANIMAL TESTING: BALANCING ETHICS AND INNOVATION

The harmlessness and efficacy of L'Oréal's technological innovations are essential. To meet these requirements, the research team embarked in the 1980s on developing alternative methods to animal testing for the evaluation of the safety of its products and active principles.

Much progress has been made thanks to tissue engineering, which made it possible to reconstruct the first human epidermis in 1979 and then the first complete skin (epidermis and dermis) in 1996. In three decades, thanks to its investment in research and scientific partnerships, the Group has created genuine expertise in this area.

In 2011, L'Oréal inaugurated in Gerland (Lyon, France) its global predictive evaluation centre dedicated to evaluation of the safety and efficacy of ingredients and products, the first cosmetics industry site to produce reconstructed biological tissues (around 130,000 units per year).

12 reconstructed skin and corneal tissue models have been developed to date. These models are fabulous tools to predict the safety and efficacy of products and make it possible to reduce the time-to-market. Thanks to these models, L'Oréal was able to stop testing finished products on animals in 1989 (14 years before it became a legal obligation in Europe) and develop predictive evaluation strategies to satisfy the recent European regulations which prohibit the offering for sale of products containing any ingredient that has been tested on animals after March 11th, 2013.

This law has not had any impact on the Group's innovation efforts.

Outside Europe, in all the countries which continue to require or conduct animal testing to evaluate product and cosmetic ingredient safety, L'Oréal shares its breakthroughs and makes available both its models and its substitute methods. L'Oréal has no longer conducted animal testing anywhere in the world since March 2013 and does not delegate responsibility for doing so to anyone else.



FOR FURTHER INFORMATION REGARDING THE HARMLESSNESS AND EFFICACY OF PRODUCTS, SEE:

- SECTION 1.5.3 « ANIMAL TESTING: BALANCING ETHICS AND INNOVATION » PAGE 14 OF THE REGISTRATION DOCUMENT 2013
- THE ARTICLE «PRODUCT SAFETY AND ANIMAL TESTING» PAGE 11 OF THE 2013 SUSTAINABLE DEVELOPMENT REPORT

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Economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses

L'Oréal signed up to the United Nations Global Compact in 2003. Since then, it has supported and implemented the ten fundamental principles of the Global Compact regarding Human Rights, labour practices, the environment and anti-corruption within its sphere of influence.

This commitment is supported at the highest level of the Company by L'Oréal's Chairman and Chief Executive Officer who renews L'Oréal's commitment to the United Nations Global Compact every year.

L'Oréal is a member of Global Compact France.



FOR FURTHER INFORMATION CONCERNING THE UNITED NATIONS GLOBAL COMPACT, SEE THE ANNUAL REPORT ON THE GLOBAL COMPACT:
[HTTP://WWW.LOREAL.COM/ARTICLE.ASPX?TOPCODE=CORPTOPIC_GROUP_GOUV_ETHICS_GLOBALPACT&](http://www.loreal.com/article.aspx?topcode=corptopic_group_gouv_ethics_globalpact&)

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Memberships of associations and national or international advocacy organizations

As the leading player in the cosmetics industry, L'Oréal believes it has a duty to be proactive and to participate in the process of drafting local regulations in the countries in which the Group is located.

The Group therefore participates in Cosmetics Europe (formerly Colipa), the industry's European trade association. Cosmetics Europe is the organisation almost always cited, named or active as the spokesperson with regard to stakeholders, but plays a part in various European professional associations such as the MEDEF employers' federation, the AFEP association of private companies in France and the European Brands Association (AIM). In South America, L'Oréal partners CASIC and CONARS on issues of self-regulation and responsible advertising.

LEADERSHIP, COOPERATION AND ASSISTANCE

L'Oréal continues to act as a leader and shares its progress in the field of sustainable development by taking part in and cooperating in particular with:

- the Observatoire sur la Responsabilité Sociétale des Entreprises (Observatory on Corporate Social Responsibility – ORSE), a European network of companies studying and promoting CSR;
- CSR Europe, a European business network promoting corporate social responsibility, bringing together almost 75 multi-national companies;
- Carbon Disclosure Project, an international NGO which provides the only global system allowing companies and cities to measure, report on, manage and share environmental information.
- WBCSD (World Business Council for Sustainable Development), an international association bringing together member company CEOs and dealing exclusively with corporate sustainable development issues;
- UN Global Compact: L'Oréal signed up to the ten fundamental principles of the Global Compact in 2003;
- CDP Forest, which partners companies in helping them to determine their "forest footprint". In 2013, L'Oréal was recognised as one of the best companies in its category for its sustainable sourcing system by the Carbon Disclosure Project Forest.
- EUROPEN (European Organisation for Packaging and the Environment), which brings together companies wishing to contribute to the debate with government authorities on packaging and the environment;
- International Chamber of Commerce Anti-Corruption Committee;
- Member of Transparency International France.

The Group has placed ethics at the heart of its practices. As part of an ongoing improvement drive, L'Oréal also works with many associations and institutions recognised for their expertise in this field:

- Global Council on Business Conduct
- The Conference Board
- Ethics and Compliance Officers
- The Ethics Resource Center
- International Business Ethics
- European Institute for Business Ethics
- Business Ethics Network
- Institut Français des Administrateurs (French directors' association)
- Cercle Ethique des Affaires

L'Oréal also:

- supports academic research, by sponsoring the chair of bioplastics at the prestigious engineering school, École des Mines de Paris, which studies alternative packaging materials;
- takes part in the main industry forums and networks;
- maintains an active, open-ended dialogue on sustainable development issues with the stakeholders concerned, particularly environmental defence groups, and the Group's partner charities and suppliers.

➤ DIVERSITY

For over 10 years, L'Oréal has been engaged in an innovative, ambitious policy in favour of Diversity. The Group has set itself three priorities: gender, disability and socio-cultural and ethnic origin and its actions are more particularly focussed on the areas of human resources, solidarity sourcing and marketing.

Today, with a network of more than 86 Diversity coordinators all over the world, the initiatives conducted by all the Group's subsidiaries make L'Oréal a pioneer and one of the recognised major players in the area of diversity at worldwide level.

- In 2004, L'Oréal was a founding member of the first Diversity Charter in France. The Group has now signed eight other charters in Europe (including Germany, Austria, Belgium, Italy, Poland, Spain and Sweden) certain of which were created on its initiative. The most recent initiative was at L'Oréal Finland which was a founding member of the Finnish Diversity Charter in 2013.
- In the field of gender equality, L'Oréal was awarded in 2010 the first European gender equality label, the "Gender Equality European Standard" (GEES), by Bureau Veritas, for eight of its entities in Europe: Germany, France, Spain, Italy, Belgium, the United Kingdom, Ireland and L'Oréal S.A. Four other entities were audited at the end of 2012 and awarded the label by Bureau Veritas (Baltic countries, Portugal, Czech Republic and Poland).
- In 2013, the 8 subsidiaries which had initially obtained the GEES label were subject to a mid-term audit: 3 subsidiaries had made progress, increasing to 4 the total number of subsidiaries that have achieved the maximum level of certification. This is proof of commitment as these regular audits measure the progress made towards gender equality. L'Oréal France also received the Professional Equality label. Also in the field of gender equality, L'Oréal Mexico received the World Bank's "Gender Equity Model" certification in October 2012.
- With regard to disability, L'Oréal has been developing a global policy since 2008 in favour of professional insertion of the disabled in the Company. This policy focuses on five priorities: infrastructures, maintenance in employment, recruitment, subcontracting and partnerships.

To accelerate the mobilisation of its subsidiaries, L'Oréal has put in place since 2008 awards known as "Initiatives for the Disabled" which reward operational entities for their concrete actions in favour of the disabled. These awards, which are presented every two years, make it possible to showcase and share the best practices of the various L'Oréal entities both in France and in Europe. In 2012, this initiative was made international, which enabled 14 countries from four geographic zones to participate.

In 2013, L'Oréal Chile received the "Sello Inclusivo" seal which rewards efforts made with regard to accessibility. L'Oréal also signed the agreement with the International Labour Organisation to become part of this organisation's Disability Network, in order to share its best practices and interact with stakeholders, such as Non-Governmental Organisations, civil associations and other businesses.

In 2009 L'Oréal created the CSR+Disability network together with the Italian Ministry of Labour, Telefonica and the ONCE Foundation in Spain. The purpose of this tri-national network which consists of players from the private and public sphere and from associations, is to promote access to work for disabled people throughout Europe. In 2013, as a result of this partnership, we jointly created the "1st European Award for Social Entrepreneurship and Disability: Promoting Social Investment". This award aims at identifying and rewarding projects from European social entrepreneurs in the field of inclusion of the disabled or innovative projects promoted by disabled entrepreneurs.

December 3rd is the International Day of persons with disabilities declared by the United Nations. 6 Group subsidiaries went into action and created "Disability Awareness Week": Spain, Chile, Mexico, Hong Kong, Italy and Germany.

France also mobilised the head office teams to raise awareness on this topic.

- Finally, with regard to recruitment, 46 countries in which the Group is established have implemented actions to diversify the origin of their recruitments with one objective: enable all talented individuals to assume high-level responsibilities within the Company, whatever their differences or their origins.

L'Oréal hosted the European Origins conference at its head office in partnership with the ENAR (European Network Against Racism) in October 2013.

L'Oréal has moreover developed a diversity assessment in France with a hundred or so indicators that together cover the 6 dimensions of Diversity policy.

For the same purpose, an automatic Diversity Reporting tool with 30 indicators (recruitment, training, remuneration...) has been made available to all the subsidiaries. In order to support these initiatives, L'Oréal has undertaken to train its employees in diversity by organising "Diversity Workshops". This one-day training session made it possible to raise awareness among over 15,000 employees in more than 20 countries at the end of 2013.



FOR MORE INFORMATION CONCERNING THE GEES, VISIT:

[HTTP://WWW.BUREAUVERITAS.FR/WPS/WCM/CONNECT/BV_FR/LOCAL/HOME/NEWS/PRESSRELEASES/NEWS+CERTIFICATION+GEES+CP?PRESENTATIONTEMPLATE=BV_MASTER_V2/NEWS_FULL_STORY_PRESENTATION_V2](http://www.bureauveritas.fr/wps/wcm/connect/BV_FR/LOCAL/HOME/NEWS/PRESSRELEASES/NEWS+CERTIFICATION+GEES+CP?PRESENTATIONTEMPLATE=BV_MASTER_V2/NEWS_FULL_STORY_PRESENTATION_V2)

FOR FURTHER INFORMATION CONCERNING THE EVE PROGRAMME, VISIT: [HTTP://WWW.EVEPROGRAMME.COM/](http://www.eveprogramme.com/)

I dentified material aspects and boundaries

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Entities included in the organization's consolidated financial statements or equivalent documents

Present in 130 countries, the Group has shown its ability over the first 100 years of its existence to attract nearly 1 billion consumers, representing around 15% of the population of the planet. With accelerating globalisation, L'Oréal's mission is being enlarged: based on its international positions and its power of innovation, the Group's ambition is to conquer a billion new consumers by 2020 to 2025.

L'Oréal parent company is a French company with its registered office in France, which performs a sales activity specific to that country. At the same time, L'Oréal parent company has firstly a role of holding company and strategic coordination and secondly that of scientific, industrial and marketing coordination of the L'Oréal Group on a worldwide basis. Most of the subsidiaries have a role of marketing of the products manufactured by the Group's factories in the countries or zones in which it is established. The L'Oréal Group wholly owns the vast majority of its subsidiaries.

The Cosmetics Branch, which represents most of the Group's activities (nearly 93% of its consolidated sales in 2013), is made up of 4 Operational Divisions which each correspond to a specific marketing channel:

The Professional Products Division markets products used but also sold in hair salons. Privileged partner of hairdressers all around the world, it supports them in every facet of their development and offers them high-level training. Its portfolio of differentiated brands meets the needs of all types of salon. Professional Products Division brands: L'Oréal Professionnel, Redken, Kérastase and Matrix.

The Consumer Products Division offers the best in cosmetic innovations at accessible prices in all mass-market retail channels (hypermarkets, supermarkets, drugstores and traditional stores) on every continent. Consumer Products Division brands: L'Oréal Paris, Garnier, Maybelline, Softsheen Carson and Essie;

L'Oréal Luxe brings together a unique set of prestigious brands. These brands are sold through selective distribution, broken down between department stores, perfumeries, travel retail outlets, but also its own stores and through e-commerce websites. L'Oréal Luxe Division brands: Lancôme, Giorgio Armani, Yves Saint Laurent, Biotherm, Kiehl's, Ralph Lauren, Shu Uemura, Cacharel, Helena Rubinstein, Diesel, Clarisonic, Viktor & Rolf, and Urban Decay;

The Active Cosmetics Division distributes its products worldwide in healthcare products distribution channels, primarily through pharmacies, drugstores, medispas and, in some countries, dermatologists. Its unique portfolio of brands, which meets all the needs of consumers in terms of health-beauty, and its privileged partnership with healthcare professionals have made this Division the world's No. 1 in dermocosmetics. Active Cosmetics Division brands: Vichy, La Roche-Posay, SkinCeuticals, Innéov and Roger & Gallet.

The Body Shop Branch represents nearly 4% of consolidated sales in 2013. Founded in 1976 in the United Kingdom by Dame Anita Roddick, The Body Shop is known for its ethical commitment and its products with natural ingredients. More than 87% of its products contain ingredients from its Community Fair Trade programme. With a presence in 66 countries, the brand distributes its products and expresses its values through a network of exclusive stores but also complementary distribution channels: Internet sales and airport shops.

The Dermatology Branch which represents approximately 3% of consolidated Group sales (share attributable to L'Oréal), consists of Galderma, a joint venture set up by L'Oréal and Nestlé over 30 years ago. After posting regular growth for many years, the Galderma laboratory is pursuing its development and has made its mark as one of the leaders in dermatology.

Several specialist Divisions provide their expertise and support to the Branches and Operational Divisions:

- the Research and Innovation Division, in charge of fundamental and applied research;
- the Operations Division, in charge of coordination of production and the supply chain;
- the Human Relations Division, in charge of recruitment, training and talent development policies and co-ordination of social policy;
- the Administration and Finance Division, in charge of the Group's financial policy, controlling and consolidation, information systems, legal and tax co-ordination as well as financial communications and relations with shareholders and investors;
- the Communication, Sustainability and Public Affairs Division, in charge of co-ordination of corporate communication, co-ordination of communication by the Operational Divisions and brands and Sustainable Development.

G4₁₈ *Process for defining the report content and the Aspect Boundaries*

G4₁₉ *Material Aspects identified in the process for defining report content*

G4₂₀ *Aspect Boundary within the organization*

G4₂₁ *Aspect Boundary outside the organization*

▶ GLOBAL RESPONSE

L'Oréal's constant, constructive stakeholder engagement (see Stakeholder Engagement fact sheet G4-24 to 27 for identification of stakeholders and the type of engagement adopted) enables L'Oréal to identify their expectations each year. The first materiality matrix was prepared in 2010. In 2012, L'Oréal identified 29 subjects of particular importance both for stakeholders and the Group through a materiality analysis, which enables L'Oréal to revise its strategy and its indicators, update its materiality matrix and adapt its reporting.

L'Oréal's materiality analysis takes place in 4 phases:

- Phase 1 - identification and prioritization of stakeholder expectations
- Phase 2 - identification and prioritization of sustainable development issues for L'Oréal
- Phase 3 - determination of materiality
- Phase 4 - revision of L'Oréal's CSR strategy and indicators

▶ PHASE 1 - IDENTIFICATION AND PRIORITIZATION OF STAKEHOLDER EXPECTATIONS

L'Oréal identified the thirty most important topics for stakeholders, through a rigorous analysis of their occurrence and their intensity in the information resulting from the dialogue with stakeholders, such as the minutes of Stakeholder Forums or reports drawn up by sustainability rating agencies

These thirty topics have been classified in four categories corresponding to L'Oréal's four fields of action in the area of sustainable development: innovating sustainably, producing sustainably, consuming sustainably and sharing growth.

Each topic is assigned a level of concern which can be low, medium, high, or very high.

Stakeholders in particular have very high expectations concerning safety and quality of products and their ingredients, as this subject appears in all analysed sources. This topic has therefore been identified as being of "very great interest" for L'Oréal's stakeholders.

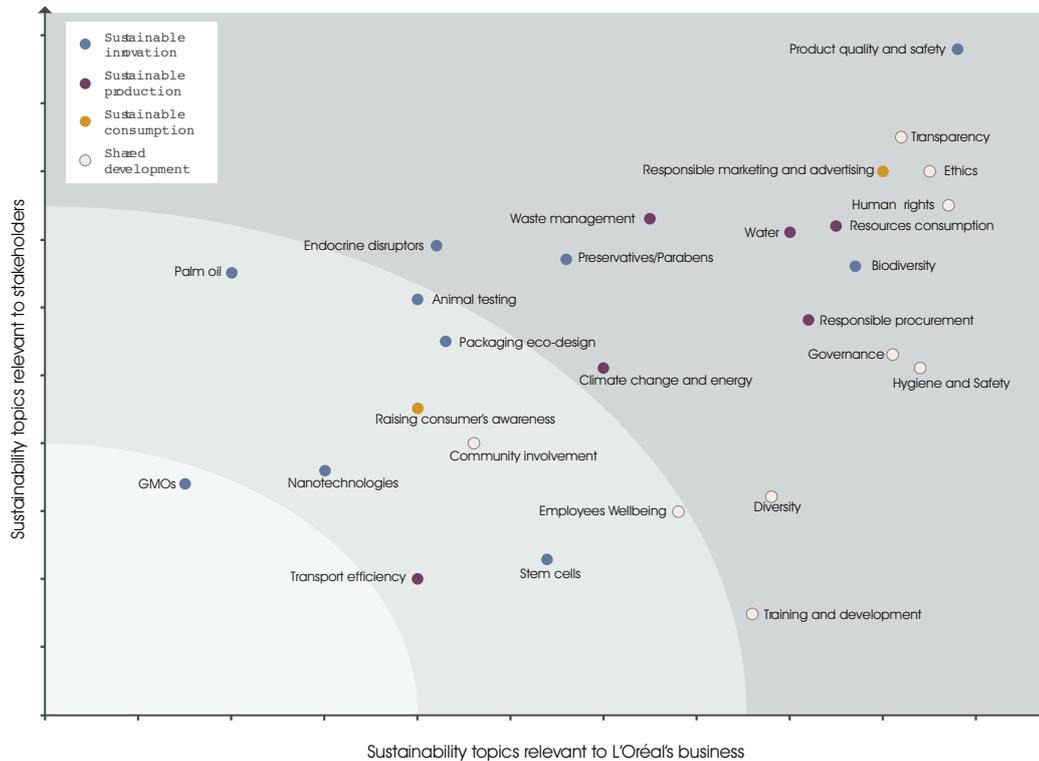
▶ PHASE 2 - IDENTIFICATION AND PRIORITIZATION OF SUSTAINABLE DEVELOPMENT ISSUES FOR L'ORÉAL

L'Oréal then identified the subjects of strategic importance for the Group in the environmental and social fields, in the light of its challenges and ambitions.

In order to do so, internal CSR experts identified thirty particularly important subjects from a medium to long-term perspective and with the aim of excellence in sustainable development: each subject was thus assigned a level of importance from low, medium, high, to very high.

PHASE 3 - DETERMINATION OF MATERIALITY

A comparison of the subjects identified as important for stakeholders and for L'Oréal makes it possible to update a list of thirty or so common subjects. These subjects are therefore characterised by their materiality, i.e. the importance they have both for L'Oréal and for its stakeholders. This analysis made it possible to prepare the materiality matrix for the L'Oréal Group.



PHASE 4 - REVISION OF L'ORÉAL'S CSR STRATEGY AND INDICATORS

The materiality analysis allows L'Oréal to understand stakeholder expectations better and to look at them together with its CSR strategy. It will thus enable L'Oréal to revise the priorities of its CSR strategy and assess the relevance of its indicators.

The materiality matrix also makes it possible to structure L'Oréal's annual reporting, by communicating in priority on the most material subjects.

In 2013, the Group continued to organise Stakeholder Forums (in Copenhagen, thematic forums in Paris) in order to continue to learn the expectations of its stakeholders.

In parallel, a certain number of thematic workshops were organised internally with experts in the various fields covered by the reporting in order to identify the Aspects and the material indicators within the framework of the GRI *inter alia*.

The CSR team, in an ongoing dialogue with the stakeholders, had positioned the level of expectation of the stakeholders with regard to all aspects on an analysis grid. The groups of experts had to discuss and position these various issues along an axis of "importance of the issue for L'Oréal's business" according to 4 criteria:

- consequence on sales
- consequence on net profit
- consequence on share price
- consequence on reputation

The departments involved in the network of experts consulted were represented by the people in charge of ethical issues, product communications, legal, finance, EHS, Research & Innovation, packaging, purchasing, labour relations, HR, internal control or diversity issues...

