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2014

L'ORÉAL

**United Nations Global Compact
Communication On Progress (“COP”) 2013**

Advanced Level

About this document

L'Oréal has been a signatory of the United Nations Global Compact since 2003 and is a member of the French network of the Global Compact (Global Compact France).

L'Oréal is committed to supporting the ten principles of the UN Global Compact relating to Human Rights, labor standards, the environment and the fight against corruption as well as reporting and communicating annually to its stakeholders on progress made to implement these principles.

L'Oréal is reporting according to the UN Global Compact "Advanced Level" and describes how it meets the 21 criteria of this Level in the following areas:

- Implementation of the Ten principles into Strategies & Operations
- Robust Human Rights Management Policies & Procedures
- Robust Labour Management Policies & Procedures
- Robust Environmental Management Policies & Procedures
- Robust Anti-Corruption Management Policies & Procedures
- Taking Action in Support of Broader UN Goals and Issues
- Corporate Sustainability Governance and Leadership

It reflects our self-assessment on how we have met the UN Global Compact Advanced Level criteria. We consider that a criterion is met when we communicated its implementation or planned implementation of one or more of the commonly accepted best practices suggested under each criterion.

All information in L'Oréal's 2013 COP is compiled from our 2013 Annual Report (Annual Registration document), 2013 Sustainable Development Report, 2013 GRI Report, 2013 L'Oréal Fondation d'Entreprise Activity Report and Corporate website.

For information on external assurance, see 2013 GRI Report, G4 33

L'Oréal's COP is available on L'Oréal's Corporate website (www.loreal.com).

STATEMENT OF CONTINUED SUPPORT

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.

Jean-Paul Agon,

Chairman and Chief Executive Officer



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IMPLEMENTING THE TEN PRINCIPLES

CRITERION 1 The COP describes mainstreaming into corporate functions and business units

INDICATORS	ANSWERS
<p>Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives</p>	<p>The Senior Vice President & Chief Ethics Officer is the United Nations Global Compact contact, reports to the Chairman and CEO and participates in the Group's Corporate Responsibility Steering Committee.</p> <p>The Executive Vice President Communication, Sustainability and Public Affairs is a member of the Group's Executive Committee.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, General Standard Disclosures G4 34-38 page 88
<p>Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy</p>	<p>The L'ORÉAL Spirit</p> <p>"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 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."</p> <p><i>Statement of Jean-Paul Agon, Chairman and Chief Executive Officer.</i></p> <p>In October 2013, Jean-Paul Agon, Chairman and Chief Executive Officer announced the L'OREAL sustainability commitments through the SHARING BEAUTY WITH ALL programme whose pillars are:</p> <ul style="list-style-type: none"> • Innovating Sustainably • Producing sustainably • Living Sustainably • Developing sustainably <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Sustainable Development Report pages 2-3 • 2013 GRI Report, General Standard Disclosures G4 1-2
<p>Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary</p>	<p>Country Managers are responsible for implementing the Group's Ethics policy in their country.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.5.2.1) • 2013 GRI Report, General Standard Disclosures G4 56-58

<p>Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs</p>	<p>"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 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." <i>Statement of Jean-Paul Agon, Chairman and Chief Executive Officer.</i></p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report page 2-3 • 2013 GRI Report, General Standard Disclosures G4 1-2, G417 to G4-26 (materiality and stakeholder engagement)
<p>Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts</p>	<p>The CSR and Sustainability Department coordinates all the different corporate functions and manages non-financial reporting.</p>
<p>Other established or emerging best practices</p>	<p>L'ORÉAL was recognised for the fourth year running as one of the "World's Most Ethical Companies" by the Ethisphere Institute, with regard to ethical business practices.</p> <p>In 2013, the efforts and progress made were recognised and rewarded as in previous years by the most demanding organisations in this field: Vigeo, Ethisphere Institute, Carbon Disclosure Project which ranked L'ORÉAL in 2013 among the 10% best rated companies, OEKOM.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document Chapter 6, p.195)
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>When necessary, policies and practices are adapted to take into consideration L'ORÉAL's presence in high risk and/or conflict affected areas (see Criteria 2, 3, 4, 5, 6, 8, 9 and 13)</p>

CRITERION 2 The COP describes value chain implementation

INDICATORS	ANSWERS
<p>Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts</p>	<p>For an upstream example, see Solidarity Sourcing For a downstream example, see Product Responsibility</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report pages 12, 18-29 and 41 • 2013 GRI Reports, PR1, EC7
<p>Communicate policies and expectations to suppliers and other relevant business partners</p>	<p>All suppliers and subcontractors are required to comply with the Group's General Terms of Purchase and Payment, which include respect for the core Conventions of the International Labour Organization and for local legislation, particularly in terms of the minimum wage, working time, health and safety.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, Human Rights Management Approach, HR10 -11
<p>Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence</p>	<p>The "L'ORÉAL Buy & Care" program includes a section aimed at an audit of compliance with social legislation enabling the Group to ensure that its suppliers comply with the applicable laws, Human Rights and labor law, and ensure safety and health for their teams in the workplace.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, HR10
<p>Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners</p>	<p>A "Welcome on Board" supplier referencing process ensures that suppliers understand L'ORÉAL expectations</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, HR10 <p>In 2013, 152 suppliers responded positively to an invitation from L'ORÉAL to join the CDP Supply Chain on Climate Change and L'ORÉAL contacted 17 suppliers chosen on the basis of their water impact and their importance for the Group in order to include them in the CDP Supply Chain pilot on Water.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.3.3, 6.4.3) • 2013 GRI Reports, EC2, EN19, General Standard Disclosures G4-24 to G4-26 page 33

<p>Other established or emerging best practices</p>	<p>In 2013, L'ORÉAL committed, as part of its "Sharing Beauty with All" program, that all strategic suppliers will be evaluated and selected on social and environmental performance criteria. All strategic suppliers will complete a self-assessment of their sustainability policy with our support and will have access to L'ORÉAL's training tools to help them improve their sustainability policies.</p> <p>In 2013, the Solidarity Sourcing Program offered access to work to 22000 people all over the world (excluding The Body Shop purchases). Over 110 suppliers were involved in the program.</p> <ul style="list-style-type: none"> • 2013 GRI Report, EC9 • 2013 Annual Report (Registration Document 6.1, 6.4.1)
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>Suppliers of raw materials, packaging, production equipment and POS advertising/Promotional items and materials located in countries where there is considered to be a risk are mandatorily subject to a social audit.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, Human Rights Management Approach, HR10 -11

ROBUST HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES

CRITERION 3 The COP describes robust commitments, strategies or policies in the area of human rights

INDICATORS	ANSWERS
<p>Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights)</p>	<p>We are committed to the respect of human rights. We want to help end the exploitation of children in the workplace and the use of forced labour.</p> <p>L'ORÉAL became a signatory of the United Nations Global Compact in 2003, and undertakes to respect and promote Human Rights. This includes, in particular, the Fundamental Conventions of the International Labour Organization. This means in particular respecting freedom of association and the recognition of the right to collective bargaining, contributing to the elimination of all forms of forced or compulsory labour, contributing to the effective abolition of child labour and eliminating all forms of discrimination in respect of employment and occupation.</p> <ul style="list-style-type: none"> • The L'Oréal Spirit • Code of Business Ethics • Ethics section on loreal.com • 2013 Annual Report (Registration Document 6.2.2.7, 6.4.5) • 2013 GRI Report, HR Management Approach page 3
<p>Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company</p>	<p>The Code of Business Ethics is signed by the Chairman and Chief Executive Officer as well as the members of the Group's Executive Committee.</p> <ul style="list-style-type: none"> • Code of Business Ethics • Ethics section on loreal.com
<p>Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services</p>	<p>L'ORÉAL's commitments on human rights are set out in the L'ORÉAL Spirit.</p> <p>Several chapters of the Code of Business Ethics are devoted to the practical implementation of respect for Human Rights: health, safety and security, diversity, bullying and sexual harassment, respect for privacy, contribution to the community, and supplier selection and fair treatment of suppliers.</p> <p>L'ORÉAL's policy on child labour is also set out in its « Suppliers and Sub-contractors and Child Labour ».</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • L'ORÉAL's Code of Business Ethics • The L'ORÉAL Spirit • 2013 Annual Report (Registration Document 6.2.2.7, 6.4.5) • 2013 GRI Report, HR Management Approach page 3
<p>Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties</p>	<p>The L'ORÉAL Spirit and the Code of Business Ethics are publically available on loreal.com</p> <ul style="list-style-type: none"> • Ethics section on loreal.com

<p>Other established or emerging best practices</p>	<p>L'ORÉAL has set a minimum hiring age of 16 which is higher than that required by the International Labour Organization.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.7, 6.4.5) • 2013 GRI Report, Human Rights Management Approach
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>In countries where freedom of association and collective negotiating rights are restricted or non-existent, L'ORÉAL ensures that there are other channels of dialogue with employees, enabling them to express any concerns they may have.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.7) • 2013 GRI Report, HR4, Human Rights Management Approach page 5

CRITERION 4 The COP describes effective management systems to integrate the human rights principles

INDICATORS	ANSWERS
<p>Process to ensure that internationally recognized human rights are respected</p>	<p>L'ORÉAL ensures that Human Rights are respected via continued communication, training, due diligence, risk assessment and monitoring.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.7, 6.4.5) • 2013 GRI Report HR
<p>On-going due diligence process that includes an assessment of actual and potential human rights impacts.</p>	<p>An ethical risks assessment and analysis tool enables the Country Managers to assess their possible local ethical risks (including in the field of Human Rights), and to take the necessary corrective action.</p> <p>Risk assessment in our supply chain is carried out by the Purchasing Department and namely via supplier audits.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.5) • 2013 GRI Report, HR9
<p>Internal awareness-raising and training on human rights for management and employees</p>	<p>Staff are namely trained on Human Rights through the Group's ethics training courses.</p> <p>In 2013, 92% of the Group's Country entities included subjects related to Human Rights in their local training programmes and 100% communicated on these subjects.</p> <p>L'ORÉAL organizes an Ethics Day in order to ensure on-going internal communication. 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.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.5.2.1, 6.4.5) • 2013 GRI Reports, General Standard Disclosures G4-56 to G4-58, Human Rights Management Approach page 2, HR2