I/identified material aspects and boundaries

This importance has been classified as follow for each of the aspects:

	<i>Environmental</i>	<i>Human Rights</i>	<i>Labour practices and decent work</i>	<i>Society</i>	<i>Economic</i>	<i>Product Responsibility</i>
High	Climate change Water Effluents and waste Materials Biodiversity Compliance	Supplier Human Rights Assessment Non-discrimination Responsible purchasing Child Labor Forced or Compulsory Labor Assessment	Employment Occupational Health and Safety Training and Education Diversity and Equal Opportunity Equal Remuneration for Women and Men Supplier Assessment for Labor Practices	Local Communities Anti-corruption Public Policy Anti-competitive Behavior Compliance	Economic Performance Market Presence Procurement Practices	Customer Health and Safety Product and Service Labeling
Medium	Energy Emissions Transport Products and Services Supplier Environmental Assessment Environmental Grievance Mechanisms	Human Rights Grievance Mechanisms Investment Freedom of Association and Collective Bargaining Indigenous Rights Security Practices	Labor Practices Grievance Mechanisms Employer/employee relations	Grievance Mechanisms for Impacts on Society Supplier Assessment for Impacts on Society	Indirect Economic Impacts	Marketing Communications Customer Privacy Compliance

REPORTING METHODOLOGY

The Group strives to ensure the consistency and relevance of its publications (Chapter 6 of the Registration Document). In this connection, the publication of these fact sheets is part of a global process also involving the publication of the CSR section included in chapter 6 of the Registration Document. It was verified by the Statutory Auditors.

In addition to the Registration Document, L'Oréal also publishes a Sustainable Development Report every year.

The position adopted in the Sustainable Development Report is to illustrate, through reports, highlights and interviews, L'Oréal's strategy with regard to innovating, producing and consuming sustainably and sharing growth. It also includes a summary of the key indicators included in the CSR chapter of the Registration Document and in the GRI fact sheets. A certain number of these indicators are audited by the Statutory Auditors.

On page 232 of the Registration Document, L'Oréal's Statutory Auditors present their report on the consolidated environmental, social and societal information in the CSR chapter of the Registration Document, pursuant to the provisions of Article L.225-102-1 of the French Commercial Code and their reasonable assurance with regard to a selection of information identified by the sign . This selection is furthermore supplemented by an additional review of the information relating to Scope 3 (Carbon Assessment data).

In 2013, the Statutory Auditors stressed the relevance of the reporting, its indicators and its main impacts.

Extract from the Statutory Auditors' Report (page 232 of the 2013 Registration Document):

"We conducted around sixty interviews (...) in order to assess the suitability of the Reporting Criteria with respect to its relevance, completeness, reliability, neutrality and clarity, taking into consideration, when relevant, the sector's best practices;"

The information that was the subject of a reasonable assurance audit by the Statutory Auditors in Chapter 6 of the Registration Document is indicated by a .

The choice of aspects and indicators used reflect the environmental, social and societal policy of L'Oréal and incorporates the material issues described in the matrix of materiality.

Choice of indicators

Concerned to enrich information regularly brought to the attention of all stakeholders, the Group decided to compile the 2013 report indicators reflecting its activity.

Social/societal indicators

The indicators chosen are those used in the management of employees and of the social aspects of the Company. They reflect the results of the Human Resources policy.

L'Oréal has built its human and social project around two priorities: individual performance and social performance, two key factors in the success of the world leader in beauty. While accelerating the recruitment and development of talents all over the world, in order to ensure sustainable growth, L'Oréal is keen to offer all its employees an environment in which everyone can reveal their talents, improve and thrive and where they all feel that their contributions are recognised and that they receive support.

Thus, L'Oréal's Human Resources policy is founded on:

- A vision focusing on performance and individual talent.

L'Oréal has always put the human dimension at the centre of the Company by projecting a long-term vision for its talents. The mission of the Human Resources Department is currently to develop the talent of every employee and prepare tomorrow's leaders, in particular, the emergence of local talents, to support the Group's ambition to win a billion new consumers.

- Ongoing recruitment of talented individuals.

The Group constantly strives to enhance its pool of talents, in all countries. Recognised as one of the most attractive companies in the world for young graduates and one of the companies that provide the most training with regard to leadership, the Group conducts a diversified recruitment policy, which is based both on partnerships with the best educational institutions in the world and the use of corporate gaming attracting tens of thousands of students from all over the world and a proactive strategy of looking for candidates via digital technologies. L'Oréal also develops its own selection methods to recruit the best talents and those which best represent the diversity of its consumers from among the million spontaneous applications received every year.

- The ambition of putting each employee in a position to develop their career.

Individual performance monitoring and a large number of career development opportunities and training programmes that are accessible to everyone are aimed at allowing each and every employee to develop. The programmes may be rolled out throughout the world, thanks to the international locations of training structures and the use of digital technologies with the "My learning" portal which offers all employees opportunities for online training. The large-scale mobility between jobs and between countries and the many individual promotions made each year attest to the vitality of career management. This management is based on a network of human resources professionals, who are both in tune with employee expectations and aware of the requirements of our business. The close cooperation between these human resources professionals and the operational managers makes it possible to have a two-way perspective with regard to talents and to define the most suitable development opportunities for each of them.

Offering a protective and fulfilling working environment.

L'Oréal pays particular attention to the level of its social performance.

The Group has set itself the target of promoting its values by creating a pleasant and conducive working environment, marked by solidarity and respect, and where all employees can fulfil personal development with:

- The desire to recognise the effective contribution made by everyone through a dynamic remuneration policy and short-, medium- and long-term global incentive systems.
- A regular evaluation of the expectations of employees throughout the world through large-scale opinion polls leading to the implementation of action plans.
- The search for a work environment and working conditions that will help everyone to achieve personal satisfaction.
- An active dialogue between management and employees and their representatives at worldwide level.
- An active policy with regard to diversity as a factor of progress, innovation and creation of a social relationship with three global priorities of gender, social origin and disabilities.

In 2013, the Group chose to go one step further with regard to social performance with the launch of the "L'Oréal Share & Care" program, an ambitious programme aimed at offering all the Group's employees, in all the countries in which it is located, a set of guaranteed global social measures in four areas: social protection, healthcare, parenthood and quality of life at work.

This programme, which will make it possible to address the essential needs of each and every one of our employees and encourage their commitment, will make L'Oréal one of the companies with the best practices in terms of social performance and well-being at work.

The L'Oréal Share & Care program falls within the scope of the commitments made by the Group by 2020 in the area of Sustainable Development and social responsibility, under its "Sharing beauty with all" programme.

The launch of this programme and its implementation show the strong conviction that social performance and economic performance are not only intimately linked but also provide each other with mutual strength.

Particular attention to the level of L'Oréal's social performance

The Group has set itself the target of promoting its values by creating a pleasant and conducive working environment, marked by solidarity and respect, and where all employees can fulfil personal development with:

- The desire to recognise the effective contribution made by everyone through a dynamic remuneration policy and short-, medium- and long-term global incentive systems.
- A regular evaluation of the expectations of employees throughout the world through large-scale opinion polls leading to the implementation of action plans.
- The search for a work environment and working conditions that will help everyone to achieve personal satisfaction.
- An active dialogue between management and employees and their representatives at worldwide level.
- An active policy with regard to diversity as a factor of progress, innovation and creation of a social relationship with three global priorities of gender, social origin and disabilities.



FOR FURTHER INFORMATION REGARDING THE HUMAN RESOURCES POLICY, SEE :

- LABOR SHEET OF THE GRI
- L'ORÉAL HUMAN RESOURCES POLICY ON PAGE 198 OF THE REGISTRATION DOCUMENT

I/identified material aspects and boundaries

L'ORÉAL

Environmental indicators

Through the Commitments for 2020, the Group is continuing with the approach initiated in 2009 aimed at reducing the environmental footprint of its factories and logistics centres. The pledge to reduce by 50% carbon emissions in absolute terms (both direct and indirect), water consumption and waste generation per finished product unit by 2015 from a 2005 baseline, has now become a pledge to reduce by 60% by 2020 from a 2005 baseline:

- A 60% reduction of greenhouse gas emissions in absolute terms (scope I and II);
- A 60% reduction in waste generation per finished product unit;
- A 60% reduction in water consumption per finished product unit.

Finally, by 2020, the Group undertakes to send zero industrial waste to landfill and to reduce the CO2 emissions from transportation of finished products by 20% per FP/KM from a 2011 baseline.

Global industrial policy also demands all sites to:

- ensure compliance with the regulations;
- apply best practices in energy efficiency or efficient consumption of resources and waste reduction;
- roll out breakthrough projects in a permanent search for operational performance allied with environmental performance.

Furthermore, all L'Oréal's factories must be ISO-14001 certified. At the end of 2013, 3 plants are still in the process of being certified [Kaluga (Russia), Egypt, San Luis Potosi (Mexico)] because they have recently started operations.

Every year, the relevance of the indicators is re-examined in light of the developments in the Group's businesses and the expectations of its stakeholders (see Governance fact sheet - paragraph: Stakeholder Engagement).

Within the framework of a process aimed at making continual progress, L'Oréal arranges for a certain number of relevant data to be audited.

In 2013, risk audits were carried out at 17 factories, 12 logistics centres, 13 administrative sites and 4 Research centres.



FOR FURTHER INFORMATION CONCERNING THE EHS AUDITS, SEE SECTION 6.3, PARAGRAPH ON "WORLDWIDE AUDIT PROGRAMME" ON PAGE 213 OF THE 2013 REGISTRATION DOCUMENT.

MATERIALITY MATTERS



Global Reporting Initiative™

AT THE TIME OF PUBLICATION THE G4-17 TO G4-27 DISCLOSURES WERE CORRECTLY LOCATED IN THIS G4 CONTENT INDEX AND FINAL REPORT.



G4
22 *Effect of any restatements of information provided in previous reports, and the reasons for such restatements*

G4
23 *Significant changes from previous reporting periods in the Scope and Aspect Boundaries*

➤ **GLOBAL RESPONSE: SOCIAL, HEALTH AND SAFETY DATA SCOPE, INDICATORS, REPORTING METHOD AND SYSTEMS**

➤ **SOCIAL DATA**

Scope of consolidation

The workforce indicated in the "Total Workforce" and "Geographic distribution of workforce" charts is the total workforce present at December 31st of the year concerned ⁽¹⁾.

For proportionally consolidated companies, the workforce at December 31st is recorded on a prorata basis according to the stake held by L'Oréal.

All the other social indicators set out in the Social information section relate to the "Cosmetics" and "The Body Shop" branches ⁽²⁾.

If an indicator relates to a scope different from that of the "Cosmetics" and "The Body Shop" branches, the scope of consolidation is indicated in a note.

⁽¹⁾ Including employees with a permanent or fixed-term contract of employment.

⁽²⁾ Innéov is included, Galderma (dermatology) is excluded.

Data

Four methods are used to collect data for the defined scope:

- Most of the data are collected using the dedicated "Country Reporting" intranet system, available in all countries in which there is a L'Oréal subsidiary.
- The system covers several topics: workforce, ethics, Worldwide Profit Sharing, labour relations, remuneration, Human Resources expenses, recruitment and training, and absenteeism.
- At the beginning of each year, the local Human Resources Directors provide the required data for the previous year.
- When the data are compiled, each country must validate a charter committing to the accuracy of all the data provided.
- Other data are collected by each corporate department concerned (i.e. Training, Recruitment) using dedicated systems which follow the same operational and dissemination approach.
- If information is not consolidated for the entire Cosmetics branch scope, it is recognised that it can be extrapolated from the available results for the entities connected to the local Information Systems (IS), provided that the scope covered by such entities is representative ⁽³⁾.
- Lastly, the specific data relating to "executives" are gathered from the "CAROL" online career monitoring system, deployed in all "Cosmetics" subsidiaries.

⁽³⁾ In France, the gender distribution of the Cosmetics workforce was extrapolated from the gender distribution of the entities connected to the France HRIS. The extrapolation method concerns 5% of the French workforce, which is not yet connected to the local HRIS.

The improvement of the information collection process at consolidated level has made it possible to identify agreements that are in force that have not been taken into account up to the present. The approach to progress in this field is continuing in all the companies of the L'Oréal Group.

A process of continuous improvement of these systems is in place. The systems are reviewed each year, taking into account the Statutory Auditors' recommendations and monitoring objectives for subsequent years: updating the indicators to be monitored, improving their definition, and enhancing the communication, monitoring and control process.



FOR FURTHER INFORMATION REGARDING THE REPORTING METHODOLOGY, SEE SECTION « METHODOLOGICAL NOTE » PAGE 211 OF THE REGISTRATION DOCUMENT 2013.

ENVIRONMENTAL DATA SCOPE, INDICATORS, REPORTING METHOD AND SYSTEMS

Scope of consolidation

The environmental indicators set out relate to the factories and the distribution centres of the "Cosmetics", "Dermatology" and "The Body Shop" branches.

The Safety reporting scope is defined in the methodological note at the end of the Human Resources information.

The environmental indicators of the factories and distribution centres sold or closed during the financial year are reported in full up to the date of their exit from the scope. The factories or distribution centres that join the Group have a maximum period of 2 years to connect to the environmental reporting systems. However, for the 2013 financial year, 93% of the factories and distribution centres participated in the reporting system.

Data

The following method is used to collect data for the defined scope:

- The data are collected using the dedicated intranet-based site quality information reporting system, available in all countries in which there is a L'Oréal subsidiary. This system covers several topics: quality, process performance, EHS data.
- The required data are reported every month by the local managers.
- When the data are compiled, each site must validate the accuracy of all the data provided.
- A process of continuous improvement of these systems is in place. The systems are reviewed each year, taking into account the Statutory Auditors' recommendations and monitoring objectives for subsequent years: updating the indicators to be monitored, improving their definitions, and improving the communication, monitoring and control process.



FOR FURTHER INFORMATION REGARDING THE REPORTING METHODOLOGY, SEE SECTION « METHODOLOGICAL NOTE » PAGE 220 OF THE REGISTRATION DOCUMENT 2013.

▶ HEALTH AND SAFETY DATA

Scope of consolidation

The safety indicators set out relate to the sites of the "Cosmetics", "Dermatology" and "The Body Shop" branches: factories and distribution centres but also the administrative sites and research centres.

Safety reporting covers 93% of factories and distribution centres; the data from 8 sites that have recently joined the Group are not included. In 2013, it covers over 80% of the workforce of the administrative sites and research centres.

The safety indicators of the factories and distribution centres sold or closed during the financial year are reported in full up to the date of their exit from the scope. The factories or distribution centres that join the Group have a maximum period of 2 years to connect to the environmental and safety reporting systems.

Data

The following method is used to collect data for the defined scope:

- The health and safety data are collected using the dedicated site reporting "QIS" intranet system, available in all countries in which there is a L'Oréal subsidiary. The required data are reported every month by the local managers.
- When the data are compiled, each site must validate the accuracy of all the data provided
- A process of continuous improvement of these systems is in place. The systems are reviewed each year, taking into account the Statutory Auditors' recommendations and monitoring objectives for subsequent years: updating the indicators to be monitored, improving their definition, and enhancing the communication, monitoring and control process.



FOR FURTHER INFORMATION REGARDING THE REPORTING METHODOLOGY, SEE SECTION « METHODOLOGICAL NOTE » PAGE 211, 212 OF THE REGISTRATION DOCUMENT 2013.

▶ SOCIETAL COMMITMENT DATA SCOPE, INDICATORS, REPORTING METHOD AND SYSTEMS

Scope of consolidation

The scope covers, depending on the indicators, L'Oréal parent company, France or the Group. The specific scope is specified for each indicator.

Data

The following methods are used to collect data for the defined scope:

- A certain amount of data particularly concerning Ethics is collected by the Ethics Department using the "Country reporting" intranet system, also used to collect Human Resources data (see, in this respect, the Human Resources data reporting methodology described on page 211);
- The other data are collected from the departments concerned (Communications and Sustainable Development Department, Human Resources Department, Purchasing Department, International Product Safety Assessment Department and the Risk Management and Compliance Department).



FOR FURTHER INFORMATION REGARDING THE REPORTING METHODOLOGY, SEE SECTION « METHODOLOGICAL NOTE » PAGE 229 OF THE REGISTRATION DOCUMENT 2013.

S Stakeholder engagement

G4
24

Provide a list of stakeholder groups engaged by the organization

G4
25

Report the basis for identification and selection of stakeholders with whom to engage

G4
26

Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process

▶ GLOBAL RESPONSE

Over the past few years, L'Oréal has engaged a dialogue with its stakeholders, listening to their concerns in order to better understand their needs. Stakeholders are parties that have an impact on or are impacted by L'Oréal's activities.

▶ IDENTIFICATION OF STAKEHOLDERS

The L'Oréal Group has identified 11 categories of stakeholder, with which it is engaged in a permanent dialogue.

FIVE STAKEHOLDERS PARTICIPATE IN L'ORÉAL'S BUSINESS AFFAIRS:

- Employees
- Suppliers
- Consumers
- Shareholders
- Customers (retailers)

THREE STAKEHOLDERS OBSERVE OR ADVISE L'ORÉAL IN TERMS OF ITS PROGRESS IN SUSTAINABLE DEVELOPMENT:

- NGOs and associations
- Sustainability rating agencies and investors
- Academia and the scientific community involved in research

FINALLY, THREE STAKEHOLDERS INTERACT WITH THE GROUP WITH THE AIM OF MUTUAL, SHARED DEVELOPMENT:

- Government and local authorities
- Students and young graduates
- Civil society

TYPES OF ENGAGEMENT ADAPTED TO EACH STAKEHOLDER

L'Oréal has set up the means of engagement best suited to each of its stakeholders. The table below sets out the types of engagement that exist for each stakeholder together with concrete examples of achievements in 2013.

<i>Stakeholder</i>	<i>Type of engagement</i>	<i>Examples of achievements in 2013</i>
Employees	"Pulse" questionnaire covering all of the Group's employees on permanent employment contracts. Findings of questionnaires, followed by thematic working groups.	Conducted in 2011-2012, 80% response rate. Issues covered in the working groups set up following the questionnaire included: "company value", "professional development", and "efficiency at work".
	Platforms for dialogue between HR and employees.	"L'Oréal & Me" platform launched in 2008, accessible to all Group employees and available in 15 languages.
	Webchats allowing real-time dialogue between employees and the Chairman & CEO and/or Country Managers.	"Ethics Day" webchats with the Chairman and Chief Executive Officer and Country Managers: over 50% of employees took part from 67 countries and more than 3,200 questions were asked.
	Secure reporting system for ethical issues.	Further communication on the existence of the system during Ethics Day.
	Training and professional development.	Including all fields, just over 1,326,608 hours of training were given in 2013, plus another 1,474 hours of training on ethical issues.
	Social dialogue in accordance with applicable legislation. In France: Central Works Council ("CCE"), Works Councils for each establishment ("CE"), Health, Safety and Working Conditions Committees ("CHSCT"), employee representatives ("DP"), and a Group Committee.	For example for L'Oréal SA in 2013, the representative bodies are: 1 CCE, 3 Works Councils, 11 CHSCTs and 10 DPs. In 2013, there were: 42 CE meetings, 10 CCE meetings (more than the 2 meetings required by law), 120 DP meetings, 97 CHSCT meetings, as well as annual bargaining meetings discussing wages and employment.
	L'Oréal has set up informal information and social dialogue meetings ("RIEDS") which go beyond regulatory requirements, aimed at upstream discussion of collective bargaining agreements, as well as certain mandatory or optional thematic committees.	For L'Oréal SA: 7 RIEDS meetings and 6 inter-company committee meetings were held on issues such as incentive and mandatory profit-sharing, benefit schemes and healthcare costs.
	Participation in L'Oréal's European Works Council ("EWC") created in 1996.	Participation in the European Works Council covering 30,000 employees from 26 countries in the EEA.
	Collective agreements.	39 new collective agreements signed in 2013.