<p>Operational-level grievance mechanisms for those potentially impacted by the company's</p>	<p>Concerns and questions can be reported in accordance with L'ORÉAL's Open Talk policy.</p> <p>In addition, employees can use the L'ORÉAL Ethics Open Talk website which provides a secure mechanism for raising concerns directly with the Chief Ethics Officer.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, Human Rights Management Approach pages 2 and 8
<p>Allocation of responsibilities and accountability for addressing human rights impacts</p>	<p>L'ORÉAL's Chairman and Chief Executive Officer has given the Chief Ethics Officer the mission of overseeing the respect of Human Rights.</p> <p>Country Managers are in charge of implementing the Human Rights policy in their countries. The Chief Ethics Officer meets systematically with each new Country Manager in order to raise their awareness on Human Rights issues.</p> <p>L'ORÉAL ensures that Human Rights are observed with regards to its employees thanks to the actions taken by the Human Resources functions and at its suppliers and subcontractors premises thanks to the actions taken by the Purchasing functions.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.7, 6.4.5) • 2013 GRI Report, Human Rights Management Approach
<p>Internal decision-making, budget and oversight for effective responses to human rights impacts</p>	<p>See above</p>
<p>Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to</p>	<p>Any incidents of non-compliance give rise to remedial actions, follow-up audits, and in the most serious cases the discontinuation of commercial relations, or the non-approval of a new supplier.</p> <ul style="list-style-type: none"> • 2013 GRI Report, HR Management Approach, HR11
<p>Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action</p>	<p>By creating the "Solidarity Sourcing" programme in 2010, L'ORÉAL 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.</p> <p>L'ORÉAL created the "For Women in Science" programme with UNESCO in 1998. This programme aims to encourage, recognise and accompany women scientists throughout their entire career, through awards and research fellowships. In the past 15 years, 77 laureates have been nominated and 195 fellowships granted.</p> <p>For more information, see criterions 16-18.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 1.6.6, 6.4.2, 6.4.3) • 2013 Sustainable Development Report pages 12, 13 and 40 and 31, 43, 44

<p>Other established or emerging best practices</p>	<p>All framework agreements signed with suppliers / subcontractors contain a societal clause providing for compliance with the Fundamental Conventions of the International Labour Organisation.</p> <p>An "ethics and human rights" questionnaire is applied to all acquisitions.</p> <ul style="list-style-type: none"> • 2013 GRI Report, HR1
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>Consideration for the rights to indigenous people is embedded in various operating procedures.</p> <ul style="list-style-type: none"> • 2013 GRI Report, Human Rights Management Approach, HR8

CRITERION 5 The COP describes effective monitoring and evaluation mechanisms of human rights integration

INDICATORS	ANSWERS
<p>System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain</p>	<p>Country Reporting Ethics, L'ORÉAL's annual ethics reporting system monitors all the themes covered in our Code of Business Ethics, including Human Rights.</p> <p>Since 2002, L'ORÉAL Buy & Care program ensures through external audits that its suppliers comply with applicable laws, Human Rights and labour principles.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.5.) • 2013 GRI Report, Human Rights Management Approach page 3, HR4, HR5, HR6, HR10
<p>Monitoring drawn from internal and external feedback, including affected stakeholders</p>	<p>L'Oréal regularly runs employee surveys. The 2011-2012 survey included questions on respect and diversity.</p> <p>A comparison of the topics identified as important to stakeholders and L'Oréal led to an updated list of some thirty common topics. Human rights were classified as a top subject.</p> <ul style="list-style-type: none"> • 2013 GRI Report, G4-18 to G4-21 and G4-24 to G4-27
<p>Leadership review of monitoring and improvement results</p>	<p>The Chief Ethics Officer reports regularly to the Chairman and Chief Executive Officer. He informs the Board of Directors and Executive Committee.</p> <ul style="list-style-type: none"> • 2013 GRI Reports, G4-58, Human Rights Management Approach

<p>Process to deal with incidents the company has caused or contributed to for internal and external stakeholders</p>	<p>All concerns are thoroughly investigated and appropriate action is taken in case of non-compliance with L'ORÉAL's Human Rights principles.</p> <p>L'ORÉAL's Open Talk policy enables employees to raise concerns they may have with the Chief Ethics Officer, including those relating to Human Rights, namely via a secure website.</p> <p>All concerns are examined in detail and appropriate measures are taken, where applicable, in the event of non-compliance with the Human Rights policy. When a non-compliance is found, our suppliers are asked to implement an action plan, which is monitored via a follow up audit.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Reports, G4-58, Human Rights Management Approach page 8
<p>Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue</p>	<p>Concerns and questions can be reported in accordance with L'ORÉAL's Open Talk policy.</p> <p>In addition, employees can use the L'ORÉAL Ethics Open Talk website which provides a secure mechanism for raising concerns directly with the Chief Ethics Officer.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, Human Rights Management Approach pages 2 and 8
<p>Outcomes of integration of the human rights principles</p>	<p>Country Reporting Ethics, an annual reporting system on ethical issues, covers all the subjects addressed within the Code of Business Ethics.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, Human Rights Management Approach <p>All concerns are examined in detail and appropriate measures are taken, where applicable, in the event of noncompliance with the Human Rights policy.</p> <ul style="list-style-type: none"> • 2013 GRI Report, Human Rights Management Approach <p>In 2013, 800 audits were carried out, taking the total since 2006 to over 5200.</p> <ul style="list-style-type: none"> • 2013 GRI Report, HR10, HR11 • 2013 Annual Report (Registration Document 6.4.3) <p>In 2013, the Chief Ethics Officer analysed a situation regarding protection of human rights.</p> <ul style="list-style-type: none"> • 2013 GRI Report, HR12 <p>The Chief Ethics Officer was not informed of any alleged violation of the rights of indigenous peoples in 2013.</p> <ul style="list-style-type: none"> • 2013 GRI Report, HR8 <p>No substantial risks with relation to freedom of association, child labour and forced labour have been identified.</p> <ul style="list-style-type: none"> • 2013 GRI Report, HR4 - 6

<p>Other established or emerging best practices</p>	<p>Within the scope of the legal due diligence reviews carried out prior to acquisitions, the Group's Legal Department includes an "ethics questionnaire" prepared by the Office of the Chief Ethics Officer. The answers to this questionnaire are intended to identify, within the internal control systems existing in the target company, whether the risks of noncompliance with Human Rights (abolition of child labour and forced labour, etc.) have been taken into account.</p> <ul style="list-style-type: none">• 2013 GRI Report, Human Rights Management Approach
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>The Group thoroughly screens its contracts with security service providers and favours those who have adhered to the International Code of Conduct for Private Security Service Providers on the basis of the Montreux Document.</p> <ul style="list-style-type: none">• 2013 GRI Report, HR7

ROBUST LABOUR MANAGEMENT POLICIES & PROCEDURES

CRITERION 6 The COP describes robust commitments, strategies or policies in the area of labour

INDICATORS	ANSWERS
Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies	<p>All suppliers and subcontractors are required to comply with the Group's General Terms of Purchase and Payment, which include respect for the Fundamental Conventions of the International Labour Organization and local legislation, particularly in terms of the minimum wage, working time, health and security.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, Human Rights Management Approach page 8
Reflection on the relevance of the labour principles for the company	<p>L'ORÉAL has always put the human dimension and individual performance at the centre of the Company as part of a long-term vision. The development of men and women is one of the key elements in the group's economic and social performance.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.1) • 2013 Sustainable Development Report page 32 to 34 • 2013 GRI Report Labour Management Approach page 3
Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).	<p>L'ORÉAL's Code of Business Ethics Responsible restructuring Human Resources policy</p> <p>"The Way We Buy" a practical and ethical guide on the relationships between suppliers and all employees involved in purchasing decisions.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 6.2.1, 6.2.2.3, 6.4.4) • 2013 GRI Report, Labour Management Approach
Inclusion of reference to the principles contained in the relevant international labour standards in contracts with suppliers and other relevant business partners	<p>All suppliers and subcontractors are required to comply with the Group's General Terms of Purchase and Payment, which include respect for the Fundamental Conventions of the International Labour Organization and local legislation, particularly in terms of the minimum wage, working time, health and security.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, HR1

<p>Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation</p>	<p>L'ORÉAL is committed to help end the exploitation of children in the work-place and the use of forced labour.</p> <p>L'ORÉAL has set a minimum hiring age of 16.</p> <p>Employees who are between 16 and 18 years old are subject to specific measures and in particular: no night work, no overtime, no work involving the use of hazardous substances or tools, no carrying of heavy loads, the implementation of a reinforced training program, appointment of an internal 'tutor' and inclusion on a special register. In 2013, 570 employees aged 16 to 18 years old worked in the Group's entities.</p> <p>L'ORÉAL has set an active policy with regard to diversity as a factor of not only creation of social link but also of progress, innovation and an asset of added value for the performance of the company. The Diversity strategy of L'Oréal has 3 global priorities : gender, social origin and ethnic origin and disabilities.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.7) • 2013 Sustainable Development Report pages 32 to 34 • 2013 GRI Reports, Labour Management Approach page 3, HR Management Approach page 5
<p>Structural engagement with a global union, possibly via a Global Framework Agreement</p>	<p>An agreement signed in 1996 between L'ORÉAL and the French and European trades unions (FECCIA and EMCEF) led to the creation of the European Works Council (EWC). To date this structure covers around 30,000 employees in 26 countries within the European Economic Area, among whom the 16 countries with more than 150 employees are represented. The agreement includes an information and consultation procedure which applies to transnational projects involving local consultation procedures.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.3) • 2013 GRI Report, Labour Management Approach page 4
<p>Other established or emerging best practices</p>	<p>In 2013, L'ORÉAL launched "Share & Care", an ambitious program with an objective to ensure the protection and welfare of all employees in all countries, based on the same social standards of excellence. A major breakthrough in L'ORÉAL's social model.</p> <ul style="list-style-type: none"> • 2013 Sustainable Report pages 32 to 35 • 2013 GRI Report, Labour Management Approach page 3 • 2013 Annual Report (Registration Document 6.2.1) <p>In 2013, L'Oréal audited 16 of its subsidiaries in terms of Gender Equality that covered key aspect of the HR policy such as training, compensation, or promotion.</p>
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>In countries where the risk of discrimination is considered high (reference used : Maplecroft) such as Mexico, UAE, China, Russia, Indonesia, Thailand, India, Brazil - we have established Diversity policies, Diversity Coordinator and Diversity Champions that ensure that our Diversity policy is understood, respected and applied. We work with other companies, NGOs and International Organizations (ILO ...) in this area, with the establishment of Diversity Charters, gender equality audits, disability audits and promoting the diversification of recruitment pools.</p>

CRITERION 7 The COP describes effective management systems to integrate the labour principles

INDICATORS	ANSWERS
<p>Risk and impact assessments in the area of labour</p>	<p>Employee survey (including section on diversity) Social dialogue EHS culture audits Gender Equality Audits Disability Audits (accessibility, awareness in the workplace)</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.4, 6.3) • 2013 GRI Reports, Labour Management Approach page 24
<p>Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards</p>	<p>L'ORÉAL has set up an active dialogue between management and employees and their representatives at worldwide level.</p> <p>In countries where freedom of association and collective negotiating rights are restricted or non-existent, L'ORÉAL ensures that there are other channels of dialogue with employees, enabling them to express any concerns they may have.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.1, 6.2.2.3, 6.2.2.7) • 2013 GRI Reports, General Standard Disclosures page 24, LA15, HR4
<p>Allocation of responsibilities and accountability within the organization</p>	<p>The General Director Social Relations Group is responsible and accountable for the integration of labour principles within the organization.</p> <p>L'OREAL's Diversity Policy is embodied at country level by the Diversity Champions. These "Champions" are operational business leaders demonstrating that Diversity is embodied and transversal throughout the company.</p>
<p>Internal awareness-raising and training on the labour principles for management and employees</p>	<p>An e-learning course on ethics covering the labour principles as set out in L'ORÉAL's Code of Business Ethics was rolled-out in all countries in October 2013.</p> <p>There is also more detailed training for certain employees (HR, Purchasing).</p> <p>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 in Europe, the Americas and Asia Pacific at the end of 2013.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • Diversity section on loreal.com • 2013 Annual Report (Registration Document, 6.4.5) • 2013 GRI Reports, Labour Management Approach page 6, HR Management Approach page 4, HR3
<p>Active engagement with suppliers to address labour-related challenges</p>	<p>Since 2002, L'ORÉAL Buy & Care program ensures through external audits that its suppliers comply with the Fundamental Conventions of the International Labour Organization and local legislation, particularly in terms of the minimum wage, working time, health and security.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 1.6.6, 6.4.3) • 2013 GRI Report, Human Rights Management Approach page 3