<i>Stakeholder</i>	<i>Type of engagement</i>	<i>Examples of achievements in 2013</i>
Suppliers	"Business Reviews": annual meetings between L'Oréal and its strategic suppliers.	In 2013, 121 Business Reviews were carried out at Group level. They covered: strategy and performance of both suppliers and L'Oréal, by reference to 5 criteria: quality, innovation, competitiveness, delivery/supply chain, and CSR.
	"Suppliers' Days" bringing together the Group's biggest suppliers worldwide.	3 Suppliers' Days were held in 2013: one in Singapore, one in Shanghai, and one organized by The Body Shop in the UK, involving 100 or so suppliers in total.
	Fairs allowing L'Oréal's different teams (Purchasing, Marketing, Packaging, etc.) to meet with suppliers.	Biannual "Cherry Pack" fair. At the most recent fair held on November 10, 2013 in St Ouen, 10 suppliers from Asia, Europe and the USA unveiled their packaging innovations to more than 800 L'Oréal employees.
	Involvement of suppliers in the Carbon Disclosure Project (CDP) Supply Chain alongside L'Oréal.	In 2013, out of 173 suppliers invited by L'Oréal, 132 joined the CDP Supply Chain.
	Social audits.	800 social audits were carried out at L'Oréal's suppliers in 2013.
	Assessment of L'Oréal's relationship with suppliers.	A 360-degree survey was carried out of 165 suppliers covering CSR among other issues.
Consumers	Telephone and written contacts through consumer services departments.	1,209 million customer contacts were recorded in 60 countries.
	Interaction via social networks.	L'Oréal's Twitter page has 46,000 followers.
Shareholders	Meetings with shareholders and the Shareholder Consultation Committee.	6,000 contacts in 2013 including 10 shareholder meetings and 4 Shareholder Consultation Committee meetings. Participation in the Actionaria trade fair for the 10 th year running.
	Organisation of company-focused events.	In 2013, the Individual Shareholder Relations Department organised a series of site visits (to factories) as well as shareholder meetings in the Group's hairdressing academies which were a great success.
	Annual General Meeting.	1,765 shareholders attended the AGM on April 26, 2013.
	Telephone platform and dedicated web pages.	A freephone number for France (0 800 66 66 66) and for outside France (+33 1 40 14 80 50) was set up for L'Oréal shareholders. An interactive voicemail service allows shareholders to access round-the-clock information, for example about the share price, the shareholders' calendar or a summary of the latest press statement.
	Online communication: mobile applications, newsletter, e-magazine.	5 newsletters in 2013.

<i>Stakeholder</i>	<i>Type of engagement</i>	<i>Examples of achievements in 2013</i>
Customers	Bilateral dialogue to prepare sustainable development projects.	Carrefour/Garnier Ultra-Doux eco-labelling initiative since July 1, 2011.
NGOs and associations	Meetings with NGOs and other associations of a given region at the Stakeholders Forum.	Since 2011, 14 forums held, 754 organisations contacted and 232 organisations in attendance.
	Bilateral exchanges between international NGOs and the Group's relevant departments.	In 2013, L'Oréal was in contact with 18 international NGOs in relation to biodiversity issues.
	Meetings with local NGOs and other associations in connection with raw material supply projects.	Each renewable raw materials responsible sourcing programme set up with suppliers involves at least 1 local or international NGO (e.g. "Sustainable Argan Oil", "Better Karité» (shea), "Sustainable Palm Oil" programmes, etc.).
Sustainability rating agencies and investors	Conferences held for investors in the main financial markets.	In 2013, 3 investor conferences were held, in Florida, London and Paris.
	Numerous SRI roadshows.	SRI analysts take part in "traditional" roadshows with analysts and investors. Several traditional roadshows were organised.
	Financial information meetings (earnings presentations); analyst-investor trip.	2 financial information meetings at L'Oréal's head office and 1 analyst-investor trip (70 participants).
	Telephone conferences for investors.	3 telephone conferences.
	Meetings with sustainability rating agencies regarding year-end ratings.	In 2013, 6 sustainable ratings questionnaires were completed.
Academia and the scientific community	Joint scientific projects, seminars, congresses and publications.	<p><u>Participation of L'Oréal's R&I Division in various toxicology and dermatology congresses:</u> SOT congress in San Antonio, Texas, ESPCR (European Society for Pigment Cell Research) congress in Lisbon, CSOT (Chinese Society of Toxicology) congress in Guangzhou, ICD (International Congress of Dermatology) congress in New Delhi, etc.</p> <p><u>Participation in 3 seminars on protecting biodiversity:</u> Seminar organised by the Nicolas Hulot Foundation at the French Economic, Social and Environmental Council on protecting biodiversity and CSR (in December 2013). Seminar organised by the Orée association on Economy and Biodiversity (in October 2013). "Private Sector and Biodiversity-based Innovation: Forward Looking" - Washington DC November 2013; The Global Environment Facility (GEF - December 2013).</p>

Stakeholder	Type of engagement	Examples of achievements in 2013
<p>Academia and the scientific community</p>	<p>Scientific research projects encouraged by the L'Oréal Foundation and scholarships awarded to young researchers.</p>	<p>"For Women in Science"⁽¹⁾ programme: 5 winners of the L'Oréal-UNESCO award. 15 scholarships granted to young women researchers to enable them to pursue their research within prestigious universities in 2013.</p>
	<p>Discussions within scientific organisations in charge of biodiversity issues.</p>	<p>L'Oréal is a member of the Strategic Advisory Board of the FRB Foundation for Research and Biodiversity.</p>
	<p>Exchanges in relation with academic research and/or teaching.</p>	<p>Talks on business ethics at the Lille EDHEC business school, Cergy-Pontoise university and Xavier University (Ohio).</p>
	<p>⁽¹⁾For more information, visit: http://www.loreal.com/_en/_ww/for-women-in-science.aspx</p>	
<p>Government and local authorities</p>	<p>Meetings between government authorities and L'Oréal's lobbying organisations.</p>	<p>As part of the EU's REACH regulation, L'Oréal is involved in the not-for-profit sector in France and Europe by contributing to the analysis and preparation of REACH practical implementation guides.</p>
	<p>Dialogue between local authorities and managers of L'Oréal sites regarding projects linked to local communities.</p>	<p>At the Mourenx site in France (Pyrénées Atlantiques department), L'Oréal is involved in professional associations and competitive clusters, and is a local partner to the CCI, local schools (Cité Solaire, ENSCGTI), an ESAT assisted employment centre, and the local association "Vivre Ensemble", a pallet supplier</p>
	<p>Bilateral discussions with international standard-setters: ISO, ADEME/AFNOR, etc.</p>	<p>Participation in the ADEME/AFNOR working group on eco-labelling since 2008.</p>
	<p>Participation in working groups and technical committees with multi-stakeholder associations (Orée, MEDEF employers' federation, etc.)</p>	<p>Participation in committees and working groups at FEBEA (trade association for the beauty industry in France) regarding eco-labelling, at Cosmetics Europe regarding the overhaul of the EU eco-labelling for shampoos, at EUROPEN, and at the Sustainability Consortium in the USA.</p>
	<p>Participation in summits organised by intergovernmental organisations.</p>	<p>L'Oréal's commitment to understanding and protecting biodiversity was illustrated in 2013 when it took part in three seminars on the protection of biodiversity:</p> <ul style="list-style-type: none"> • Seminar held by the Nicolas Hulot Foundation at the French Economic, Social and Environmental Council on protecting biodiversity and CSR in December. • Seminar held by the Orée association on Economy and Biodiversity in Oct. 2013. • "Private Sector and Biodiversity-based Innovation: Forward Looking" - Washington DC in November 2013; The Global Environment Facility (GEF) in December 2013
<p>Participation in summits organised by intergovernmental organisations.</p>	<p>Participation in the Leaders Summit of the UN Global Pact.</p>	

<i>Stakeholder</i>	<i>Type of engagement</i>	<i>Examples of achievements in 2013</i>
Students and young graduates	Present through competitions and campus managers.	In 2013, 10,000 students worldwide took part in the Brandstorm ⁽²⁾ competition and 27,000 in the Reveal ⁽³⁾ competition.
	⁽²⁾ For more information, visit: http://www.brandstorm.loreal.com ⁽³⁾ For more information, visit: http://www.reveal-thegame.com/france/	
Civil society	Dialogue with vulnerable persons ⁽⁶⁾ .	5,175 people benefited from the actions of the L'Oréal Foundation's "Reaching out through Beauty" initiative.
	Training centres for deprived populations ⁽⁴⁾ .	Beauty training centres (part of the Beauty for a Better Life programme) in 20 countries, with 1,000 trainees. For example the Apprentis d'Auteuil initiative in France, which welcomed 25 students.
	Involvement of Group employees in the community.	"Citizen Day", held each year and involving over 20,000 employees from more than 60 countries in 2013.
	Promoting jobs in the community through Solidarity Sourcing.	Access to jobs for 22,000 people as part of the Solidarity Sourcing programme (excluding The Body Shop).
	⁽⁴⁾ For more information, visit http://www.loreal.com/Foundation/Article.aspx?topcode=Foundation_GenerousBeauty_ForSelfEsteem ⁽⁷⁾ For more information, see the "Economic" fact sheet, indicator ECS.	

L'Oréal has other means of engagement and communication with all of its stakeholders, including the "Contact us" tabs on the websites www.loreal.com and <http://www.sustainabledevelopment.loreal.com>.

**G4
27** *Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.*

L'Oréal attaches crucial importance to the dialogue with its stakeholders. Since 2011, forums have been organised in this respect across the globe, enabling representatives of civil society, NGOs and associations to talk and discuss their expectations with the Group's internal experts. These forums give L'Oréal the opportunity to consider its sustainable development strategy in light of the main CSR issues defended by stakeholders and are an effective means of jointly building ambitious commitments within the "Sharing Beauty with All" programme.

The importance and handling of the challenges related to corporate social responsibility differ from one country to the next; this is why L'Oréal has set up stakeholder forums all over the world in order to promote dialogue at a local level with regard to both local and global issues.

Since 2011, 754 organisations have been contacted, and 232 have taken part in 14 forums across 8 countries (UK, China, US, Brazil, India, South Africa, Scandinavia, France).

This ongoing dialogue allows L'Oréal and its stakeholders to think together about the challenges posed by sustainable development. By analysing the information resulting from this dialogue, as well as the minutes of Stakeholder Forums and reports drawn up by sustainability rating agencies, L'Oréal can gauge its stakeholder expectations and benchmark its own strategy accordingly.

In various countries, these forums have provided the opportunity to cover subjects as varied as environmental challenges, diversity, animal testing, product safety and women's rights. Beyond the forums, an online platform for dialogue has been set up for stakeholders, covering the different aspects of the Group's materiality analysis and allowing those organisations who so wish to pursue these exchanges online and to put questions to Group experts and get answers in real time. This offers a way of keeping in touch with expectations and is part of an ongoing initiative of listening and learning. In France in 2013, the Group consulted over 100 organisations through five thematic forums – on responsible purchasing, biodiversity, diversity and non-discrimination, responsible communication, energy and climate change, allowing it to better formalise its commitments through to 2020, taking into account the issues raised during these discussions.

Presented briefly at the beginning of each forum, L'Oréal's policy, which seeks to embed sustainable development concerns at the heart of its business strategy throughout the value chain, was welcomed by stakeholders. Most stakeholders considered that L'Oréal covered many of civil society's expectations, and many pointed out the coherence of its policy. However, the discussions revealed a gap between the Group's activities as a business and the perception of the company held by consumers. Stakeholders thought that the Group's sustainable development reporting should better cover the Group's brands and products, which embody the company in the eyes of consumers and affect them more directly. Participants also commented on L'Oréal's efforts to promote more responsible consumption, but thought that L'Oréal needed to do more than just propose better, safer, more effective, more socially responsible and more environmentally friendly products.

For example, participants at the Johannesburg and Mumbai forums asked how L'Oréal intended to capture one billion new consumers while at the same time reducing its environmental footprint. Other questions raised by stakeholders at the forums concerned a wide variety of topics such as social business, diversity, the fight against poverty, waste management, diversity in beauty and advertising honesty, supplier audits and animal protection. Consumer associations for example asked L'Oréal how the Group planned to bring consumers on board but also help them understand what is meant by a sustainable way of life and how responsible consumption can contribute to sustainable development. L'Oréal plans to respond to the issues raised through its "Sharing Beauty with All" programme.

In 2013, L'Oréal identified some 30 key issues for its stakeholders and for the Group, allowing it to update its materiality analysis and indicators (for more information, see the "Identified Material Aspects & Boundaries" fact sheet in this Report for the materiality analysis, materiality analysis grid, and materiality indicators).

R

Report profile

G4 28 *Reporting period*

L'Oréal publishes a Sustainable Development Report each year. The report is prepared based on an analysis of current practices and a review of the recommendations published by international institutions and specialist organisations such as the United Nations, the OECD, the European Commission and the WBCSD. Regarding its expert report (expert fact sheets can be downloaded from www.sustainabledevelopment.loreal.com), the Group followed the guidelines published by the Global Reporting Initiative for the analysis of its sustainable development performance.

This year, L'Oréal has decided to follow the GRI 4 guidelines. This latest version of GRI represents a real challenge for L'Oréal and shows that the Group listens to its stakeholders. Adopting GRI 4 is proof of L'Oréal's ongoing improvement drive and desire to be a pioneer in sustainable development reporting.

› SCOPE, LIMITS AND BASIS FOR THE REPORT

This report covers all of L'Oréal's activities for the financial year from January to December 2013.

› SCOPE OF APPLICATION OF DATA RELATING TO:

- environment, health and safety;
- social matters.

There has been no material change in business significantly impacting the comparability of data in this report with previous reports or with peer reports.



FOR MORE INFORMATION CONCERNING THE SCOPE OF THE REPORT, SEE THE G4-18 INDICATOR IN THE "IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES" FACT SHEET IN THIS REPORT.

G4 29 *Date of most recent previous report*

L'Oréal's previous Sustainable Development Report was published in April 2013.

G4 30 *Reporting cycle*

This report covers all of L'Oréal's activities for the financial year from January to December 2013.

G4 31 *The contact point for questions regarding the report or its contents*

L'Oréal welcomes your opinion on its sustainable development performance and reports. Please send your comments, questions or suggestions to: sustainabledevelopment@loreal.com

G4 32 *The GRI Content Index for the chosen option*

The Group has chosen the Core "in accordance" option.

The GRI content index will be included within this section in the final version of the Report.

Custom Content Index - 'in accordance' Core (print version)

This Content Index provides an overview of the G4 Standard Disclosures based on the selections made. The print area is already set and is based on size A4 (landscape). If you have A3 paper available, it may be easier to print on this size (change orientation to 'portrait').

GRI's Standard Disclosures are comprised of one or more disclosure requirements. On the following sheet, 'Overview - Standard Disclosures', the requirements are listed from "a" to "z" under the column "Disclosure Requirements". In order to report 'in accordance', an organization must answer each of the disclosure requirements for all the required Standard Disclosures.

In exceptional cases, if it is not possible to disclose certain required information, reasons for omission may apply for those Standard Disclosures marked with () in tables 3 and 4 on page 12 of Guidelines – Reporting Principles and Standard Disclosures. Consult the "Reasons for omission" on page 13 of the Guidelines – Reporting Principles and Standard Disclosures. There are also macros embedded in this sheet to assist you in disclosing accepted reasons for omission; click on the cell in the Reason(s) for Omission(s) column that you want to provide such a reason for and a selection form will open.*

The GRI Guidelines contain the authoritative text. In case of any discrepancies between this Content Index template and the GRI Guidelines, the GRI Guidelines' text shall prevail.

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.	
STRATEGY AND ANALYSIS			
G4-1	Strategy and Analysis G4-1 p2 - p3		
G4-2	Strategy and Analysis G4-2 p3 - p4		
ORGANIZATIONAL PROFILE			
G4-3	Organizational Profile G4-3 p5		
G4-4	Organizational Profile G4-4 p5		
G4-5	Organizational Profile G4-5 p5		
G4-6	Organizational Profile G4-6 p6		
G4-7	Organizational Profile G4-7 p7		
G4-8	Organizational Profile G4-8 p7 - p8		
G4-9	Organizational Profile G4-9 p9 and 2013 Registration Document, section «Key figures and comments on the 2013 financial year» p87	Report Profile G4-33 p3-p6	
G4-10	Organizational Profile G4-10 p10 - p12 and 2013 Registration Document section 6.2.2.1 «employment» page 200	Report Profile G4-33 p3-p6	
G4-11	Organizational Profile G4-11 p13 and 2013 Registration Document, section «Situation with regard to collective agreements» p207 et Labor practices sheet, Management approach	Report Profile G4-33 p3-p6	
G4-12	Organizational Profile G4-12 p13		
G4-13	Organizational Profile G4-13 p14 and 2013 Registration Document 3.3.1 «significant events of 2013» p 102 and 103		
G4-14	Organizational Profile G4-14 p15 - p17 and 2013 Registration Document 6.4.4 «Fair Business practices» p227 et 1.8.1.2. «product quality and safety» p21 1.5.3 «Animal testing : balancing ethics and innovation» p 14 and sustainable development report 2013 «Product safety and animal testing» p11		
G4-15	Organizational Profile G4-15 p18 and http://www.loreal.fr/DD/loreal/Article.aspx?topcode=CorpTopic_Group_Gouv_Ethics_GlobalPact		
G4-16	Organizational Profile G4-16 p18 - p20 and http://www.bureauveritas.fr/wps/wcm/connect/bv_fr/local/home/news/pressreleases/news+certification+gees+cp?presentationtemplate=bv_master_v2/news_full_story_presentation_v2 et http://www.eveprogramme.com/		

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Identified material aspects and boundaries G4-17 p21	Not externally assured
G4-18	Identified material aspects and boundaries G4-18 G4-19 G4-20 G4-21 p22-p27	Not externally assured
G4-19	Identified material aspects and boundaries G4-18 G4-19 G4-20 G4-21 p22-p27	Not externally assured
G4-20	Identified material aspects and boundaries G4-18 G4-19 G4-20 G4-21 p22-p27	Not externally assured
G4-21	Identified material aspects and boundaries G4-18 G4-19 G4-20 G4-21 p22-p27	Not externally assured
G4-22	Identified material aspects and boundaries G4-22 G4-23 p28 - p30 and «Methodological note» page 211 /212/220/229 of 2013 Registration Document	Not externally assured
G4-23	Identified material aspects and boundaries G4-22 G4-23 p28 - p30 and «Methodological note» page 211 /212/220/229 of 2013 Registration Document	Not externally assured
STAKEHOLDER ENGAGEMENT		
G4-24	Stakeholder Engagement G4-24 G4-25 G4-26 p21-p37	Not externally assured
G4-25	Stakeholder Engagement G4-24 G4-25 G4-26p21-p37	Not externally assured
G4-26	Stakeholder Engagement G4-24 G4-25 G4-26p21-p37	Not externally assured
G4-27	Stakeholder Engagement G4-27 p37	Not externally assured
REPORT PROFILE		
G4-28	Report Profile G4-28 p38	
G4-29	Report Profile G4-29 p38	
G4-30	Report Profile G4-30 p38	
G4-31	Report Profile G4-31 p38	
G4-32	Report Profile G4-32 p39-p60	
G4-33	Report Profile G4-33 p61-p63	

GOVERNANCE		
G4-34	Governance G4-34 G4-35 G4-36 G4-37 G4-38 p85 - p90	
G4-35	Governance G4-34 G4-35 G4-36 G4-37 G4-38 p85 - p90	
G4-36	Governance G4-34 G4-35 G4-36 G4-37 G4-38 p85 - p90	
G4-37	Governance G4-34 G4-35 G4-36 G4-37 G4-38 p85 - p90	
G4-38	Governance G4-34 G4-35 G4-36 G4-37 G4-38 p85 - p90	
G4-39	Governance G4-39 p90	
G4-40	Governance G4-40 p90 - p91 and 2013 Registration Document Section «Directors» page 32	
G4-41	Fiche Gouvernance G4-41 p91 and 2013 Registration Document section 2.2.1. «Composition of the Board of Directors» page 49 and next	
G4-42	Governance G4-42 p92	
G4-43	Governance G4-43 p93	
G4-44	Governance G4-44 p94 and 2013 Registration Document section 2.2.2.2. «Self-evaluation by the board of directors» page 53	
G4-45	Governance G4-45 G4-46 G4-47 p94 - p98 and 2013 Registration Document section 2.2.2.2. «the activities of the board of directors» page 53	
G4-46	Governance G4-45 G4-46 G4-47 p94 - p98 and 2013 Registration Document section 2.2.2.2. «l'activité des comités du conseil d'administration» page 53	
G4-47	Governance G4-45 G4-46 G4-47 p94 - p98 and 2013 Registration Document section 2.2.2.2. «the activities of the board of directors» page 53	
G4-48	Governance G4-48 et p99 and Identified material aspects and boundaries sheet	
G4-49	Governance G4-49 p100	
G4-51	Governance G4-51 p101	
G4-53	Governance G4-53 p102 and 2013 Registration Document page 267 - 268	
ETHICS AND INTEGRITY		
G4-56	Ethics and Integrity G4-56 G4-57 G4-58 p103 - p104	
G4-57	Ethics and Integrity G4-56 G4-57 G4-58 p103 - p104	
G4-58	Ethics and Integrity G4-56 G4-57 G4-58 p103 - p104	

SPECIFIC STANDARD DISCLOSURES					
DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
CATEGORY: ECONOMIC					
MATERIAL ASPECT: ECONOMIC PERFORMANCE					
G4-DMA	Economic Performance sheet p2				
G4-EC1	Economic EC 1 p5-p9				
G4-EC2	Economic EC 2 p9 and 2013 Sustainable Development Report p38 and https://www.cdp.net/EN-US/WHATWEDO/Pages/France.aspx				
G4-EC3	Economic EC 3 p10-p13 and 2013 Registration Document chapter 6.2.2.1 «Employee Benefit and pension schemes and other benefits» page 203				
G4-EC4	Economic EC 4 p13				
MATERIAL ASPECT: MARKET PRESENCE					
G4-DMA	Economic Sheet - Market Presence p2				
G4-EC5	Economic EC 5 p14				
G4-EC6	Economic EC 6 p15 and section Inclusive Business p40 of 2013 Sustainable Development Report				
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS					
G4-DMA	Economic Indirect Economic Impacts p2-p3				
G4-EC7	Economic EC 7 p16 - p17 and Society sheet - SO1				
G4-EC8	Economic EC 8 p18-p19 and Society sheet - SO1				
MATERIAL ASPECT: PROCUREMENT PRACTICES					
G4-DMA	Economic Procurement practices p3 -p4				
G4-EC9	Economic EC 9 p20 and Society sheet - SO1 and «solidarity sourcing» article page 41 of 2013 Sustainable Development Report				

<i>CATEGORY: ENVIRONMENTAL</i>					
<i>MATERIAL ASPECT: MATERIALS</i>					
G4-DMA	Environnement Materials p5-p6				
G4-EN1	Environnement EN1 p14	Packaging	The information is subject to specific confidentiality constraints	For reasons of confidentiality, L'Oréal does not communicate the tonnage of its packaging	
G4-EN2	Fiche Environnement EN2 p14				
<i>MATERIAL ASPECT: ENERGY</i>					
G4-DMA	Environnement Energy p6				
G4-EN3	Environnement EN3 p15				Report Profile G4-33 p81-p83
G4-EN4	Environnement EN4 p15				
G4-EN5	Environnement EN5 p16				
G4-EN6	Environnement EN6 p17-p18				Report Profile G4-33 p81-p83
G4-EN7	Environnement EN7 p18				
<i>MATERIAL ASPECT: WATER</i>					
G4-DMA	Environnement Water p6				
G4-EN8	Environnement EN8 p19 and Registration Document section 6.3.3 "sustainable use of resources" p216				Report Profile G4-33 p81-p83
G4-EN9	Environnement EN9 p19				
G4-EN10	Environnement EN10 p20		The information is currently unavailable	The indicator to raise the rate of recycling or the reuse of water for each plant will be built in the first half of 2014.	