<p>Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers</p>	<p>Concerns and questions can be reported in accordance with L'ORÉAL's Open Talk policy.</p> <p>In addition, employees can use the L'ORÉAL Ethics Open Talk website which provides a secure mechanism for raising concerns directly with the Chief Ethics Officer.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, Human Rights Management Approach pages 2 and 8
<p>Other established or emerging best practices</p>	<p>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, Portugal, 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.</p> <ul style="list-style-type: none"> • 2013 GRI Reports, Labour Management Approach page 6, General Standard Disclosures page 19 • 2013 Annual Report (Registration Document 6.2.2.6)

CRITERION 8 The COP describes effective monitoring and evaluation mechanisms of labour principles integration

INDICATORS	ANSWERS
<p>System to track and measure performance based on standardized performance metrics</p>	<p>HR reporting system covers all aspects of L'ORÉAL's Human Resources policy.</p> <p>A special section is dedicated to Diversity. There is also an automatic Diversity dashboard on 6 dimensions of Diversity such as gender, disability etc...</p> <p>This dashboard helps Human Resources better allocate their Diversity efforts.</p> <p>L'ORÉAL's Ethics reporting system also covers certain items such as child labour and forced labour.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com
<p>Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future</p>	<p>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 at December 31st, 2013 was 426.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.2.2.3) • 2013 GRI Reports, General Standard Disclosures G4-24 to G4-27 page 32, Labour Management Approach page 4
<p>Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labour standards</p>	<p>In 2013, 800 audits were carried out, taking the total since 2006 to over 5200 Suppliers/Subcontractors and Child Labour Policy</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Reports, Labour Management Approach page 8, LA 14-15, Human Rights Management Approach page 8, HR 4-6, HR 9

<p>Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices</p>	<p>A "Welcome on Board" supplier referencing process makes sure that suppliers understand L'ORÉAL expectations.</p> <ul style="list-style-type: none"> • 2013 Annual Reports (Registration Document 6.4.3) • 2013 GRI Report, Labour Management Approach page 7, Human Rights Management Approach page 7 <p>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.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 1.6.4) • 2013 GRI Report, General Standard Disclosures G4-26 page 33
<p>Outcomes of integration of the Labour principles</p>	<p>Suppliers Social Audits :</p> <ul style="list-style-type: none"> - 18% of the incidents of non-compliance related to wages and compensation - 21 % related to working hours - 37 % related to working, health and safety conditions <ul style="list-style-type: none"> • 2013 GRI Report, LA15
<p>Other established or emerging best practices</p>	<p>The social audits are carried out by independent external service-providers on behalf of L'ORÉAL and initial audits are financed by L'ORÉAL.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Reports, Labour Management Approach page 8, Human Rights Management Approach page 8
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>Suppliers of raw materials, packaging, production equipment and POS advertising/Promotional items and materials located in countries where there is considered to be a risk are mandatorily subject to a social audit.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, Human Rights Management Approach, HR10 -11

ROBUST ENVIRONNEMENTAL MANAGEMENT POLICIES & PROCEDURES

CRITERION 9 The COP describes robust commitments, strategies or policies in the area of environmental stewardship

INDICATORS	ANSWERS
<p>Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)</p>	<p>In 2010, the signatory countries to the Convention on Biological Diversity adopted the Nagoya protocol, aimed at regulating access to the resources of a given region and the fair and equitable sharing of the benefits arising from the use of those resources.</p> <p>L'ORÉAL Research was already aware of these issues well before the protocol came into force and since 2005 has continuously striven to secure its supply chains in response to the issues of sustainable use of biodiversity.</p> <ul style="list-style-type: none"> • 2013 GRI Report, Environment Management Approach page 8 • 2013 GRI Report, General Standard Disclosures G4-24 to G4-27
<p>Reflection on the relevance of environmental stewardship for the company</p>	<p>L'ORÉAL is mindful of its impact on the natural environment, including biodiversity, and constantly seeks to reduce it.</p> <p>"Sharing Beauty With All", the L'ORÉAL Sustainability Commitment</p> <ul style="list-style-type: none"> • The L'ORÉAL Spirit • Ethics section on loreal.com • CSR Commitments section on loreal.com • 2013 Sustainable Development Report, page 2-3 • 2013 GRI Reports, General Standard Disclosures G4 1, Environment Management Approach page 3
<p>Written company policy on environmental stewardship</p>	<p>L'ORÉAL's Code of Business Ethics L'ORÉAL's EHS policy L'ORÉAL's Packaging and Environment Policy</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • CSR Commitments section on loreal.com • 2013 Annual Report (Registration Document 6.2.2.4 , 6.3) • 2013 Sustainable Report pages 14-15 • 2013 GRI Report, Environment Management Approach pages 3-13 and page 33
<p>Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners</p>	<p>L'ORÉAL has been a member of the Carbon Disclosure Project (CDP) since 2003 and of the CDP supply chain leadership collaboration project since 2007. In 2013, L'OREAL was recognized for the first time as 93A rating from the Carbon Disclosure Project (CDP): 93/100 is the score given for transparency of information, and the letter A is the performance rating. And was ranked by the Carbon Disclosure Project's Forest program as one of the best-performing businesses in its category for its sustainable sourcing system.</p> <ul style="list-style-type: none"> • 2013 Annual Report, Registration Document (6.4.3) • 2013 GRI Reports, Environment Management Approach page 8, EN19, EC2

<p>Specific commitments and goals for specified years</p>	<p>"Sharing Beauty With All", the L'ORÉAL Sustainability Commitment</p> <ul style="list-style-type: none"> • 2013 Annual Report, Registration Document (1.6.7 , 6.1, 6.3.2, 6.3.4) • 2013 Sustainable Development Report pages 2-3 and 6-12 • CSR Commitments section on loreal.com • 2013 GRI Report, Environment Management Approach page 3-4
<p>Other established or emerging best practices</p>	<p>As part of its "zero deforestation" commitment by 2020, the Group plans to take this commitment further by closely involving its suppliers in this objective:</p> <ul style="list-style-type: none"> • by 2020, L'ORÉAL wants to source all its soya oil from sustainably managed supply chains • by 2020, L'ORÉAL will only buy palm oil that is guaranteed to be "free from deforestation" <p>In 2013, 100% of supplies of palm oil and palm oil and palm kernel derivatives are certified as sustainable according to RSPO criteria. In 2013, WWF ranked L'ORÉAL among the best in its sector for the third time.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.3.4) • 2013 Sustainable Development Report page 39 • 2013 GRI Report, Environment Management Approach page 8
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>L'OREAL's environmental requirements are the same for all sites wherever located. Even if located in high risk or conflicted affected area, the discharges from every L'OREAL production site are recorded on an internal mapping system that describes the effluent management systems in place, the characteristics of municipal treatment works and specific features of the rivers into which the site or municipality discharges the treated water.</p> <p>L'OREAL requires that all effluents are monitored in compliance with legal and contractual provisions before being discharged off site.</p>

CRITERION 10 The COP describes effective management systems to integrate the environmental principles

INDICATORS	ANSWERS
<p>Environmental risk and impact assessments</p>	<p>L'ORÉAL's worldwide EHS audit program assesses progress and compliance with our policies and standards, and audits are also carried out at supplier sites.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 1.8.3.4, 6.3)
<p>Assessments of lifecycle impact of products, ensuring environmentally sound management policies</p>	<p>L'ORÉAL has been committed to limiting the environmental impact of its formulae and packaging. L'ORÉAL's Research & Innovation teams have identified two priority focuses: the responsible promotion of biodiversity and the reduction of the environmental footprint, with priority given to water. The Group Sustainable packaging policy lays on 3 pillars: REDUCE, RESPECT and REPLACE, to ensure the reduction of environmental impact of packaging and packaging waste.</p> <ul style="list-style-type: none"> • 2013 Sustainable Report pages 18 and 21 • 2013 GRI Report, Environment Management Approach page 11
<p>Allocation of responsibilities and accountability within the organization</p>	<p>The Group Environment, Health and Safety Director is responsible and accountable within the organization for integrating environmental principles.</p> <p>The teams are committed daily to the reduction of L'ORÉAL's environmental footprint.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.3) • 2013 GRI Report, Environment Management Approach page 3 • Carbon Disclosure Project investor Climate change
<p>Internal awareness-raising and training on environmental stewardship for management and employees</p>	<p>In 2013, a new training course was launched, EHS expertise, dedicated to the EHS teams in the factories and distribution centres. 20 people have already been trained in Europe, representing 11 nationalities. This training course will be rolled out to the other zones in 2014. Managers continue to receive training in environment, health and safety culture all over the world: 169 managers and supervisors took part in EHS Operations, and 68 top managers in Safety & Leadership.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.3)
<p>Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts</p>	<p>The first point of contact for employees is their Environment, Health and Safety manager.</p> <p>Concerns and questions can be reported in accordance with L'ORÉAL's Open Talk policy.</p> <p>In addition, employees can use the L'ORÉAL Ethics Open Talk website which provides a secure mechanism for raising concerns directly with the Group Director of Ethics.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, Human Rights Management Approach pages 2 and 8

<p>Other established or emerging best practices</p>	<p>The remuneration of factory managers and distribution centre managers is partly linked to their performances in the field of health, safety and the environment.</p> <p>L'ORÉAL actively contributes to environmental protection through its commitments in associations or societies at national level (e.g. Eco-Emballages, the French eco-packaging organisation), European level (e.g. Forest Footprint Disclosure project in the United Kingdom) and international level (e.g. the World Business Council for Sustainable Development). L'ORÉAL is also a member of the Consumer Good Forum in which the Company has committed, alongside other companies, to fight against Deforestation.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.3, 6.4.2) • 2013 Sustainable Development Report pages 18 to 23 • 2013 GRI Report, Environment Management Approach page 7
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CRITERION 11 The COP describes effective monitoring and evaluation mechanisms for environmental stewardship

INDICATORS	ANSWERS
<p>System to track and measure performance based on standardized performance metrics</p>	<p>L'ORÉAL applies the ISO 14001 environmental management standard.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.5.2.4 ; 6.3.1) • 2013 GRI Report, Environment Management Approach page 12
<p>Leadership review of monitoring and improvement results</p>	<p>Environmental results are presented to the Strategy and Sustainable Development Committee of the Board.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.2.2)
<p>Process to deal with incidents</p>	<p>All concerns are thoroughly investigated and appropriate action is taken in case of non-compliance with L'ORÉAL's environmental principles. EHS KPIs are reported monthly for all sites worldwide.</p> <p>There is a special reporting procedure for serious incidents as well as a worldwide alert communication protocol to send urgent EHS information to all sites if necessary.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com
<p>Audits or other steps to monitor and improve the environmental performance of companies in the supply chain</p>	<p>In 2013, 152 suppliers responded positively to an invitation from L'ORÉAL to also join the Carbon Disclosure Project (88% of those invited).</p> <p>L'OREAL was also founding member of the CDP Water Disclosure Project and has asked 17 suppliers to join (88% participated).</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.3.3, 6.4.3) • 2013 GRI Report, EC2 page 33 • 2013 Sustainable Development Report pages 31 and 38