MATERIAL ASPECT: BIODIVERSITY					
G4-DMA	Environment Biodiversity p7-p8				
G4-EN11	Environment EN11 p21				
G4-EN12	Environment EN12 p22				
G4-EN13	Environment EN13 p23 and http://www.loreal.com/sharing-beauty-with-all/living-sustainably/biotherm-making-waves-in-responsible-consumption.aspx				
G4-EN14	Environment EN14 p23 2013 Registration Document section 6.3.5. «protection of biodiversity» p219				
MATERIAL ASPECT: EMISSIONS					
G4-DMA	Environment Emission p9				
G4-EN15	Environment EN15 p24				Report Profile G4-33 p81-p83
G4-EN16	Environment EN16 p24				Report Profile G4-33 p81-p83
G4-EN17	Environment EN17 p25 and Product Responsibility PR3				Report Profile G4-33 p81-p83
G4-EN18	Environment EN 18 p25				
G4-EN19	Environment EN 19 p26				Report Profile G4-33 p81-p83
G4-EN20	Environment EN 20 p27				
G4-EN21	Environment EN 21 p27 and 2013 Registration Document section 6.3.2 «pollution and waste management» p214				Report Profile G4-33 p81-p83
MATERIAL ASPECT: EFFLUENTS AND WASTE					
G4-DMA	Environment Effluents and waste p9-p10				
G4-EN22	Environment EN22 p28 and 2013 Registration Document p216 «Sustainable use of resources»				Report Profile G4-33 p81-p83
G4-EN23	Environment EN23 p29-30 and 2013 Registration Document «pollution and waste management» p 214 and p 216				Report Profile G4-33 p81-p83
G4-EN24	Environment EN24 p30				
G4-EN25	Environment EN25 p30				Report Profile G4-33 p81-p83
G4-EN26	Environment EN26 p31				

MATERIAL ASPECT: PRODUCTS AND SERVICES					
G4-DMA	Environment Products and services p10-p11				
G4-EN27	Environment EN27 p32-33				
G4-EN28	Environment EN28 p34 Registration Document section «Territorial, economics and social impact of activities» 6.4.1. page 221 and http://www.kiehls.fr/services/service.aspx?topcode=AboutKiehls http://www.garnier.fr/_fr/_fr/programmes/astuces/astucesvertes-liste-categorie.aspx?tpcode=GARNIER^GARNIER_ASTUCES_VERTES http://www.thebodyshop.fr/valeurs/ProtectPlanet.aspx				
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Environment Compliance p11-p12				
G4-EN29	Environment EN29 p35				
MATERIAL ASPECT: TRANSPORT					
G4-DMA	Environment Transport p12				
G4-EN30	Environment EN30 p35				Report Profile G4-33 p81-p83
MATERIAL ASPECT: OVERALL					
G4-DMA	Environment Overall p12-p13				
G4-EN31	Environment EN31 p36				
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT					
G4-DMA	Environment Suppliers Environmental assesement p13				
G4-EN32	Environment EN 32 p37				Report Profile G4-33 p81-p83
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS					
G4-DMA	Environment Environmental Grievance Mechanisms p13				
G4-EN34	Environment EN34 p38				

CATEGORY: SOCIAL					
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK					
MATERIAL ASPECT: EMPLOYMENT					
G4-DMA	Labor Practices Employment p 3				
G4-LA1	Labor Practices LA1 p 10 + Section 6.2.2.1. Employment of the Registration Document				Report Profile G4-33 p81-p83
G4-LA2	Labor Practices LA2 p10 - p16 and 2013 Registration Document section «Company savings plan and frozen current account» page 202				Report Profile G4-33 p81-p83
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONSG4-LA4					
G4-DMA	Labor Practices Labor/Management relations p4				
G4-LA4	Labor Practices LA4 p 17				
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY					
G4-DMA	Labor Practices sheet - health and safety p5				
G4-LA5	Labor Practices sheet LA5 p 18 p 19 and 2013 Registration Document, section 6.2.2.4. «Health and safety» pages 207 à 209	Total workforce represented in formal joint health and safety committees	The information is currently unavailable	The indicator is not required in the consolidated reporting system of the Group. However, health and safety issues are part of the social dialogue bodies dedicated to this subject or with staff representative bodies, where such dedicated bodies are not in place.	
G4-LA6	Labor Practices LA6 p 19 p 22				Report Profile G4-33 p81-p83
G4-LA7	Labor Practices LA7 p 23				
G4-LA8	Labor Practices LA8 p 23				

MATERIAL ASPECT: TRAINING AND EDUCATION					
G4-DMA	Labor Practices Training and Education p5				
G4-LA9	Labor Practices LA9 p24 and 2013 Registration Document section 6.2.2.5 «TRaining» page 209				
G4-LA10	Labor Practices LA10 p25 p26 and 2013 Registration Document section 6.2.2.5 «Training» page 209				Report Profile G4-33 p81-p83
G4-LA11	Labor Practices LA11 p 27				
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY					
G4-DMA	Labor Practices Diversity and Equal Opportunity p 6				
G4-LA12	Labor Practices LA12 p28 - p29 and 2013 Registration Document page31 or Governance sheet				
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN					
G4-DMA	Labor Practices Equal Remnueration for men and women p7				
G4-LA13	Labor Practices LA13 p 30	Information on a group level	The information is currently unavailable	information on the perimeter France only	
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES					
G4-DMA	Labor Practices Suppliers assesement for labor practices p7 - p8				
G4-LA14	Labor practices LA14 p31				
G4-LA15	Labor Practices LA15 p32 and Governance - Human Rights				
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS					
G4-DMA	Labor practices Labor Practices Grievance Mechanisms p8				
G4-LA16	Labor Practices LA16 p33				

SUB-CATEGORY: HUMAN RIGHTS					
MATERIAL ASPECT: INVESTMENT					
G4-DMA	Human rights Investment p 3				
G4-HR1	Human Rights HR 1 p 9				
G4-HR2	Human Rights HR2 p9				
MATERIAL ASPECT: NON-DISCRIMINATION					
G4-DMA	Human Rights Non discrimination p 3 - p 4				
G4-HR3	Human Rights HR3 p10 -p11 and 2013 Registration Document section 6.2.2.7 «Promotion and Compliance with the provisions of the fundamental conventions of the international labour organization»page 210				
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
G4-DMA	Human Rights Freedom of Association and Collective Bargaining p 5				
G4-HR4	Human Rights HR4 p12 and 2013 Registration Document p210 section 6.2.2.7 «Promotion and compliance with the provisions of the fundamental conventions of the international labour organization»				
MATERIAL ASPECT: CHILD LABOR					
G4-DMA	Human Rights Child Labor p5				
G4-HR5	Human Rights HR5 p13 and 2013 Registration Document p210 section «Promotion and compliance with the provisions of the fundamental conventions of the international labour organisation»				
MATERIAL ASPECT: FORCED OR COMPULSORY LABOR					
G4-DMA	Human Rights Forced or compulsory labor p6				
G4-HR6	Human Rights HR6 p13				
MATERIAL ASPECT: SECURITY PRACTICES					
G4-DMA	Human Rights Security practices p6				
G4-HR7	Human Rights HR7 p 14				
MATERIAL ASPECT: INDIGENOUS RIGHTS					
G4-DMA	Human Rights Indigenous Rights p6 p7 and Environnement sheet EN14				
G4-HR8	Human Rights HR8 p 14				
MATERIAL ASPECT: ASSESSMENT					
G4-DMA	Human rights Assessment p7				
G4-HR9	Human Rights HR9 p15				
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT					
G4-DMA	Human Rights Supplier HR Assessment p7 p8				
G4-HR10	Human Rights HR10 p16				Report Profile G4-33 p81-p83
G4-HR11	Human Rights HR11 p17				
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS					
G4-DMA	Human Rights - Supplier HR Assessment and HR Grievance Mechanisms p8				
G4-HR12	Human Rights HR12 p18				

SUB-CATEGORY: SOCIETY					
MATERIAL ASPECT: LOCAL COMMUNITIES					
G4-DMA	Society Local Communities p2 and 2013 Registration Document section 6.4.1 «territorial, economic and social impact of activities» p221				
G4-SO1	Society SO1 p6-p7 and 2013 Sustainable Development Report p36 et p41				
MATERIAL ASPECT: ANTI-CORRUPTION					
G4-DMA	Society anti - corruption p2-p3				
G4-SO3	Society SO3 p8				
G4-SO4	Society SO4 p9				
G4-SO5	Society SO5 p9				
MATERIAL ASPECT: PUBLIC POLICY					
G4-DMA	Society Public Policy p3-p4				
G4-SO6	Society SO6 p9				
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR					
G4-DMA	Society anti - competitive behavior p. 5				
G4-SO7	Society SO7 p 10 and 2013 Registration Document «Provisions liabilities and charges» p147				
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Society Compliance p5 and 2013 Registration Document section 2.5.2. «actors» section «the risk management and compliance department» p79				
G4-SO8	Society SO8 p 11 and SO7 p11				
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY					
G4-DMA	Society Supplier assessment for impacts on society p5				
G4-SO9	Society SO9 SO10 p11 and SO1 p6 - p7			The information is currently unavailable	
G4-SO10	Society SO9 SO10 p11 and SO1 p6 - p7			The information is currently unavailable	
MATERIAL ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY					
G4-DMA	Society Grievance mechanisms for impacts on society p5				
G4-SO11	Society SO11 p12				

SUB-CATEGORY: PRODUCT RESPONSIBILITY					
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY					
G4-DMA	Product Responsibility - Customer Health and safety p2				
G4-PR1	Product Responsibility PR1 p5 - p7 and PR2 http://www.loreal.fr/dd/loreal/article.aspx?topcode=corptopic_ri_security_predictiveassessment				
G4-PR2	Product Responsibility PR2 p8				
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING					
G4-DMA	Product Responsibility Product and service labeling p3				
G4-PR3	Product Responsibility PR3 p9 et http://www.garnier.fr/_fr/_fr/engagements-garnier/				
G4-PR4	Fiche Responsabilité des produits PR4 p10				
MATERIAL ASPECT: MARKETING COMMUNICATIONS					
G4-DMA	Product Responsibility - Marketing communications p3				
G4-PR6	Product Responsibility PR6 p10				
G4-PR7	Product Responsibility PR7 p10				
MATERIAL ASPECT: CUSTOMER PRIVACY					
G4-DMA	Product Responsibility- Customer Privacy p3				
G4-PR8	Product Responsibility PR8 p11				
MATERIAL ASPECT: COMPLIANCE					
G4-DMA	Product Responsibility Compliance p4				
G4-PR9	Product Responsibility PR9 p11				

Overview of Standard Disclosure requirements

This page provides an overview of the Standard Disclosures included in your Custom Content Index. The print area is already set and is based on size A4 (landscape). If you have A3 paper available, it may be easier to print on this size (change orientation to 'portrait').

GRI's Standard Disclosures are comprised of one or more disclosure requirements (these are listed from "a" to "z" under the column "Disclosure Requirements"). In order to report 'in accordance', an organization must answer each of the disclosure requirements for all the required Standard Disclosures.

In exceptional cases, if it is not possible to disclose certain required information, reasons for omission may apply for those Standard Disclosures marked with () in tables 3 and 4 on page 12 of Guidelines - Reporting Principles and Standard Disclosures. Consult the "Reasons for omission" on page 13 of the Guidelines - Reporting Principles and Standard Disclosures.*

The GRI Guidelines contain the authoritative text. In case of any discrepancies between this Content Index template and the GRI Guidelines, the GRI Guidelines' text shall prevail.

GENERAL STANDARD DISCLOSURES	
General Standard Disclosures	<p>Disclosure Requirements</p> <p>The disclosure requirements for the selected Standard Disclosures are provided below. The G4 Implementation Manual contains explanations of how to prepare the information to be disclosed and how to interpret the various concepts in the Guidelines. Organizations should consult the G4 Implementation Manual when preparing a sustainability report.</p>
STRATEGY AND ANALYSIS	
G4-1	<p>a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.</p> <p>The statement should present the overall vision and strategy for the short term, medium term, and long term, particularly with regard to managing the significant economic, environmental and social impacts that the organization causes and contributes to, or the impacts that can be linked to its activities as a result of relationships with others (such as suppliers, people or organizations in local communities). The statement should include:</p> <ul style="list-style-type: none"> • Strategic priorities and key topics for the short and medium term with regard to sustainability, including respect for internationally recognized standards and how such standards relate to long term organizational strategy and success • Broader trends (such as macroeconomic or political) affecting the organization and influencing sustainability priorities • Key events, achievements, and failures during the reporting period • Views on performance with respect to targets • Outlook on the organization's main challenges and targets for the next year and goals for the coming 3–5 years • Other items pertaining to the organization's strategic approach
G4-2	<p>a. Provide a description of key impacts, risks, and opportunities.</p> <p>The organization should provide two concise narrative sections on key impacts, risks, and opportunities. Section One should focus on the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally recognized standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:</p> <ul style="list-style-type: none"> • A description of the significant economic, environmental and social impacts of the organization, and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally recognized standards and norms • An explanation of the approach to prioritizing these challenges and opportunities • Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance • A description of the main processes in place to address performance and relevant changes <p>Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:</p> <ul style="list-style-type: none"> • A description of the most important risks and opportunities for the organization arising from sustainability trends • Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and (if possible) quantitative financial value drivers • Table(s) summarizing: <ul style="list-style-type: none"> - Targets, performance against targets, and lessons learned for the current reporting period - Targets for the next reporting period and medium term objectives and goals (that is, 3–5 years) related to key risks and opportunities • Concise description of governance mechanisms in place specifically to manage these risks and opportunities, and identification of other related risks and opportunities
ORGANIZATIONAL PROFILE	
G4-3	a. Report the name of the organization.
G4-4	a. Report the primary brands, products, and services.
G4-5	a. Report the location of the organization's headquarters.
G4-6	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.
G4-7	a. Report the nature of ownership and legal form.
G4-8	a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).
G4-9	<p>a. Report the scale of the organization, including:</p> <ul style="list-style-type: none"> • Total number of employees • Total number of operations • Net sales (for private sector organizations) or net revenues (for public sector organizations) • Total capitalization broken down in terms of debt and equity (for private sector organizations) • Quantity of products or services provided

G4-10	<p>a. Report the total number of employees by employment contract and gender.</p> <p>b. Report the total number of permanent employees by employment type and gender.</p> <p>c. Report the total workforce by employees and supervised workers and by gender.</p> <p>d. Report the total workforce by region and gender.</p> <p>e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.</p> <p>f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).</p>
G4-11	a. Report the percentage of total employees covered by collective bargaining agreements.
G4-12	a. Describe the organization's supply chain.
G4-13	<p>a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:</p> <ul style="list-style-type: none"> • Changes in the location of, or changes in, operations, including facility openings, closings, and expansions • Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) • Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination
G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization.
G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.
G4-16	<p>a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:</p> <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic <p>This refers primarily to memberships maintained at the organizational level.</p>
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES	
G4-17	<p>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p> <p>The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents.</p>
G4-18	<p>a. Explain the process for defining the report content and the Aspect Boundaries.</p> <p>b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.</p>
G4-19	a. List all the material Aspects identified in the process for defining report content.
G4-20	<p>a. For each material Aspect, report the Aspect Boundary within the organization, as follows:</p> <ul style="list-style-type: none"> • Report whether the Aspect is material within the organization • If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> - The list of entities or groups of entities included in G4-17 for which the Aspect is not material or - The list of entities or groups of entities included in G4-17 for which the Aspects is material • Report any specific limitation regarding the Aspect Boundary within the organization
G4-21	<p>a. For each material Aspect, report the Aspect Boundary outside the organization, as follows:</p> <ul style="list-style-type: none"> • Report whether the Aspect is material outside of the organization • If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified • Report any specific limitation regarding the Aspect Boundary outside the organization
G4-22	a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.
G4-23	a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.

STAKEHOLDER ENGAGEMENT	
G4-24	a. Provide a list of stakeholder groups engaged by the organization.
G4-25	a. Report the basis for identification and selection of stakeholders with whom to engage.
G4-26	a. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.
G4-27	a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.
REPORT PROFILE	
G4-28	a. Reporting period (such as fiscal or calendar year) for information provided.
G4-29	a. Date of most recent previous report (if any).
G4-30	a. Reporting cycle (such as annual, biennial).
G4-31	a. Provide the contact point for questions regarding the report or its contents.
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.
GOVERNANCE	
G4-34	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.
G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.
G4-36	a. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.
G4-37	a. Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.
G4-38	a. Report the composition of the highest governance body and its committees by: <ul style="list-style-type: none"> • Executive or non-executive • Independence • Tenure on the governance body • Number of each individual's other significant positions and commitments, and the nature of the commitments • Gender • Membership of under-represented social groups • Competences relating to economic, environmental and social impacts • Stakeholder representation

G4-39	a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).
G4-40	a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: <ul style="list-style-type: none"> • Whether and how diversity is considered • Whether and how independence is considered • Whether and how expertise and experience relating to economic, environmental and social topics are considered • Whether and how stakeholders (including shareholders) are involved
G4-41	a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: <ul style="list-style-type: none"> • Cross-board membership • Cross-shareholding with suppliers and other stakeholders • Existence of controlling shareholder • Related party disclosures
G4-42	a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.
G4-43	a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.
G4-46	a. Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.
G4-47	a. Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.
G4-48	a. Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.
G4-49	a. Report the process for communicating critical concerns to the highest governance body.
G4-50	a. Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: <ul style="list-style-type: none"> • Fixed pay and variable pay: <ul style="list-style-type: none"> - Performance-based pay - Equity-based pay - Bonuses - Deferred or vested shares • Sign-on bonuses or recruitment incentive payments • Termination payments • Clawbacks • Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.
G4-52	a. Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.