<p>Outcomes of integration of the environmental principles</p>	<p>34% of referenced raw materials are plant-based 100% of plant-based raw materials are evaluated for their potential impact on biodiversity</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report page 19 <p>- 43.1% CO2 emitted between 2005 and 2013 - 26.7% water consumed per finished products between 2005 and 2013</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report page 23 <p>98% of paper and board packaging supplies are certified by FSC or PEFC standards</p> <ul style="list-style-type: none"> • 2013 GRI Report EN 27 page 33
<p>Other established or emerging best practices</p>	<p>Between 2008 and the beginning of 2013, 3,600 tonnes of packaging materials were saved due to actions reducing them at source.</p> <p>In 2013, the Carbon Disclosure Project's Forest program ranked L'ORÉAL as one of the best-performing businesses in its category for its sustainable sourcing system.</p> <ul style="list-style-type: none"> • 2013 GRI Report, Economic Management Approach pages 5 and 8

ROBUST ANTI-CORRUPTION MANAGEMENT POLICIES & PROCEDURES

CRITERION 12 The COP describes robust commitments, strategies or policies in the area of anti-corruption

INDICATORS	ANSWERS
Support by the organization's leadership for anti-corruption	<p>L'ORÉAL's Chairman and Chief Executive Officer renews L'ORÉAL's commitment to the United Nations Global Compact every year which includes anti-corruption.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, Society Management Approach page 2
Publicly stated formal policy of zero-tolerance of corruption	<p>L'ORÉAL's Code of Business Ethics publicly states a zero-tolerance approach to corruption. The anti-corruption policy contained in the Code of Business Ethics applies to all employees, officers and directors of the Group and its subsidiaries worldwide.</p> <p>In 2013, a specific anti-corruption guide was rolled out throughout the Group. This guide, which underlines the need both to respect local practices and regulations and also comply with the Group's ethical commitment, addresses relations with each of L'ORÉAL's stakeholders and in particular public authorities and intermediaries.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, Society Management Approach pages 2-3 • 2013 Annual Report (Registration Document 6.4.4) • The L'ORÉAL Code of Business Ethics • The L'ORÉAL Spirit
Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	<p>L'ORÉAL's Code of Business Ethics publicly states a commitment to respect the laws of the countries in which it operates.</p> <p>The Group Legal Department and local internal or external legal advisors helps L'Oréal's business units to keep abreast of changes in the local law.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, Society Management Approach pages 2-3
Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption	<p>L'ORÉAL is a signatory of the United Nations Global Compact, and abides by the United Nations Anti-Corruption Convention of October 31st, 2003.</p> <p>L'ORÉAL is a member of the International Chamber of Commerce Anti-Corruption Commission and of Transparency International France.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, Society Management Approach page 2

<p>Detailed policies for high-risk areas of corruption</p>	<p>L'ORÉAL's Code of Business Ethics covers issues such as bribery and facilitation payments, conflicts of interests, accuracy in financial records, selection of supplier as well as gifts and entertainment.</p> <p>In 2013, a specific anti-corruption guide was rolled out throughout the Group. This guide, which underlines the need both to respect local practices and regulations and also comply with the Group's ethical commitment, addresses relations with each of L'ORÉAL's stakeholders and in particular public authorities and intermediaries.</p> <p>Other policies also address these issues. For example a practical guide to ethics when dealing with suppliers, "The Way We Buy" is given to all employees in contact with suppliers.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, Society Management Approach pages 2-3 • 2013 Annual Report (Registration Document 6.4.4)
<p>Policy on anti-corruption regarding business partners</p>	<p>L'ORÉAL wants to share its anti-corruption commitment with its business partners and compliance with the law is included in the Group's General Terms of Purchase.</p> <p>L'ORÉAL reserves the right to put an end to any relationship with business partners who fail to comply with anti-corruption laws.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, SO3
<p>Other established or emerging best practices</p>	<p>The Chief Ethics Officer meets systematically with each new Country Manager in order to raise their awareness on corruption issues.</p> <p>In 2013, during Ethics Day employees were able to ask their Country Manager questions on L'ORÉAL values and ethical principles including on the prevention of corruption.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, Society Management Approach, SO3

CRITERION 13 The COP describes effective management systems to integrate the anti-corruption principle

INDICATORS	ANSWERS
<p>Carrying out risk assessment of potential areas of corruption</p>	<p>The risk of corruption is included in the Group-level risk assessment.</p> <p>At a local level, a tool enables Country Managers to assess their possible local ethical risks (including corruption) and to take the necessary corrective action.</p> <p>Within the scope of the legal due diligence reviews carried out prior to acquisitions, the Group's Legal Department includes an "ethics questionnaire" prepared by the Office of the Chief Ethics Officer. The answers to this questionnaire are intended to identify within the internal control system existing in the target company, whether corruption risk prevention has been taken into account.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, SO3
<p>Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees</p>	<p>L'ORÉAL's anti-corruption commitment is supported by Human Resources procedures via the ethical competency "Obtains results with integrity", which is included in the annual appraisal system for all our employees.</p> <p>In a spirit of transparency and in order to exchange ideas, we regularly communicate, internally and externally, on the implementation of our anti-corruption policy and programme.</p> <p>Bribery and facilitation payments, gifts and entertainment and conflicts of interests are addressed in the e-learning on ethics.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, SO3, SO4 • 2013 Annual Report (Registration Document 6.4.4)
<p>Internal checks and balances to ensure consistency with the anti-corruption commitment</p>	<p>The Group's Internal Control system provides for control procedures for operational activities and in particular with regard to separation of tasks.</p> <p>Country Reporting Ethics, L'ORÉAL's annual ethics reporting system, helps monitor the group's ethical performance on this subject. Each Country receives a report which allows them to see how they compare to other entities with regards the implementation and monitoring of ethical issues, including anti-corruption.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, SO3 • 2013 Annual Report (Registration Document 2.5.2.1, 6.4.4)
<p>Actions taken to encourage business partners to implement anti-corruption commitments</p>	<p>L'ORÉAL wants to share its anti-corruption commitment with its business partners and compliance with the law is included in the Group's General Terms of Purchase.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, SO3