G4-53	a. Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.
G4-54	a. Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.
G4-55	a. Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.
ETHICS AND INTEGRITY	
G4-56	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.
G4-57	a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.
G4-58	a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

SPECIFIC STANDARD DISCLOSURES	
DMA and Indicators Specific Standard Disclosure Title	Disclosure Requirements The disclosure requirements for the selected Standard Disclosures are provided below. The G4 Implementation Manual contains explanations of how to prepare the information to be disclosed and how to interpret the various concepts in the Guidelines. Organizations should consult the G4 Implementation Manual when preparing a sustainability report.
CATEGORY: ECONOMIC	
ASPECT: ECONOMIC PERFORMANCE	
G4-DMA Generic Disclosures on Management Approach	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
G4-EC1 Direct economic value generated and distributed	<p>a. Report the direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the organization's global operations as listed below. If data is presented on a cash basis, report the justification for this decision and report the basic components as listed below:</p> <ul style="list-style-type: none"> • Direct economic value generated: <ul style="list-style-type: none"> - Revenues • Economic value distributed: <ul style="list-style-type: none"> - Operating costs - Employee wages and benefits - Payments to providers of capital - Payments to government (by country) - Community investments • Economic value retained (calculated as 'Direct economic value generated' less 'Economic value distributed') <p>b. To better assess local economic impacts, report EVG&D separately at country, regional, or market levels, where significant. Report the criteria used for defining significance.</p>
G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	<p>a. Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure, including:</p> <ul style="list-style-type: none"> • A description of the risk or opportunity and its classification as either physical, regulatory, or other • A description of the impact associated with the risk or opportunity • The financial implications of the risk or opportunity before action is taken • The methods used to manage the risk or opportunity • The costs of actions taken to manage the risk or opportunity
G4-EC3 Coverage of the organization's defined benefit plan obligations	<p>a. Where the plan's liabilities are met by the organization's general resources, report the estimated value of those liabilities.</p> <p>b. Where a separate fund exists to pay the plan's pension liabilities, report:</p> <ul style="list-style-type: none"> • The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them • The basis on which that estimate has been arrived at • When that estimate was made <p>c. Where a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Report the percentage of salary contributed by employee or employer.</p> <p>e. Report the level of participation in retirement plans (such as participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).</p>
G4-EC4 Financial assistance received from government	<p>a. Report the total monetary value of financial assistance received by the organization from governments during the reporting period, including, as a minimum:</p> <ul style="list-style-type: none"> • Tax relief and tax credits • Subsidies • Investment grants, research and development grants, and other relevant types of grants • Awards • Royalty holidays • Financial assistance from Export Credit Agencies (ECAs) • Financial incentives • Other financial benefits received or receivable from any government for any operation <p>b. Report the information above by country.</p> <p>c. Report whether, and the extent to which, the government is present in the shareholding structure.</p>

ASPECT: MARKET PRESENCE	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation</p>	<p>a. When a significant proportion of the workforce is compensated based on wages subject to minimum wage rules, report the ratio of the entry level wage by gender at significant locations of operation to the minimum wage. b. Report whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, report which minimum wage is being used. c. Report the definition used for 'significant locations of operation'.</p>
<p>G4-EC6 Proportion of senior management hired from the local community at significant locations of operation</p>	<p>a. Report the percentage of senior management at significant locations of operation that are hired from the local community. b. Report the definition of 'senior management' used. c. Report the organization's geographical definition of 'local'. d. Report the definition used for 'significant locations of operation'.</p>
ASPECT: INDIRECT ECONOMIC IMPACTS	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EC7 Development and impact of infrastructure investments and services supported</p>	<p>a. Report the extent of development of significant infrastructure investments and services supported. b. Report the current or expected impacts on communities and local economies. Report positive and negative impacts where relevant. c. Report whether these investments and services are commercial, in-kind, or pro bono engagements.</p>
<p>G4-EC8 Significant indirect economic impacts, including the extent of impacts</p>	<p>a. Report examples of the significant identified positive and negative indirect economic impacts the organization has. These may include:</p> <ul style="list-style-type: none"> • Changing the productivity of organizations, sectors, or the whole economy • Economic development in areas of high poverty • Economic impact of improving or deteriorating social or environmental conditions • Availability of products and services for those on low incomes • Enhancing skills and knowledge amongst a professional community or in a geographical region • Jobs supported in the supply chain or distribution chain • Stimulating, enabling, or limiting foreign direct investment • Economic impact of change in location of operations or activities • Economic impact of the use of products and services <p>b. Report the significance of the impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>

ASPECT: PROCUREMENT PRACTICES	
G4-DMA Generic Disclosures on Management Approach	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
G4-EC9 Proportion of spending on local suppliers at significant locations of operation	<p>a. Report the percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation (such as percentage of products and services purchased locally).</p> <p>b. Report the organization's geographical definition of 'local'.</p> <p>c. Report the definition used for 'significant locations of operation'.</p>
CATEGORY: ENVIRONMENTAL	
ASPECT: MATERIALS	
G4-DMA Generic Disclosures on Management Approach	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
G4-EN1 Materials used by weight or volume	<p>a. Report the total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:</p> <ul style="list-style-type: none"> • Non-renewable materials used • Renewable materials used
G4-EN2 Percentage of materials used that are recycled input materials	<p>a. Report the percentage of recycled input materials used to manufacture the organization's primary products and services.</p>
ASPECT: ENERGY	
G4-DMA Generic Disclosures on Management Approach	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
G4-EN3 Energy consumption within the organization	<p>a. Report total fuel consumption from non-renewable sources in joules or multiples, including fuel types used.</p> <p>b. Report total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used.</p> <p>c. Report in joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> • Electricity consumption • Heating consumption • Cooling consumption • Steam consumption <p>d. Report in joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> • Electricity sold • Heating sold • Cooling sold • Steam sold <p>e. Report total energy consumption in joules or multiples.</p> <p>f. Report standards, methodologies, and assumptions used.</p> <p>g. Report the source of the conversion factors used.</p>
G4-EN4 Energy consumption outside of the organization	<p>a. Report energy consumed outside of the organization, in joules or multiples.</p> <p>b. Report standards, methodologies, and assumptions used.</p> <p>c. Report the source of the conversion factors used.</p>

<p>G4-EN5 Energy intensity</p>	<p>a. Report the energy intensity ratio. b. Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio. c. Report the types of energy included in the intensity ratio: fuel, electricity, heating, cooling, steam, or all. d. Report whether the ratio uses energy consumed within the organization, outside of it or both.</p>
<p>G4-EN6 Reduction of energy consumption</p>	<p>a. Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Report the types of energy included in the reductions: fuel, electricity, heating, cooling, and steam. c. Report the basis for calculating reductions in energy consumption such as base year or baseline, and the rationale for choosing it. d. Report standards, methodologies, and assumptions used.</p>
<p>G4-EN7 Reductions in energy requirements of products and services</p>	<p>a. Report the reductions in the energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Report the basis for calculating reductions in energy consumption such as base year or baseline, and the rationale for choosing it. c. Report standards, methodologies, and assumptions used.</p>
<p>ASPECT: WATER</p>	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach </p>
<p>G4-EN8 Total water withdrawal by source</p>	<p>a. Report the total volume of water withdrawn from the following sources: <ul style="list-style-type: none"> • Surface water, including water from wetlands, rivers, lakes, and oceans • Ground water • Rainwater collected directly and stored by the organization • Waste water from another organization • Municipal water supplies or other water utilities b. Report standards, methodologies, and assumptions used.</p>
<p>G4-EN9 Water sources significantly affected by withdrawal of water</p>	<p>a. Report the total number of water sources significantly affected by withdrawal by type: <ul style="list-style-type: none"> • Size of water source • Whether or not the source is designated as a protected area (nationally or internationally) • Biodiversity value (such as species diversity and endemism, total number of protected species) • Value or importance of water source to local communities and indigenous peoples b. Report standards, methodologies, and assumptions used.</p>
<p>G4-EN10 Percentage and total volume of water recycled and reused</p>	<p>a. Report the total volume of water recycled and reused by the organization. b. Report the total volume of water recycled and reused as a percentage of the total water withdrawal reported under Indicator G4-EN8. c. Report standards, methodologies, and assumptions used.</p>

ASPECT: BIODIVERSITY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</p>	<p>a. Report the following information for each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas:</p> <ul style="list-style-type: none"> • Geographic location • Subsurface and underground land that may be owned, leased, or managed by the organization • Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas • Type of operation (office, manufacturing or production, or extractive) • Size of operational site in km² • Biodiversity value characterized by: <ul style="list-style-type: none"> - The attribute of the protected area or high biodiversity value area outside the protected area (terrestrial, freshwater, or maritime ecosystem) - Listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)
<p>G4-EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas</p>	<p>a. Report the nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> • Construction or use of manufacturing plants, mines, and transport infrastructure • Pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources) • Introduction of invasive species, pests, and pathogens • Reduction of species • Habitat conversion • Changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level) <p>b. Report significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> • Species affected • Extent of areas impacted • Duration of impacts • Reversibility or irreversibility of the impacts
<p>G4-EN13 Habitats protected or restored</p>	<p>a. Report the size and location of all habitat protected areas or restored areas, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Report on the status of each area based on its condition at the close of the reporting period.</p> <p>d. Report standards, methodologies, and assumptions used.</p>
<p>G4-EN14 Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk</p>	<p>a. Report the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> • Critically endangered • Endangered • Vulnerable • Near threatened • Least concern

ASPECT: EMISSIONS	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)</p>	<p>a. Report gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.</p> <p>b. Report gases included in the calculation (whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all).</p> <p>c. Report biogenic CO₂ emissions in metric tons of CO₂ equivalent separately from the gross direct (Scope 1) GHG emissions.</p> <p>d. Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Report standards, methodologies, and assumptions used.</p> <p>f. Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source.</p> <p>g. Report the chosen consolidation approach for emissions (equity share, financial control, operational control).</p>
<p>G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)</p>	<p>a. Report gross energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.</p> <p>b. Report gases included in the calculation, if available.</p> <p>c. Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>d. Report standards, methodologies, and assumptions used.</p> <p>e. Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source, if available.</p> <p>f. Report the chosen consolidation approach for emissions (equity share, financial control, operational control).</p>
<p>G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)</p>	<p>a. Report gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent, excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization (these indirect emissions are reported in Indicator G4-EN16). Exclude any GHG trades, such as purchases, sales, or transfers of offsets or allowances.</p> <p>b. Report gases included in the calculation, if available.</p> <p>c. Report biogenic CO₂ emissions in metric tons of CO₂ equivalent separately from the gross other indirect (Scope 3) GHG emissions.</p> <p>d. Report other indirect (Scope 3) emissions categories and activities included in the calculation.</p> <p>e. Report the chosen base year, the rationale for choosing the base year, emissions in the base year, and the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>f. Report standards, methodologies, and assumptions used.</p> <p>g. Report the source of the emission factors used and the global warming potential (GWP) rates used or a reference to the GWP source, if available.</p>
<p>G4-EN18 Greenhouse gas (GHG) emissions intensity</p>	<p>a. Report the GHG emissions intensity ratio.</p> <p>b. Report the organization-specific metric (the ratio denominator) chosen to calculate the ratio.</p> <p>c. Report the types of GHG emissions included in the intensity ratio: direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3).</p> <p>d. Report gases included in the calculation.</p>

<p>G4-EN19 Reduction of greenhouse gas (GHG) emissions</p>	<p>a. Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions, in metric tons of CO₂ equivalent.</p> <p>b. Report gases included in the calculation (whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all).</p> <p>c. Report the chosen base year or baseline and the rationale for choosing it.</p> <p>d. Report standards, methodologies, and assumptions used.</p> <p>e. Report whether the reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions.</p>
<p>G4-EN20 Emissions of ozone-depleting substances (ODS)</p>	<p>a. Report production, imports, and exports of ODS in metric tons of CFC-11 equivalent.</p> <p>b. Report substances included in the calculation.</p> <p>c. Report standards, methodologies, and assumptions used.</p> <p>d. Report the source of the emission factors used.</p>
<p>G4-EN21 NO_x, SO_x, and other significant air emissions</p>	<p>a. Report the amount of significant air emissions, in kilograms or multiples for each of the following:</p> <ul style="list-style-type: none"> • NO_x • SO_x • Persistent organic pollutants (POP) • Volatile organic compounds (VOC) • Hazardous air pollutants (HAP) • Particulate matter (PM) • Other standard categories of air emissions identified in relevant regulations <p>b. Report standards, methodologies, and assumptions used.</p> <p>c. Report the source of the emission factors used.</p>
<p>ASPECT: EFFLUENTS AND WASTE</p>	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EN22 Total water discharge by quality and destination</p>	<p>a. Report the total volume of planned and unplanned water discharges by:</p> <ul style="list-style-type: none"> • Destination • Quality of the water including treatment method • Whether it was reused by another organization <p>b. Report standards, methodologies, and assumptions used.</p>
<p>G4-EN23 Total weight of waste by type and disposal method</p>	<p>a. Report the total weight of hazardous and non-hazardous waste, by the following disposal methods:</p> <ul style="list-style-type: none"> • Reuse • Recycling • Composting • Recovery, including energy recovery • Incineration (mass burn) • Deep well injection • Landfill • On-site storage • Other (to be specified by the organization) <p>b. Report how the waste disposal method has been determined:</p> <ul style="list-style-type: none"> • Disposed of directly by the organization or otherwise directly confirmed • Information provided by the waste disposal contractor • Organizational defaults of the waste disposal contractor

<p>G4-EN24 Total number and volume of significant spills</p>	<p>a. Report the total number and total volume of recorded significant spills.</p> <p>b. For spills that were reported in the organization's financial statements, report the additional following information for each such spill:</p> <ul style="list-style-type: none"> • Location of spill • Volume of spill • Material of spill, categorized by: <ul style="list-style-type: none"> - Oil spills (soil or water surfaces) - Fuel spills (soil or water surfaces) - Spills of wastes (soil or water surfaces) - Spills of chemicals (mostly soil or water surfaces) - Other (to be specified by the organization) <p>c. Report the impacts of significant spills.</p>
<p>G4-EN25 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally</p>	<p>a. Report the total weight for each of the following:</p> <ul style="list-style-type: none"> • Hazardous waste transported • Hazardous waste imported • Hazardous waste exported • Hazardous waste treated <p>b. Report the percentage of hazardous waste shipped internationally.</p>
<p>G4-EN26 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff</p>	<p>a. Report water bodies and related habitats that are significantly affected by water discharges based on the criteria described in the Compilation section below, adding information on:</p> <ul style="list-style-type: none"> • Size of water body and related habitat • Whether the water body and related habitat is designated as a protected area (nationally or internationally) • Biodiversity value (such as total number of protected species)
<p>ASPECT: PRODUCTS AND SERVICES</p>	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EN27 Extent of impact mitigation of environmental impacts of products and services</p>	<p>a. Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period.</p> <p>b. If use-oriented figures are employed, report the underlying assumptions regarding consumption patterns or normalization factors.</p>
<p>G4-EN28 Percentage of products sold and their packaging materials that are reclaimed by category</p>	<p>a. Report the percentage of reclaimed products and their packaging materials for each product category.</p> <p>b. Report how the data for this Indicator has been collected.</p>

ASPECT: COMPLIANCE	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</p>	<p>a. Report significant fines and non-monetary sanctions in terms of:</p> <ul style="list-style-type: none"> • Total monetary value of significant fines • Total number of non-monetary sanctions • Cases brought through dispute resolution mechanisms <p>b. Where organizations have not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.</p>
ASPECT: TRANSPORT	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce</p>	<p>a. Report the significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce. Where quantitative data is not provided, report the reason.</p> <p>b. Report how the environmental impacts of transporting products, members of the organization's workforce, and other goods and materials are mitigated.</p> <p>c. Report the criteria and methodology used to determine which environmental impacts are significant.</p>
ASPECT: OVERALL	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-EN31 Total environmental protection expenditures and investments by type</p>	<p>a. Report total environmental protection expenditures by:</p> <ul style="list-style-type: none"> • Waste disposal, emissions treatment, and remediation costs • Prevention and environmental management costs

ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT

<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach </p>
<p>G4-EN32 Percentage of new suppliers that were screened using environmental criteria</p>	<p>a. Report the percentage of new suppliers that were screened using environmental criteria</p>
<p>G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken</p>	<p>a. Report the number of suppliers subject to environmental impact assessments. b. Report the number of suppliers identified as having significant actual and potential negative environmental impacts. c. Report the significant actual and potential negative environmental impacts identified in the supply chain. d. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment. e. Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.</p>

ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS

<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including: <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach </p>
<p>G4-EN34 Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms</p>	<p>a. Report the total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period. b. Of the identified grievances, report how many were: <ul style="list-style-type: none"> • Addressed during the reporting period • Resolved during the reporting period c. Report the total number of grievances about environmental impacts filed prior to the reporting period that were resolved during the reporting period.</p>

<i>CATEGORY: SOCIAL</i>	
<i>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</i>	
<i>ASPECT: EMPLOYMENT</i>	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region</p>	<p>a. Report the total number and rate of new employee hires during the reporting period, by age group, gender and region.</p> <p>b. Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>
<p>G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation</p>	<p>a. Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:</p> <ul style="list-style-type: none"> • Life insurance • Health care • Disability and invalidity coverage • Parental leave • Retirement provision • Stock ownership • Others <p>b. Report the definition used for 'significant locations of operation'.</p>
<p>G4-LA3 Return to work and retention rates after parental leave, by gender</p>	<p>a. Report the total number of employees that were entitled to parental leave, by gender.</p> <p>b. Report the total number of employees that took parental leave, by gender.</p> <p>c. Report the total number of employees who returned to work after parental leave ended, by gender.</p> <p>d. Report the total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender.</p> <p>e. Report the return to work and retention rates of employees who took parental leave, by gender.</p>
<i>ASPECT: LABOR/MANAGEMENT RELATIONS</i>	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements</p>	<p>a. Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.</p> <p>b. For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</p>

ASPECT: OCCUPATIONAL HEALTH AND SAFETY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs</p>	<p>a. Report the level at which each formal joint management-worker health and safety committee typically operates within the organization.</p> <p>b. Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.</p>
<p>G4-LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender</p>	<p>a. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by:</p> <ul style="list-style-type: none"> • Region • Gender <p>b. Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organization is liable for the general safety of the working environment, by:</p> <ul style="list-style-type: none"> • Region • Gender <p>c. Report the system of rules applied in recording and reporting accident statistics.</p>
<p>G4-LA7 Workers with high incidence or high risk of diseases related to their occupation</p>	<p>a. Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.</p>
<p>G4-LA8 Health and safety topics covered in formal agreements with trade unions</p>	<p>a. Report whether formal agreements (either local or global) with trade unions cover health and safety.</p> <p>b. If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.</p>

ASPECT: TRAINING AND EDUCATION	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA9 Average hours of training per year per employee by gender, and by employee category</p>	<p>a. Report the average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <ul style="list-style-type: none"> • Gender • Employee category
<p>G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings</p>	<p>a. Report on the type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>b. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>
<p>G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category</p>	<p>a. Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>
ASPECT: DIVERSITY AND EQUAL OPPORTUNITY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity</p>	<p>a. Report the percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> • Gender • Age group: under 30 years old, 30-50 years old, over 50 years old • Minority groups • Other indicators of diversity where relevant <p>b. Report the percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> • Gender • Age group: under 30 years old, 30-50 years old, over 50 years old • Minority groups • Other indicators of diversity where relevant

ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation</p>	<p>a. Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. Report the definition used for 'significant locations of operation'.</p>
ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA14 Percentage of new suppliers that were screened using labor practices criteria</p>	<p>a. Report the percentage of new suppliers that were screened using labor practices criteria.</p>
<p>G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken</p>	<p>a. Report the number of suppliers subject to impact assessments for labor practices.</p> <p>b. Report the number of suppliers identified as having significant actual and potential negative impacts for labor practices.</p> <p>c. Report the significant actual and potential negative impacts for labor practices identified in the supply chain.</p> <p>d. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which improvements were agreed upon as a result of assessment.</p> <p>e. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labor practices with which relationships were terminated as a result of assessment, and why.</p>
ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms</p>	<p>a. Report the total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period.</p> <p>b. Of the identified grievances, report how many were:</p> <ul style="list-style-type: none"> • Addressed during the reporting period • Resolved during the reporting period <p>c. Report the total number of grievances about labor practices filed prior to the reporting period that were resolved during the reporting period.</p>

SUB-CATEGORY: HUMAN RIGHTS	
ASPECT: INVESTMENT	
G4-DMA Generic Disclosures on Management Approach	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>a. Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> <p>b. Report the definition of 'significant investment agreements' used by the organization.</p>
G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	<p>a. Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Report the percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>
ASPECT: NON-DISCRIMINATION	
G4-DMA Generic Disclosures on Management Approach	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
G4-HR3 Total number of incidents of discrimination and corrective actions taken	<p>a. Report the total number of incidents of discrimination during the reporting period.</p> <p>b. Report the status of the incidents and the actions taken with reference to the following:</p> <ul style="list-style-type: none"> • Incident reviewed by the organization • Remediation plans being implemented • Remediation plans have been implemented and results reviewed through routine internal management review processes • Incident no longer subject to action
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
G4-DMA Generic Disclosures on Management Approach	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	<p>a. Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <ul style="list-style-type: none"> • Type of operation (such as manufacturing plant) and supplier • Countries or geographical areas with operations and suppliers considered at risk <p>b. Report measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>

ASPECT: CHILD LABOR	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor</p>	<p>a. Report operations and suppliers considered to have significant risk for incidents of:</p> <ul style="list-style-type: none"> • Child labor • Young workers exposed to hazardous work <p>b. Report operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <ul style="list-style-type: none"> • Type of operation (such as manufacturing plant) and supplier • Countries or geographical areas with operations and suppliers considered at risk <p>c. Report measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</p>
ASPECT: FORCED OR COMPULSORY LABOR	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor</p>	<p>a. Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <ul style="list-style-type: none"> • Type of operation (such as manufacturing plant) and supplier • Countries or geographical areas with operations and suppliers considered at risk <p>b. Report measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>
ASPECT: SECURITY PRACTICES	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-HR7 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations</p>	<p>a. Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.</p> <p>b. Report whether training requirements also apply to third party organizations providing security personnel.</p>

ASPECT: INDIGENOUS RIGHTS	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-HR8 Total number of incidents of violations involving rights of indigenous peoples and actions taken</p>	<p>a. Report the total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.</p> <p>b. Report the status of the incidents and actions taken with reference to:</p> <ul style="list-style-type: none"> • Incident reviewed by the organization • Remediation plans being implemented • Remediation plans have been implemented and results reviewed through routine internal management review processes • Incident no longer subject to action
ASPECT: ASSESSMENT	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments</p>	<p>a. Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p>
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-HR10 Percentage of new suppliers that were screened using human rights criteria</p>	<p>a. Report the percentage of new suppliers that were screened using human rights criteria.</p>
<p>G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken</p>	<p>a. Report the number of suppliers subject to human rights impact assessments.</p> <p>b. Report the number of suppliers identified as having significant actual and potential negative human rights impacts.</p> <p>c. Report the significant actual and potential negative human rights impacts identified in the supply chain.</p> <p>d. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment, and why.</p>

ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms</p>	<p>a. Report the total number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period.</p> <p>b. Of the identified grievances, report how many were:</p> <ul style="list-style-type: none"> • Addressed during the reporting period • Resolved during the reporting period <p>c. Report the total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period</p>
SUB-CATEGORY: SOCIETY	
ASPECT: LOCAL COMMUNITIES	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-SO1 Percentage of operations with implemented local community engagement, impact assessments, and development programs</p>	<p>a. Report the percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of:</p> <ul style="list-style-type: none"> • Social impact assessments, including gender impact assessments, based on participatory processes • Environmental impact assessments and ongoing monitoring • Public disclosure of results of environmental and social impact assessments • Local community development programs based on local communities' needs • Stakeholder engagement plans based on stakeholder mapping • Broad based local community consultation committees and processes that include vulnerable groups • Works councils, occupational health and safety committees and other employee representation bodies to deal with impacts • Formal local community grievance processes
<p>G4-SO2 Operations with significant actual and potential negative impacts on local communities</p>	<p>a. Report operations with significant actual and potential negative impacts on local communities, including:</p> <ul style="list-style-type: none"> • The location of the operations • The significant actual and potential negative impacts of operations

ASPECT: ANTI-CORRUPTION	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified</p>	<p>a. Report the total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Report the significant risks related to corruption identified through the risk assessment.</p>
<p>G4-SO4 Communication and training on anti-corruption policies and procedures</p>	<p>a. Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Report the total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Report the total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.</p> <p>d. Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>
<p>G4-SO5 Confirmed incidents of corruption and actions taken</p>	<p>a. Report the total number and nature of confirmed incidents of corruption.</p> <p>b. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Report public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>
ASPECT: PUBLIC POLICY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-SO6 Total value of political contributions by country and recipient/beneficiary</p>	<p>a. Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.</p> <p>b. Report how the monetary value of in-kind contributions was estimated, if applicable.</p>

ASPECT: ANTI-COMPETITIVE BEHAVIOR	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes</p>	<p>a. Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.</p> <p>b. Report the main outcomes of completed legal actions, including any decisions or judgments.</p>
ASPECT: COMPLIANCE	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations</p>	<p>a. Report significant fines and non-monetary sanctions in terms of:</p> <ul style="list-style-type: none"> • Total monetary value of significant fines • Total number of non-monetary sanctions • Cases brought through dispute resolution mechanisms <p>b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.</p> <p>c. Report the context against which significant fines and non-monetary sanctions were incurred.</p>
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society</p>	<p>a. Report the percentage of new suppliers that were screened using criteria for impacts on society.</p>
<p>G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken</p>	<p>a. Report the number of suppliers subject to assessments for impacts on society.</p> <p>b. Report the number of suppliers identified as having significant actual and potential negative impacts on society.</p> <p>c. Report the significant actual and potential negative impacts on society identified in the supply chain.</p> <p>d. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which improvements were agreed upon as a result of assessment.</p> <p>e. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which relationships were terminated as a result of assessment, and why.</p>

ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms</p>	<p>a. Report the total number of grievances about impacts on society filed through formal grievance mechanisms during the reporting period.</p> <p>b. Of the identified grievances, report how many were:</p> <ul style="list-style-type: none"> • Addressed during the reporting period • Resolved during the reporting period <p>c. Report the total number of grievances about impacts on society filed prior to the reporting period that were resolved during the reporting period.</p>
SUB-CATEGORY: PRODUCT RESPONSIBILITY	
ASPECT: CUSTOMER HEALTH AND SAFETY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement</p>	<p>a. Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</p>
<p>G4-PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes</p>	<p>a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:</p> <ul style="list-style-type: none"> • Incidents of non-compliance with regulations resulting in a fine or penalty • Incidents of non-compliance with regulations resulting in a warning • Incidents of non-compliance with voluntary codes <p>b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.</p>

ASPECT: PRODUCT AND SERVICE LABELING

<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements</p>	<p>a. Report whether the following product and service information is required by the organization's procedures for product and service information and labeling:</p> <ul style="list-style-type: none"> • The sourcing of components of the product or service • Content, particularly with regard to substances that might produce an environmental or social impact • Safe use of the product or service • Disposal of the product and environmental/social impacts • Other (explain) <p>b. Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.</p>
<p>G4-PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes</p>	<p>a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by:</p> <ul style="list-style-type: none"> • Incidents of non-compliance with regulations resulting in a fine or penalty • Incidents of non-compliance with regulations resulting in a warning • Incidents of non-compliance with voluntary codes <p>b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.</p>
<p>G4-PR5 Results of surveys measuring customer satisfaction</p>	<p>a. Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period relating to information about:</p> <ul style="list-style-type: none"> • The organization as a whole • A major product or service category • Significant locations of operation

ASPECT: MARKETING COMMUNICATIONS

<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-PR6 Sale of banned or disputed products</p>	<p>a. Report whether the organization sells products that are:</p> <ul style="list-style-type: none"> • Banned in certain markets • The subject of stakeholder questions or public debate <p>b. Report how the organization has responded to questions or concerns regarding these products.</p>
<p>G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes</p>	<p>a. Report the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <ul style="list-style-type: none"> • Incidents of non-compliance with regulations resulting in a fine or penalty • Incidents of non-compliance with regulations resulting in a warning • Incidents of non-compliance with voluntary codes <p>b. If the organization has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.</p>

ASPECT: CUSTOMER PRIVACY	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</p>	<p>a. Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <ul style="list-style-type: none"> • Complaints received from outside parties and substantiated by the organization • Complaints from regulatory bodies <p>b. Report the total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>
ASPECT: COMPLIANCE	
<p>G4-DMA Generic Disclosures on Management Approach</p>	<p>a. Report why the Aspect is material. Report the impacts that make this Aspect material.</p> <p>b. Report how the organization manages the material Aspect or its impacts.</p> <p>c. Report the evaluation of the management approach, including:</p> <ul style="list-style-type: none"> • The mechanisms for evaluating the effectiveness of the management approach • The results of the evaluation of the management approach • Any related adjustments to the management approach
<p>G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</p>	<p>a. Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.</p> <p>b. If the organization has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.</p>

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Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)

L'OREAL

Société Anonyme
14, rue Royale
75008 Paris

**LIMITED ASSURANCE REPORT OF THE STATUTORY AUDITORS ON SELECTED SOCIAL,
ENVIRONMENTAL AND OTHER SUSTAINABLE DEVELOPMENT INFORMATION**

YEAR ENDED DECEMBER 31, 2013

Deloitte & Associés
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit
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92208 Neuilly-sur-Seine Cedex

L'OREAL
Société Anonyme
14, rue Royale
75008 Paris

**LIMITED ASSURANCE REPORT OF THE STATUTORY AUDITORS ON SELECTED SOCIAL,
ENVIRONMENTAL, AND SOCIETAL INFORMATION**

YEAR ENDED DECEMBER 31, 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Pursuant to your request and in our capacity as Statutory Auditors of L'Oréal, we hereby present you with our limited assurance report on a selection of social, environmental, and societal information, presented in the "GRI data sheets" and on pages 46 and 47 of the group's sustainable development report prepared for the year ended December 31, 2013, and identified by the sign .

RESPONSIBILITY OF THE COMPANY

This information was established under the responsibility of the Human Relations and Environment Executive Management teams and prepared in accordance with the reporting criteria used by the L'Oréal Group (the "Reporting Criteria") and available from the departments aforementioned.

The methodological note, which is included in the "GRI data sheets" available in the "CSR commitments - expert section" of the group's website, describes the methods used for collecting and calculating the published indicators, as well as the inherent limitations to measure some of them.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

RESPONSIBILITY OF THE STATUTORY AUDITORS

Based on our work, it is our responsibility to express limited assurance on the fact that certain information⁽¹⁾ selected by the L'Oréal Group and identified by the sign  are presented, in all material aspects, in accordance with the Reporting Criteria.

To assist us in conducting our work, we referred to our corporate responsibility experts.

⁽¹⁾ The Information is the following: [The contribution to Group data of the entities selected for our procedures represents 22% of the Finished Goods units produced by the Group and 18% of total employees.]; Millions of finished goods, Energy consumption within the organization, Total water consumption per source, Direct and indirect GHG emissions (scope 1 and 2), Sulfur Dioxide emissions (SO₂), VOC emissions, Chemical Oxygen Demand (COD) in the water before and after treatment, Transportable waste including returnable packaging and pallets, Hazardous waste generated in 2013, Waste treatment, "Bilan Carbone" (carbon footprint) 2013, CO₂ emissions related to business travel (2012 and 2013), number of work accidents with lost days (L'Oréal employees and temporary staff), Conventional frequency rate, Gravity rate, Total headcount, Number of employees on open-ended and fixed-term employment contracts, Breakdown of employees by gender and by geographical area, Age pyramid, Breakdown of personnel costs, 2012 World Profit-Sharing (paid in 2013), Number of new hires, Overall rate of absenteeism, Rate of absenteeism for sickness, Number of agreements signed in France, Number of agreements signed in the rest of the world, Number of agreements in force as of 12/31, Number of training hours, Number of social audits in 2013, Number of suppliers invited and who positively responded to the invitation to the CDP in 2013.

➤ NATURE AND SCOPE OF PROCEDURES

We conducted our procedures in accordance with ISAE 3000 (International Standard on Assurance Engagements) and the professional standard applicable in France, NEP 9090 .

We have carried out the following work to obtain limited assurance on the fact that the information selected by the L'Oréal Group and identified by the sign  does not contain any material anomalies that would call into question its fairness, in all material aspects, in accordance with the Reporting Criteria. A higher-level assurance would have required more extensive work.

We conducted interviews with the people responsible for preparing the CSR Information in the departments in charge of the CSR Information collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Criteria with respect to its relevance completeness, reliability, neutrality and clarity, taking into consideration, when relevant, the sector's best practices;
- verify the set-up of a process to collect, compile, process, and check the selected information with regard to its completeness and consistency.
- familiarize ourselves with the internal control and risk management procedures relating to the compilation of the selected information.
- Concerning the selected quantitative information:
 - for the consolidating entity, we implemented analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the data consolidation;
 - for a representative sample of entities and sites that we have selected according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we have:
 - held interviews to verify the correct application of the procedures,
 - implemented substantive tests on a sampling basis, consisting in verifying the calculations performed and reconciling the data with supporting evidence.

➤ CONCLUSION

Based on our work, we did not identify any material anomaly likely to call into question the fact that the information selected by the L'Oréal Group and identified by the sign  has been presented, in all material aspects, in accordance with the Reporting Criteria.

Neuilly-sur-Seine, April 15th, 2014

The Statutory Auditors,

Deloitte & Associés
David Dupont Noel Florence Didier-Noaro

Pricewaterhouse Coopers Audit
Gérard Morin Sylvain Lambert

(2) ISAE 3000 « Assurance Engagements other than audits or reviews of historical financial information »

(3) NEP 9090 - « Prestations relatives aux informations sociales et environnementales entrant dans le cadre des diligences directement liées à la mission du commissaire aux comptes »

Governance

Governance structure and composition

L'ORÉAL

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Governance structure and composition

"The quality of governance relies on an extremely strong commitment by all Company directors. The Board provides the General Management with valuable support and assistance in making strategic decisions. The balance of powers is ensured by a very precise sharing of the tasks to be carried out by everyone".

Jean-Paul Agon, Chairman and Chief Executive Officer of L'Oréal

THE BALANCE OF POWERS AT L'ORÉAL IN A BOARD OF DIRECTORS THAT IS INDEPENDENT, STRONGLY COMMITTED AND VIGILANT

The organisation of L'Oréal's Board of Directors is adapted to the Company's specificities and constant progress is always sought.

In 2006, the duties of Chairman of the Board of Directors were separated from those of Chief Executive Officer, at the time when Sir Lindsay Owen-Jones had announced that he wanted to hand over some of his responsibilities to devote some time to the position of Chairman of the Board of Directors. This separation of the duties, which lasted for five years, made it possible to completely ensure a smooth transition with Jean-Paul Agon, appointed as Chief Executive Officer.

In 2011, L'Oréal's Board of Directors decided that the duties of Chairman of the Board of Directors would be reunified with those of Chief Executive Officer and appointed Mr. Jean-Paul Agon to this office.

The Board of Directors considers that the combination of these roles is particularly adapted to the specificities of L'Oréal: a stable and loyal shareholder base, clear identification of its businesses, gradual, steady development of its international activities, the extreme loyalty that has always existed among its senior managers and corporate officers, who have precise knowledge of the business, and top-quality financial and economic performances.

Furthermore, the Company has to be responsive, firstly in a business sector in which decisions have to be taken quickly in a highly competitive international environment, and secondly in the beauty sector which requires strong, coherent communication at all times (see section 2.2.1.1. on page 32 of the Registration Document).

Within this general framework, the *modus operandi* of the Board of Directors has been subject to particular attention so that the Board is in a position to fully carry out its role and the balance of powers on the Board is ensured.

At the end of 2013, like in 2012, at the time of the evaluation of their work and their relations with the general management, the Directors noted that the organisation that has been put in place works well. Decision-making processes are clear, as is the division of powers.

THE BOARD OF DIRECTORS HAS A WIDE ARRAY OF MEANS

The Board has the means to enable it to handle the questions that concern it with complete freedom and particularly when this involves determining the Company's strategic orientations, ensuring and monitoring their implementation and overseeing the good management thereof.

The General Management communicates transparently and has the support of the Board of Directors in the strategic choices that it proposes and which are finally decided by the Board. The Chairman conducts the Board's work to build this cohesion without which General Management and its Executive Committee would not be able to commit themselves completely and ensure the Company's development with complete confidence and tranquillity. It is naturally in the interest of all the shareholders but also of all the stakeholders for the Chairman to lead the debates and encourage discussions on the Board of Directors. It can hold meetings at any time depending on topical issues that may arise (see section 2.2.2.1. on page 48 of the Registration Document).

▶ THE BOARD OF DIRECTORS' ACTION IS FULLY ORGANISED

The Board acts in all circumstances in the Company's corporate interests. This mission is reinforced in as much as the Board has adopted a code of operation defining rules with regard to conduct and formally providing for the conditions in which it will be given the means it needs to fully perform its role, for example, by deciding to handle any issue with regard to the good running of the Company, within the framework of the law.

Thus, L'Oréal's Board of Directors has adopted Internal Rules which it updates from time to time, both with regard to the formal aspects of its missions and with regard to the rights and obligations of the Directors (knowledge of, and compliance with, the regulatory provisions, recommendations and obligations, respect for the Company's interests, a duty of diligence and provision of information, confidentiality and secrecy, responsibility in the field of insider trading, etc.), in the light of the findings of the evaluation of its work and within the scope of good corporate governance practices that it has put in place. The complete text of the Internal Rules, which were last updated on February 10th, 2014, is published in full in this Registration Document, on pages 54 et seq. It may be amended by the Board in light of the changes in the laws and regulations, but also in its own *modus operandi*.

Finally, a Director formally reports potential conflicts of interest which might concern him/her and, in any event, in this case he/she does not take part in the voting in this respect (see section 2.2.1.2. on page 33 and page 46 of the Registration Document).

▶ WELL-STRUCTURED, SPECIALISED BOARD COMMITTEES, WHOSE REMITS HAVE BEEN ADDED TO

Council meetings are prepared by four very active committees: the Strategy and Sustainable Development Committee, the Audit Committee, the Human Resources Committee and the Remuneration and Nomination Committee and the Governance.

In 2011, additions were made to the remits of the Board's committees, with a greater number of Directors serving on these committees and more opportunities to meet with high-level managers. Only the Strategy and Sustainable Development Committee is chaired by the Chairman and CEO, who does not serve on any other committee.

They include independent Directors, who represent half of the members of the Audit Committee and the Remuneration Committee and include the Chairman of each Committee. These committees are completely free to define their respective agendas. They report regularly on their work to the Board of Directors, prepare for its meetings and make proposals to it. Within the scope of the review of its own work at the end of 2013, the Board once again appreciated the quality of the contribution made by its committees in relation with the decisions that it takes, in an increasingly detailed manner (see section 2.2.2.1. on page 48 of the Registration Document).

▶ THE BOARD'S WORK FOCUSED ON BUSINESS ACTIVITIES, STRATEGY AND THE COMPANY'S ENVIRONMENTAL, SOCIAL AND SOCIETAL RESPONSIBILITY COMMITMENTS

In 2013, besides the regular monitoring of business activities, the Board of Directors continued its work, as it had chosen to do, on the components of strategy in the presence of several senior managers, particularly with regard to proposed acquisitions. Each presentation by a senior manager gives the Directors the opportunity to take stock, in an ever more detailed manner, of an aspect that characterises its business and its organisation, enabling them to forge an opinion and to make their decisions in full knowledge of the facts.

For example, in 2013, at the request of the Directors, a Board meeting was held at L'Oréal's Global Hair Research Centre. Another meeting was organised at the Professional Products Division for a concrete analysis of the assets of the haircare market throughout the world and related market developments. In addition, the Board had the occasion to review the Human Relations policy and its challenges with regard to identifying and developing talents on all continents.

As attested to by the preparatory work of its Committees (see the Registration Document page 49), the Board also analyses other aspects of strategy, the Group's economic and financial management and the Company's commitments in the environmental, social and societal fields.

▶ PROVISION OF INFORMATION TO THE BOARD ON THE FINANCIAL SITUATION, THE CASH POSITION AND THE COMPANY'S COMMITMENTS

The financial situation and the cash position are reviewed at least twice a year at a Board meeting, at the time of closing of the annual financial statements and the review of the interim financial statements or at any other time if necessary. The balance sheet structure remains solid and the Group is not in debt.

The Company's commitments are reviewed within the framework of the annual renewal of the authorisations given to the Chairman and Chief Executive Officer and the delegations of authority he grants.

COMPOSITION OF THE BOARD OF DIRECTORS

At December 31st, 2013, the Board of Directors comprises 14 members: the Chairman and Chief Executive Officer, six Directors appointed by the majority shareholders, three of whom are appointed by the Bettencourt Meyers family and three by Nestlé (the two Vice-Chairmen of the Board being chosen from among these members) and seven independent Directors: Ms. Annette Roux, Ms. Virginie Morgon (since April 26th, 2013), Mr. Charles-Henri Filippi, Mr. Xavier Fontanet, Mr. Bernard Kasriel, Mr. Marc Ladreit de Lacharrière and Mr. Louis Schweitzer.

Four elected employee representatives also attended Board meetings in 2013; they have an advisory vote.

The 14 Directors of L'Oréal, who are strongly committed and responsible, exercise complete freedom of judgement, both in terms of independence and gender parity. The composition of the Board of Directors is therefore in compliance with the recommendations of the June 2013 AFEP-MEDEF Code of Corporate Governance.

Out of a total of 14 Directors, four women have seats on L'Oréal's Board of Directors, representing a proportion of female directors of 28.6%. The Board is thus in advance of the French Law of January 27th, 2011 relating to the balanced representation of men and women, which provides for a proportion of 20% of women to be reached by 2014. The Board is doing everything it can to appoint more female Directors.

The Appointments and Governance Committee continued its selection process and made proposals to the Board of Directors in 2013. A female candidate will be proposed to the Annual General Meeting on April 17th, 2014, which will thereby lead to an increase in the proportion of women on the Board to 35.7%, with a total of 14 Directors in 2014.

In any event, in 2017, the composition of the Board will be in compliance with the French law which requires balanced representation of men and women, namely a minimum proportion of 40% of Directors of the same gender.

At December 31st, 2013, the members of the Board of Directors were as follows:

Jean-Paul Agon, age: 57, joined the L'Oréal Group in 1978. Following an international career as General Manager of the Consumer Products Division in Greece and of L'Oréal Paris in France, International Managing Director of Biotherm, General Manager of L'Oréal Germany, Executive Vice-President of the Asia Zone, President and CEO of L'Oréal USA, Jean-Paul Agon was appointed as Deputy Chief Executive Officer of L'Oréal in 2005 and then Chief Executive Officer in April 2006 and finally Chairman and CEO in 2011. A Director of L'Oréal since 2006, he is also Chairman of the L'Oréal Corporate Foundation and Chairman of the Strategy and Sustainable Development Committee. Jean-Paul Agon is also a Director of Air Liquide.

Françoise Bettencourt Meyers, age: 60, the daughter of Mrs. Liliane Bettencourt, herself the daughter of the founder of L'Oréal, Eugène Schueller, has been the Chairwoman of the family-owned holding company Téthys since January 31st, 2012 and is the Chairwoman of the Bettencourt Schueller Foundation. Françoise Bettencourt Meyers has been a Director of L'Oréal since 1997 and a member of the Strategy and Sustainable Development Committee since April 2012.

Peter Brabeck-Letmathe, age: 69, of Austrian nationality, holds the main position outside L'Oréal of Chairman of the Board of Directors of Nestlé. Peter Brabeck-Letmathe has been a Director of L'Oréal and Vice-Chairman of the Board of Directors since 1997. He has been a member of the Strategy and Sustainable Development Committee since 2005, and is a member of the Appointments and Governance Committee and the Human Resources and Remuneration Committee.

Paul Bulcke, age: 59, of Belgian nationality, joined Nestlé in 1979, and has been its Chief Executive Officer since 2008. Paul Bulcke has been a Director of L'Oréal since 2012, a member of the Strategy and Sustainable Development Committee since April 2012 and is a Board member of Roche Holding in Switzerland.

Charles-Henri Filippi, age: 61, spent his career within the HSBC Group, in which he was notably Chairman and Chief Executive Officer of HSBC France from 2004 to 2007 and Chairman of the Board of Directors in 2007 and 2008. Charles-Henri Filippi has been a Director of L'Oréal since 2007 and is a member of the Audit Committee (Committee Chairman until February 2013), a Board member of France Telecom, a member of the Supervisory Board of Euris and a non-voting member of the Board of Directors of Nexity.

Xavier Fontanet, age: 65, former Chairman and Chief Executive Officer (1996-2009) and former Chairman of the Board of Directors of Essilor (2010-2012), member of the Supervisory Board of Schneider Electric, has been a Director of L'Oréal since 2002 and is Chairman of the Appointments and Governance Committee.

Bernard Kasriel, age: 67, a former Chief Executive Officer of Lafarge, has been a Director of L'Oréal since 2004, Chairman of the Human Resources and Remuneration Committee since 2007 and is a member of the Strategy and Sustainable Development Committee. He is also a Board member of Arkema and Nucor (United States).

Christiane Kuehne, age: 58, of Swiss nationality, is the Head of the Food Strategic Business Unit at Nestlé which she joined in 1977. Christiane Kuehne has been a member of L'Oréal's Board of Directors and a member of the Audit Committee since 2012.

Marc Ladreit de Lacharrière, age: 73, member of the Institut and with L'Oréal from 1976 to 1991. Marc Ladreit de Lacharrière has been a Director of L'Oréal since 1984, is Chairman and Chief Executive Officer of Fimalac, Chairman of Fitch (United States), and a Board member of Casino, Lucien Barrière and Renault.

Jean-Pierre Meyers, age: 65, has been a Director of L'Oréal since 1987, Vice-Chairman of the Board of Directors since 1994, and is a member of the Strategy and Sustainable Development Committee, the Audit Committee, the Appointments and Governance Committee and the Human Resources and Remuneration Committee. He is Vice-Chairman of the Supervisory Board and Chief Executive Officer of the family-owned holding company Téthys, a Board member of Nestlé and Vice-Chairman of the Bettencourt Schueller Foundation.

Jean-Victor Meyers, age: 27, has been a member of the Supervisory Board of the family holding company Téthys since January 2011. He has been a Director of L'Oréal since February 2012.

Virginie Morgon, age: 44, is Chief Investment Officer of Eurazéo which she joined in 2008 after working for 16 years at Lazard. She has been a Director of L'Oréal since April 26th, 2013 and is a member of the Audit Committee. She is also a Board member of Accor.

Annette Roux, age: 71, Chairperson and Managing Director of Bénéteau from 1976 to 2005, then Vice-Chairperson of the Supervisory Board. Annette Roux has been a member of L'Oréal's Board of Directors since 2007. She is also Chairperson of the Bénéteau Corporate Foundation.

Louis Schweitzer, age: 71, Chairman and Chief Executive Officer of Renault from 1992 to 2005, Chairman of the Board of Directors until 2009. Louis Schweitzer has been a Director of L'Oréal since 2005, is a member of the Audit Committee and Chairman of that Committee since February 2013, and a member of the Strategy and Sustainable Development Committee. He is also a member of the Advisory Committees of Allianz AG (Germany) and Bosch (Germany).

The tenure as Director of L'Oréal, which is renewable, covers a period of four years according to the Articles of Association or may cover a shorter period in order to allow for staggered renewal of the tenures of Directors. The Directors each hold a minimum of 1,000 L'Oréal shares. The complete list of duties of the Directors is set out on pages 33 et seq. of the Registration Document.

Members of L'Oréal's Executive Committee

<p>Jean-Paul Agon Chairman and Chief Executive Officer</p>	<p>Alexandre Popoff Executive Vice-President Eastern Europe Zone</p>
<p>Laurent Attal Executive Vice-President Research and Innovation</p>	<p>Sara Ravella Executive Vice-President Communication, Sustainability and Public Affairs</p>
<p>Jean-Philippe Blanpain Executive Vice-President Operations</p>	<p>Frédéric Rozé Executive Vice-President Americas Zone</p>
<p>Nicolas Hieronimus Executive Vice-President President Selective Divisions</p>	<p>Geoff Skingsley Executive Vice-President Africa, Middle East Zone</p>
<p>Brigitte Liberman President Active Cosmetics Division</p>	<p>Jérôme Tixier Executive Vice-President Human Resources and Advisor to the Chairman</p>
<p>Marc Menesguen President Consumer Products Division</p>	<p>An Verhulst-Santos President Professional Products Division</p>
<p>Christian Mulliez Executive Vice-President Administration & Finance</p>	<p>Jochen Zaumseil Executive Vice-President Western Europe Zone</p>
<p>Alexis Peyrakis-Vallat Executive Vice-President Asia, Pacific Zone</p>	



FOR FURTHER INFORMATION REGARDING THE GOVERNANCE STRUCTURE OF L'ORÉAL, SEE THE CORPORATE GOVERNANCE PAGE 29 OF THE 2013 REGISTRATION DOCUMENT

The CSR is placed under the responsibility of Sara Ravella, Executive Vice President Communication, Sustainability and Public Affairs and member of L'Oréal's Executive Committee.

▶ SHAREHOLDERS

The loyalty of its shareholders is one of the group's greatest strengths, an essential component for implementing a long term strategy.

▶ ACTIVE FINANCIAL INFORMATION

L'Oréal organizes numerous events for shareholders which are all occasions to strengthen links with them. In 2013, the Group has increased the number of meetings with individual shareholders: 7 meetings with shareholders were organized in France and Belgium, as well as visits to plants like Soproreal in Aulnay (France) and Group's hair Academies in Lyon and Marseille.

The Group participated at the « Village des Actionnaires » in Roland Garros in september, and at the Actionaria exhibition.

In total, the financial information team succeeded in meeting 6,000 individual shareholders and about 650 institutional investors in 2013.

L'Oréal's Financial Communication Department was awarded two prizes: the Transparency prize for all its financial communication and the Registration Document prize by the jury at the Transparency Awards; Mr. Christian Mulliez, Executive-Vice-President Administration and Finance received the Trophy for the best Chief Financial Officer in the field of investor relations for all categories combined, awarded by the Investor Relations forum.

▶ THE CONSULTATIVE COMMITTEE OF INDIVIDUAL SHAREHOLDERS IS CELEBRATING ITS FIRST ANNIVERSARY

Created in 2010, the Consultative Committee of individual shareholders met four times in the year to discuss themes as varied as preparing for the Annual General Meeting and digital communication. A key body in the dialogue with the group's individual shareholders, the committee enables their expectations to be better understood and the quality of interaction to be constantly improved.

▶ REWARDING THE LOYALTY OF L'ORÉAL'S SHAREHOLDERS

Since the April 2009 Annual General Meeting, L'Oréal has been one of the few CAC 40 companies to offer a loyalty bonus. A dividend increased by 10% is thus offered to all shareholders listed by name or registered for at least two years*, to acknowledge those who support the company over the long term. Naming gives a better understanding of L'Oréal's shareholders and means they can be offered benefits.

Shareholders listed by name have greatly increased in the last three years.

▶ DIALOGUE WITH STAKEHOLDERS ON CSR SUBJECTS

On October 23rd, the Group announced its sustainability commitments for 2020, which have naturally been built on the back of the expectations of the stakeholders it has met all over the world over the last few years at the forums mentioned above. The announcement was followed by a forum held in Paris on responsible consumption, the Re-imagining Consumption Summit, in partnership with BSR (Business for Social Responsibility), Forum for the Future, WBCSD (World Business Council on Sustainable Development), Futerra and Sustainable Brands; this summit, which had 260 participants from other companies, but also from associations and the public authorities, offered the opportunity for reflections on how to make progress together on this crucial topic for the future of the consumer industries: an open, public dialogue to inspire one another.

▶ FOR FURTHER INFORMATION CONCERNING STAKEHOLDERS, SEE SECTION 6.4.2 ON PAGES 222 ET SEQ. OF THE 2013 REGISTRATION DOCUMENT, AS WELL AS THE STAKEHOLDER ENGAGEMENT FACT SHEET (G4-24 TO G4-25 OF THE GRI REPORT).

G4
39

Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)

In 2011, L'Oréal's Board of Directors decided that the duties of Chairman of the Board of Directors would be reunified with those of Chief Executive Officer and appointed Mr. Jean-Paul Agon to this office.

The separation of the duties of Chairman of the Board of Directors from those of Chief Executive Officer from 2006 to 2011 made it possible to ensure a smooth transition between Sir Lindsay Owen-Jones and Mr. Jean-Paul Agon. In 2011, the Board of Directors considered that the environment was favourable to reunifying these duties. This governance model is indeed specifically adapted to the specificities of L'Oréal and its shareholder structure: a stable and loyal shareholder base, clear identification of its businesses, gradual, steady development of its international activities, and top-quality financial and economic performances. L'Oréal has always had senior managers and executive officers who are loyal to the Company and have precise knowledge of the business. Furthermore, the Company has to be responsive, firstly in a business sector in which decisions have to be taken quickly in a highly competitive international environment, and secondly in the beauty sector which requires strong, coherent communication at all times.

At the end of 2013, at the time firstly of the evaluation of their work (see section 2.2.2.2, page 53 of the Registration Document), and secondly of that of their relations with the Company's executives, the directors confirmed that this organisation operated in an efficient, balanced manner.

G4
40

The nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members

› **EXPERIENCED DIRECTORS WHO COMPLEMENT ONE ANOTHER**

L'Oréal's Directors come from different backgrounds; they complement one another due to their different professional experience, their skills and their nationalities. They have good knowledge of the Company. The Directors are present, active and strongly committed. These are all assets which contribute to the quality of the Board's deliberations in the context of the decisions that it is called on to make.

For more information, see 2013 Registration Document (pages 33 and following), which includes biography and the list of mandates and functions of each director.

The loyalty of its shareholders is one of the group's greatest strengths, an essential component for implementing a long term strategy.

The balance of powers on the Board is ensured through a very precise definition and sharing of the tasks to be carried out by everyone, with, on the one hand, the Chairman and CEO and, on the other, thirteen Directors who are independently-minded and free to exercise their judgement. All the Directors receive information on an ongoing basis and have suitable means, within the framework of the Internal Rules of the Board of Directors, with well-structured, specialised committees and remits that have been added to since their creation.

The Directors have a duty of vigilance and have complete freedom of judgement, which enables them in particular to participate, in total independence, in the decisions and work of the Board and its committees.

At the end of 2013, the Board of Directors reviewed the situation of each of its members on a case-by-case basis, in particular in light of the independence criteria provided for in the AFEP-MEDEF Code. A member of the Board is considered as independent when he/she does not maintain any relationship of any kind with the Company, its group or its General Management which may interfere with his/her freedom of judgement.

In this spirit, the criteria which guide the Board in determining whether a member can qualify as independent are the following criteria specified by the AFEP-MEDEF Code:

- the member must not be an employee or corporate officer of the Company, an employee or director of its parent company or a company which it consolidates in its financial statements, and must not have held any of these positions during the previous five years;
- the member must not be a corporate officer of a company in which the Company directly or indirectly holds the office of director or in which an employee designated as such or a corporate officer of the Company (either currently or having performed such duties within the last five years) holds an office as director;
- the member must not be a customer, supplier, investment banker or financial banker:
 - which is important for the Company or its group, or
 - for which the Company or its group represents a significant portion of activities;
- the member must not have any close family links with a corporate officer;
- the member must not have been the Company's auditor over the five previous years.

The Board failed to adopt one of the criteria specified by the AFEP-MEDEF Code as it considers that the fact that a member has performed a term of office for over 12 years does not lead to such member losing his independent status.

When a person has been a Director of L'Oréal for over 12 years, his professional experience and his freedom of judgement, combined with good knowledge of the Company, make a big contribution to the discussions and decisions of the Board. His length of office is an asset for the Board. It contributes to putting L'Oréal's main strategic options into perspective.

Indeed, the quality of a Director is also measured by his experience, his skills, his authority and his good knowledge of the Company, which are all assets which make it possible to conduct a long-term strategy.

At December 31st, 2013, out of the 14 members of the Board of Directors, seven Directors qualify as independent: Ms. Annette Roux, Ms. Virginie Morgon, Mr. Charles-Henri Filippi, Mr. Xavier Fontanet, Mr. Bernard Kasriel, Mr. Marc Ladreit de Lacharrière and Mr. Louis Schweitzer.

It is furthermore specified that a review was carried out of the financial flows that took place in 2013 between L'Oréal and the companies in which the seven independent Directors also hold an office. It appears from this that the nature of these business relationships is not significant.

The Board's tasks are carried out with the necessary objectiveness and independence and all the Directors take account of the interests of all the shareholders.

Out of a total of 14 Directors, four women have seats on L'Oréal's Board of Directors, representing a proportion of female directors of 28.6%. The Board is thus in advance of the French Law of January 27th, 2011 relating to the balanced representation of men and women, which provides for a proportion of 20% of women to be reached by 2014. The Board is doing everything it can to appoint more female Directors.



FOR FURTHER INFORMATION CONCERNING THE DIRECTORS, SEE SECTION 2.2.1 "COMPOSITION OF THE BOARD OF DIRECTORS" ON PAGE 32 OF THE 2013 REGISTRATION DOCUMENT.

G4
41

Processes for the highest governance body to ensure conflicts of interest are avoided and managed

Within the scope of the law and the rights and obligations of the Directors as defined in the Internal Rules of the Board of Directors of L'Oréal and in accordance with the AFEP-MEDEF Code, the Directors are subject to compliance with the rules in force with regard to conflicts of interest and stock market ethics.

Thus, "the Directors are under the obligation of notifying the Board of all situations constituting a conflict of interest, even if such conflict is only potential, and must refrain from participating in the corresponding deliberation". In this regard, on the basis of the reports made by each Director, the Board has not identified any conflict of interests. The information pursuant to Annex I of European Regulation No. 809/2004 set out hereafter contains additional details in this respect.



FOR MORE INFORMATION CONCERNING THE PROCESSES PUT IN PLACE BY THE BOARD OF DIRECTORS, SEE SECTION 2.2.2.1 ON "THE ACTIVITIES OF THE BOARD COMMITTEES" ON PAGES 49 ET SEQ. OF THE 2013 REGISTRATION DOCUMENT.

Highest governance body's role in setting purpose, values and strategy

G4
42

Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.

The Strategy and Sustainability Development Committee clarifies, through its analyses, the strategic orientations submitted to the Board of Directors and monitors the implementation and progress of significant operations that are under way. It ensures that the main financial balances are preserved.

Within this framework, the Committee reviews the main strategic lines of development, options and projects presented by the General Management, and their economic and financial consequences, acquisition opportunities, and financial transactions liable to significantly change the balance sheet structure.

The Committee also makes sure that the Company's commitments with regard to Sustainable Development have been duly taken into consideration, in light of the issues specific to the Group's business activities and its objectives.

Finally, the Committee reviews the proposed strategic orientations, as defined by the Board of Directors, with a view to consultation of the Central Works Council.

Highest governance body's competencies and performance evaluation

G4
43 *Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics*

➤ **THE BOARD PERIODICALLY EVALUATES THE QUALITY OF ITS ORGANISATION AND ITS WORK**

Within the framework of the annual evaluation of its *modus operandi*, on the basis of the best corporate governance practices, the Directors set themselves new targets for improvement of the quality of their organisation and their deliberations every year, for example by enlarging the agenda for their meetings and those of their committees. They seek to adopt the best possible *modus operandi* and ensure that they have all the necessary assets to successfully perform their tasks, with complete freedom.

G4
44

Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics

THE BOARD PERIODICALLY EVALUATES THE QUALITY OF ITS ORGANISATION AND ITS WORK

Within the framework of the annual evaluation of its *modus operandi*, on the basis of the best corporate governance practices, the Directors set themselves new targets for improvement of the quality of their organisation and their deliberations every year, for example by enlarging the agenda for their meetings and those of their committees. They seek to adopt the best possible *modus operandi* and ensure that they have all the necessary assets to successfully perform their tasks, with complete freedom.

Every year, the Board reviews its composition, its organisation and its *modus operandi*, in particular in order to verify that, under these conditions, the agenda for its work duly covers the scope of its assignments, that important questions have been appropriately prepared for and discussed and to assess the contribution made by each member to the Board's work.

This evaluation is carried out within the framework of the AFEP-MEDEF Code, to which the Board refers and market recommendations like those of the AMF. On the basis of the summary of prior individual interviews between the Director and the Secretary of the Board of Directors, such interviews being conducted on the basis of a guide which sets out the principles provided for in the Code and the recommendations, the Board considers the avenues of progress that still remain open and, at the end of the discussion that takes place, adopts the improvement measures that it considers appropriate.

The Directors again exercised their complete freedom of judgement in 2013. This freedom of judgement allowed them to participate, in total independence, in the work and collective decisions of the Board, and, where applicable, in conducting preparatory work and making proposals through the Board committees.

The Board considered that the quality of its meetings has continued to improve, in light of what were considered as avenues of progress following the self-evaluation carried out at the end of 2012, particularly with regard to the strategic challenges faced by the Group which are regularly debated and discussed, in the presence of the senior managers who are members of the Executive Committee.

Once again this year, the approach to strategy was examined in detail in the course of the Board's work in light of the development of the brands, the countries and the markets on which the Group operates.

In this respect, the day devoted to strategy at L'Oréal Professional Products and that on Research & Innovation at one of its laboratories, in the presence of a large number of senior managers, were particularly appreciated.

In 2013, the Board once again appreciated the pace, frequency and format of the information provided to it in connection with business activities in general and the main events in the life of the Group. Making documentation available prior to Board or Committee meetings, in compliance with the requirements of confidentiality and the time constraints with which the Company is faced, favours the quality of the debates.

The Directors made new proposals of topics to be included on the agenda for meetings in 2014, principally in relation with universalisation strategy, the geographic deployment of the business activities of the Divisions and the organisation of the regions in light of local specificities.



FOR MORE INFORMATION CONCERNING THE BOARD'S EVALUATION, SEE SECTION 2.2.2.2. "SELF-EVALUATION BY THE BOARD OF DIRECTORS" ON PAGE 53 OF THE 2013 REGISTRATION DOCUMENT.

R/ole of the highest governance body in risk management...

G4
45 *Role of the highest governance body in the identification and management of economic, environmental and social impacts, risks, and opportunities*

G4
46 *Role of the highest governance body in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics*

G4
47 *Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities*

▶ GLOBAL RESPONSE

The Board's work focused on business activities, strategy and the Company's environmental, social and societal responsibility commitments.

In 2013, besides the regular monitoring of business activities, the Board of Directors continued its work, as it had chosen to do, on the components of strategy in the presence of several senior managers, particularly with regard to proposed acquisitions. Each presentation by a senior manager gives the Directors the opportunity to take stock, in an ever more detailed manner, of an aspect that characterises its business and its organisation, enabling them to forge an opinion and to make their decisions in full knowledge of the facts.

For example, in 2013, at the request of the Directors, a Board meeting was held at L'Oréal's Global Hair Research Centre. Another meeting was organised at the Professional Products Division for a concrete analysis of the assets of the haircare market throughout the world and related market developments. In addition, the Board had the occasion to review the Human Relations policy and its challenges with regard to identifying and developing talents on all continents.

As attested to by the preparatory work of its Committees (see below), the Board also analyses other aspects of strategy, the Group's economic and financial management and the Company's commitments in the environmental, social and societal fields.

Concerning the Committees' works, the missions of two out of four Committees have to be underlined:

The Strategy and Sustainable Development Committee shows the Board's will to ensure that L'Oréal disposes of all necessary means and resources to answer the stakes of sustainable growth. This Committee clarifies, through its analyses, the strategic orientations submitted to the Board of Directors and monitors the implementation and progress of significant operations that are under way. It ensures that the main financial balances are preserved.

Within this framework, the Committee reviews the main strategic lines of development, options and projects presented by the General Management, and their economic and financial consequences, acquisition opportunities, and financial transactions liable to significantly change the balance sheet structure. The Committee also makes sure that the Company's commitments with regard to Sustainable Development have been duly taken into consideration, in light of the issues specific to the Group's business activities and its objectives. Finally, the Committee reviews the proposed strategic orientations, as defined by the Board of Directors, with a view to consultation of the Central Works Council.

Composition of the Committee

The Committee, which consists of seven Directors, is chaired by the Chairman and Chief Executive Officer (Mr. Jean-Paul Agon). It is also composed of two members of the Bettencourt family (Mrs. Françoise Bettencourt Meyers and Mr. Jean-Pierre Meyers), two members from Nestlé (Mr. Peter Brabeck-Letmathe and Mr. Paul Bulcke) and two independent Directors (Mr. Bernard Kasriel and Mr. Louis Schweitzer). All these Directors participate in Committee meetings with complete freedom of judgement and in the interest of all the shareholders.

The Committee met five times in 2013, with an attendance rate of 100%.

The Committee's work

As in the past, at each of its meetings in 2013, the Committee examined the performance of the latest product launches, analysed business activities in terms of sales and results, and discussed the prospects and development opportunities of the Group and its Divisions within the scope of changes in markets and competition.

Approach to strategy

At the end of the year, in light of the performances for the financial year, the Group's strategic development prospects were examined by the Committee before being presented to the Board, which validated them. The Board noted the regular growth of the market share of L'Oréal Cosmetics over the last few years. L'Oréal's ambition is to continue to win market share, outperform market growth and increase profitability by looking to achieve performances in all areas.

Acquisitions

Throughout the year, acquisition projects were reviewed by the Committee before some of them were presented to the Board for its decision. Thus, the Board of Directors authorised the General Management to enter into strategic acquisitions in 2013, with:

- the acquisition of the Beauty and Personal Care business of Interconsumer Products Limited in Kenya, a significant player on the Kenyan beauty market, with strong positions in skin and hair care;
- the acquisition of a majority stake in Brazil's Emporio, which offers complete ranges of cosmetic products sold through a franchise network;
- the acquisition of Cheryl's Cosmeceuticals in India, a pioneer in professional skin care products and treatments in beauty salons across the country;
- the acquisition at the beginning of 2014 of Decleor and Carita;
- the acquisition of Magic Holdings, the Chinese market leader in the facial masks industry which should be completed in 2014.

Sustainable Development

The Committee shares the commitment made by the Group within the scope of the Sharing beauty with all programme. This programme was presented to the Board of Directors as a whole and covers four areas: innovating sustainably, producing sustainably, consuming sustainably and sharing growth with the men at women at L'Oréal, with suppliers and with communities.

Ethics at the heart of L'Oréal's governance and commitments

The Board of Directors attaches particular importance to compliance with L'Oréal's ethics principles - integrity, respect, courage and transparency - and more generally with the Code of Business Ethics. These commitments are the cornerstone, in particular, for the Group's policies with regard to responsible innovation, the environment, corporate social and societal responsibility and corporate philanthropy. L'Oréal was recognised for the fourth time as one of the "World's Most Ethical Companies" by the Ethisphere Institute and has been part of the United Nations Global Compact 100 stock market index since it was created in 2013.

The Audit Committee

The main remit of the Audit Committee involves, in accordance with the ordinance of December 2008 and in line with the recommendations made by the AMF in 2010, monitoring the process for preparation of financial information, the effectiveness of the Internal Control and risk management systems, the statutory audit of the annual and consolidated financial statements by the Statutory Auditors and finally the Statutory Auditors' independence.

Furthermore, if, in the course of its work, the Committee detects a substantial risk, which in its view is not adequately dealt with, it warns the Chairman of the Board accordingly. The Committee can also, in agreement with the General Management, consult other people who may be able to help it carry out its duties, particularly managers with economic and financial responsibilities and those in charge of processing financial information.

The Audit Committee is responsible for monitoring the Group's main risk exposures and sensitivities. The Committee's review of the financial statements is accompanied by a presentation by the Vice-President, Finance describing the Company's exposure to significant risks.

The Committee examines the programme and objectives of the Internal Audit Department and reviews the main topics that it identifies as well as the Internal Control systems methods and procedures used.

It reviews every year the section of the Management Report relating to "risk factors" and the report of the Chairman of the Board of Directors relating to Internal Control and risk management procedures.

Composition of the Committee

The Chairman and Chief Executive Officer is not a member of the Audit Committee.

In 2013, another Director, Ms. Virginie Morgon, was appointed to the Committee, meaning that the Committee now has five members, with independent Directors representing 60% of its composition.

Since February 2013, the Committee has been chaired by Mr. Louis Schweitzer, an independent Director, who has been a Committee member since 2011 and who has recognised financial expertise. It is also composed of Ms. Christiane Kuehne, appointed as member in 2012, Mr. Jean-Pierre Meyers, a Committee member since its creation in 1999, and Mr. Charles Henri Filippi, appointed to the Committee in 2008 and Chairman until February 2013.

Mr. Filippi is currently the Chairman of Citigroup for France. It is noted that Citigroup does not have, and has never had, a significant position with regard to L'Oréal's banking transactions. Nevertheless, Charles Henri Filippi is aware that he is under the obligation of notifying the L'Oréal Board of Directors of all situations constituting a conflict of interest, even if such conflict is only potential, and that he must refrain from participating in the corresponding decisions. Furthermore, at Citigroup, he will not take part in the work that is liable to concern L'Oréal. Charles Henri Filippi is an independent Director, with no conflicts of interest, available and competent.

The Directors who are members of the Audit Committee have the necessary qualifications due to their professional experience and their good knowledge of the Group's accounting and financial procedures which are presented to them on a regular basis. They participate actively in Committee meetings, with complete freedom of judgement and in the interest of all the shareholders.

The Audit Committee met four times in 2013, in the presence of all its members.

On several occasions, the Committee interviewed the Executive Vice-President, Administration and Finance and the senior managers in charge of the areas in which the Committee reviews activities, in particular within the scope of the processes related to risk management and control. The Statutory Auditors attend meetings. The Committee did not consider it appropriate to use outside experts.

Quality of the results

The Committee examines in depth all the aspects of the Group's annual and interim results, and the main items on the Company's balance sheet.

Time frame for provision of documents

Within the scope of the publication of the annual and interim results, the Audit Committee's meeting relating to the review of these financial statements is held on a date close to that of their presentation to the Board of Directors. But it should be noted that the Board and its committees are regularly given the appropriate information to carry out their supervisory assignment, in this field in particular. Furthermore, the corresponding documents are systematically sent to them prior to the meetings.

Internal Audit and Internal Control activities

Within the scope of more extensive control of the data making up the financial statements, the Committee looked at the Internal Audit department's activities again in 2013 and noted that the quality of the organisation and the results of the assignments were being constantly improved. The findings make it possible to enhance the quality of the standards, the procedures and the tools for processing and secure treatment of information.

In relation with Internal Control, the Committee is informed of the risk mapping showing the risks identified on the basis of an in-depth process of identification and analysis within the regulatory framework and within the scope of the recommendations made by the AMF. The Committee noted that risks are taken into consideration at operational level, which is controlled, and that there is a process for a regular review of risks by the Executive Committee.

Fraud risk

The Committee was informed of the deployment of a programme to raise awareness of the risk of fraud (presenting the main operational scenarios that could occur, the alert systems and the existing procedures and controls) which is aimed at reducing the Group's exposure to this risk.

Corruption prevention

L'Oréal's policy with regard to corruption prevention and a document on this subject sent to all the Group's employees were presented to the Committee.

Legal risks

The Committee is regularly informed of the legal risks and the potential litigation and major events liable to have a significant impact on L'Oréal's financial position and its assets and liabilities. No major event or litigation of this kind was noted by the Committee in 2013.

Information Systems Security

The principles adopted by the Group in relation with Information Systems Security were presented to the Committee, which noted that L'Oréal's development was taking place through a solid, durable and innovative infrastructure, in a secure environment, with costs under control.

Changes in the regulations on animal testing

The Committee reviewed the conditions in which L'Oréal complies with the prohibition on selling products if animal testing has to be conducted for their evaluation. L'Oréal has engaged in developing safety prediction tools for over thirty years. Major breakthroughs in the prediction of sensitisation risk have been made over the last two years, with the development of new methods that make it possible to evaluate the performance of new raw materials.

Statutory Auditors

Within the scope of the auditing of the accounts by the Statutory Auditors, the Committee took note of the results of their audits, their recommendations and the follow-up action taken further to such recommendations.

The Committee reviewed the breakdown of the fees billed by the Statutory Auditors between audit services as such, audit-related work and any other services they provide.

The Statutory Auditors presented their audit plan in 2013. L'Oréal requires a great deal of rigour on the part of its Statutory Auditors and the level of coverage of their work is high. The audit focuses on a prior analysis of the risks and assessment of the Internal Control system to bring them under control.

Like it does every year, the Committee met with the Statutory Auditors outside the presence of management.



FOR FURTHER CONCERNING THE EVALUATION OF PERFORMANCE, SEE SECTION 2.2.2.1 "THE ACTIVITIES OF THE BOARD COMMITTEES" ON PAGES 49 ET SEQ. OF THE 2013 REGISTRATION DOCUMENT.

Highest governance body's role in sustainability reporting

G4
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The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered

The L'Oreal's Sustainability Report is approved by Jean-Paul Agon, Chairman and Chief Executive Officer.



FOR FURTHER INFORMATION CONCERNING THE ASPECTS CONSIDERED, SEE THE IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES FACT SHEET.

Highest governance body's role in evaluating economic, environmental and social performance

G4
49

Process for communicating critical concerns to the highest governance body

The loyalty of its shareholders is one of the group's greatest strengths, an essential component for implementing a long term strategy.

▶ ACTIVE FINANCIAL INFORMATION

L'Oréal organizes numerous events for shareholders which are all occasions to strengthen links with them. In 2013, the group has increased the number of meetings with individual shareholders: 7 meetings with shareholders were organized in France and Belgium, as well as visits to plants like Soproreal in Aulnay (France) and Group's hair Academies in Lyon and Marseille.

The Group participated at the « Village des Actionnaires » in Roland Garros in september, and at the Actionaria exhibition.

In total, the financial information team succeeded in meeting 6,000 individual shareholders and about 650 institutional investors in 2013.

L'Oréal's Financial Communication Department was awarded two prizes: the Transparency prize for all its financial communication and the Registration Document prize by the jury at the Transparency Awards; Mr. Christian Mulliez, Executive-Vice-President Administration and Finance received the Trophy for the best Chief Financial Officer in the field of investor relations for all categories combined, awarded by the Investor Relations forum.

▶ THE CONSULTATIVE COMMITTEE OF INDIVIDUAL SHAREHOLDERS IS CELEBRATING ITS FIRST ANNIVERSARY

Created in 2010, the Consultative Committee of individual shareholders met four times in the year to discuss themes as varied as preparing for the Annual General Meeting and digital communication. A key body in the dialogue with the group's individual shareholders, the committee enables their expectations to be better understood and the quality of interaction to be constantly improved.

▶ L'ORÉAL'S "OPEN TALK"

L'Oréal's "Open Talk" policy enables employees to raise concerns they may have directly with the Chief Ethics Officer, including those relating to Human Rights, namely via a secure website. This site is accessible in 21 languages. All allegations are examined in detail and appropriate measures are taken, where applicable, in the event of non-compliance with the Human Rights policy.

R

emuneration and incentives

G4
51

The remuneration policies for the highest governance body and senior executives

Relation of the performance criteria in the remuneration policy to the highest governance body's and senior executives' economic, environmental and social objectives

▶ REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Directors receive attendance fees in the amount approved by the vote at the Ordinary General Meeting, and which are allocated as decided by the Board.

Rules for allocation in respect of the 2013 financial year

The amount of attendance fees is divided between the Directors as follows:

- an equal share allocated to each Director, comprising a fixed part and a part that varies according to the degree of regularity in attending meetings;
- an additional share for Committee members.

The Board adopted for a full year: a fixed annual sum of €30,000; an amount of €5,000 for each Board meeting which the Director attends; an amount of €15,000 for each Director who is a member of the Strategy and Sustainable Development Committee and an additional amount of €15,000 for the Chairman of this Committee; an amount of €10,000 for each Director who is a member of the Human Resources and Remuneration Committee and the Appointments and Governance Committee and an additional amount of €10,000 for the Chairman of each of these committees; an amount of €25,000 for each Director who is a member of the Audit Committee and an additional amount of €25,000 for its Chairman. The Audit Committee's remit is indeed particularly exacting and requires continued attention and a significant commitment.

Amounts paid in respect of the 2013 financial year

A total amount of €1,093,750, which falls within the total overall amount of €1,300,000 voted by the Annual General Meeting in 2011, was distributed to the Directors at the beginning of 2014 in respect of the 2013 financial year, for a total of 5 meetings [7 meetings in 2012 including 2 extraordinary meetings for which no fees were paid].

The attendance rate at Board of Directors' meetings in 2013 is 91.4% on average.

Allocation rules in respect of the 2014 financial year

In respect of the 2014 financial year, and in accordance with the recommendations of the AFEP-MEDEF Code of June 2013, the Board of Directors decided that the method of allocation of attendance fees would take into account effective participation by Directors at Committee meetings, as is already the case for Board meetings, and would accordingly consist, in all, of a predominantly variable amount.

In 2014, in light of the fact that two Directors representing the employees will join the Board and due to a provisional schedule of dates providing for a greater number of Board meetings, a draft resolution providing for an increase in the maximum amount of attendance fees is being put to the Annual General Meeting on Thursday, April 17th, 2014.

Details of the remuneration policy applicable to corporate officers and of amounts paid in respect of 2013 are disclosed on pages 61 to 73 and pages 268 to 269 of the 2013 Registration Document.

G4
53

Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable

The loyalty of its shareholders is one of the group's greatest strengths, an essential component for implementing a long term strategy.

➤ **ACTIVE FINANCIAL INFORMATION**

L'Oréal organizes numerous events for shareholders which are all occasions to strengthen links with them. In 2013, the Group has increased the number of meetings with individual shareholders: 7 meetings with shareholders were organized in France and Belgium, as well as visits to plants like Soproreal in Aulnay (France) and Group's hair Academies in Lyon and Marseille.

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➤ **THE CONSULTATIVE COMMITTEE OF INDIVIDUAL SHAREHOLDERS IS CELEBRATING ITS FIRST ANNIVERSARY**

Created in 2010, the Consultative Committee of individual shareholders met four times in the year to discuss themes as varied as preparing for the Annual General Meeting and digital communication. A key body in the dialogue with the group's individual shareholders, the committee enables their expectations to be better understood and the quality of interaction to be constantly improved.

➤ **REWARDING THE LOYALTY OF L'ORÉAL'S SHAREHOLDERS**

Since the April 2009 Annual General Meeting, L'Oréal has been one of the few CAC 40 companies to offer a loyalty bonus. A dividend increased by 10% is thus offered to all shareholders listed by name or registered for at least two years*, to acknowledge those who support the company over the long term. Naming gives a better understanding of L'Oréal's shareholders and means they can be offered benefits.

Shareholders listed by name have greatly increased in the last three years.

In accordance with the AFEP-MEDEF Code revised in June 2013 to which L'Oréal refers, the components of remuneration due or allocated by the Board of Directors on the proposal of the Human Resources and Remuneration Committee to the Chairman and Chief Executive Officer, Mr. Jean-Paul Agon, with respect to the 2013 financial year are presented to the Annual General Meeting for an advisory vote.



FOR FURTHER INFORMATION, SEE PAGES 267 AND 268 OF THE 2013 REGISTRATION DOCUMENT.

Ethics and integrity

G4
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The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.

G4
57

The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.

G4
58

The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.

▶ GLOBAL RESPONSE

L'Oréal has built up its business on the basis of strong Ethical Principles that have guided its development and contributed to establishing its reputation: Integrity, Respect, Courage and Transparency. L'Oréal's commitment to acting ethically and responsibly is summarised in a document called "The L'Oréal Spirit" accessible to everyone.

L'Oréal's Code of Business Ethics exists in 43 versions (35 different languages) and is also published in Braille in French and English. Issued to all employees throughout the world, it provides insight into how these Ethical Principles need to be reflected in the behaviour and actions of its employees through simple rules and a description of concrete situations to which they may be exposed. The Code of Business Ethics applies to all employees, executive officers and directors, members of the Executive and Management committees of the Group and those of its subsidiaries worldwide. Six supplements to the Code of Business Ethics have, since 2010, covered certain aspects of the Code in more detail. Country Managers (or for Corporate or Zone staff, the members of the Group Executive Committee to whom they report) are responsible for ensuring the respect of the Code of Business Ethical in their Country.

Respect for these Ethics Principles is integrated in the appraisal system for all the employees and through two ethical competencies: "Acts/Leads with Human Sensitivity" and "Obtains results with integrity".

The SVP and Chief Ethics Officer, who reports directly to the Chairman and Chief Executive Officer, is in charge of ensuring the promotion and integration of best practices within the Group, providing guidance in ethical decision-making. He ensures employees are trained and oversees the handling of concerns, if any. He reports regularly to the Chairman and Chief Executive Officer and informs the Board of Directors and the Executive Committee. The Chief Ethics Officer has a dedicated budget and team, has access to all the information and documents concerning the Group's activities and can call upon all the Group's teams and resources to carry out his mission.

Employees have a dedicated intranet site which provides additional information on ethics. Employee awareness is raised in particular during an annual Ethics Day. The central event in 2013 was a live webchat with the Chairman and Chief Executive Officer, which enabled all the Group's employees to ask questions and discuss the everyday application of L'Oréal's Ethical Principles. Dialogues on ethics were also organised locally with each Country Manager. More than 50% of the employees took part in this dialogue and over 3,200 questions were asked worldwide. Employees are now able to refer matters to the Chief Ethics Officer through the L'Oréal Ethics Open Talk site which offers a secure information reporting mechanism.

The ethics training campaign is on-going. A specific e-learning programme on ethics was rolled out in all countries in October 2013. Since January 1st, 2014, this e-learning programme is mandatory for all new employees joining the Group. There are also six specific modules designed in particular for Country Managers, Buyers and Human Resources.

Finally, a practical tool for ethics risk assessment and analysis has been made available to the Group's entities. An annual reporting system makes it possible to monitor implementation of the ethics programme. Country visits and the inclusion of ethical questions in Internal Audit assignments complete the programme.

The Ethics Correspondents role is to assist the Country Managers in implementing the ethics programme and enable employees in 60 countries to have a local point of contact. The Ethics Correspondents benefit every year from a specific coordinating and training programme.

L'Oréal's "Open Talk" policy enables employees to raise concerns they may have directly with the Chief Ethics Officer, including those relating to Human Rights, namely via a secure website. This site is accessible in 21 languages. All allegations are examined in detail and appropriate measures are taken, where applicable, in the event of non-compliance with the Human Rights policy.