<p>Management responsibility and accountability for implementation of the anti-corruption commitment or policy</p>	<p>Country Managers or, for Corporate or Zone staff, the members of the Group Executive Committee to whom they report, are responsible for the proper deployment of the corruption prevention programme and are guarantors of compliance with the anti-corruption policy.</p> <p>The Director of the Risk Management and Compliance Department is in charge of developing the anti-corruption system.</p> <p>The Risk Management and Compliance Department reports to the Executive Vice President of Administrative & Finance.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, Society Management Approach page 3
<p>Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice</p>	<p>Within the framework of L'ORÉAL's "Open Talk" policy, employees are encouraged to express any concerns they have and a dedicated website provides a secure mechanism for asking questions or raising concerns directly with the Group's Senior Vice President & Chief Ethics Officer who has access to all the documents and information concerning the Group's activities and can rely on the Group's teams and resources to conduct his assignment successfully.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, SO3, SO5
<p>Internal accounting and auditing procedures related to anticorruption</p>	<p>L'ORÉAL's Internal Audit teams are particularly vigilant in this respect. Corruption risks are systematically reviewed during internal audit assignments, through individual interviews with regard to Ethics.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 GRI Report, SO3 • 2013 Annual Report (Registration Document 6.4.4)
<p>Other established or emerging best practices</p>	<p>Corruption risks are systematically reviewed during internal audit assignments notably through individual interviews with regards to Ethics. These interviews include questions specifically concerning corruption, and are conducted separately with the Country Manager and the Administration and Finance Manager. They give rise to an individual report reviewed and signed by these latter persons.</p> <ul style="list-style-type: none"> • 2013 GRI Report, SO3
<p>Policies and practices related to operations in high-risk and/or conflict-affected areas</p>	<p>A new anti-corruption clause is now mandatory for intermediaries operating in high risk countries in 2013.</p>

CRITERION 14 The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption

INDICATORS	ANSWERS
Leadership review of monitoring and improvement results	<p>The Chief Ethics Officer reports regularly to the Chairman and CEO and informs the Board and Group's Executive Committee.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.5.2.1)
Process to deal with incidents	<p>All concerns raised are thoroughly examined, so that appropriate measures can be taken, where applicable in case of non-compliance with L'ORÉAL's anti-corruption principles.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 6.4.4) • 2013 GRI Report, Society Management Approach page 3
Public legal cases regarding corruption	<p>A decision was made in 2013 not to work with 2 suppliers following allegations of attempted corruption by the external auditors responsible for the social audits.</p> <ul style="list-style-type: none"> • 2013 GRI Report, SO3
Outcomes of integration of the anti-corruption principle	<p>A decision was made in 2013 not to work with 2 suppliers following allegations of attempted corruption by the external auditors responsible for the social audits.</p> <ul style="list-style-type: none"> • 2013 GRI Report, SO3

TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES

CRITERION 15 The COP describes core business contributions to UN goals and issues

INDICATORS	ANSWERS
Align core business strategy with one or more relevant UN goals/issues	<p>The L'ORÉAL Spirit</p> <p>"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 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."</p> <p><i>Statement of Jean-Paul Agon, Chairman and Chief Executive Officer.</i></p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Sustainable Development Report pages 2-3 • 2013 GRI Reports, General Standard Disclosures pages 2-3, Human Rights Management Approach page 2, Environment Management Approach page 3
Develop relevant products and services or design business models that contribute to UN goals/issues	<p>Examples of products or business models contributing to the UN goals and issues include namely Alternative Testing Methods, Green Chemistry, Formula Biodegradability, Packaging Eco-Design, Solidarity Sourcing and The Body Shop's Community Fair Trade programme</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report pages 19, 23, 27, 42, 46 • 2013 Annual Report, (Registration Document 6.3.3) • 2013 GRI Reports, G4 14, Environment Management Approach pages 5-6, EC7, EC8, EC9, EN1, EN12, EN27, SO1, PR1
Adopt and modify operating procedures to maximize contribution to UN goals/issues	<p>The L'ORÉAL Spirit The Code of Business Ethics L'OREAL's Diversity Policy The Buy & Care Programme</p> <p>All employees are evaluated according to two ethical competencies: "Acts/ Leads with Human Sensitivity" and "Obtains results with integrity".</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 1.6.6, 2.5.2.1, 6.4.3) • 2013 GRI Report, G4 58
Other established or emerging best practices	<p>In 2013, L'ORÉAL conducted new experimentations of inclusive business models. The first micro-distribution project on the African continent took place in Ghana. This follows a successful project in Brazil which in 2013 resulted in 50 women micro-distributors making products available to 2400 salons and enabling 5087 people to benefit from training.</p> <ul style="list-style-type: none"> • 2013 Sustainable Development report page 40 <p>Via its Disability initiatives Trophies, L'OREAL actively promoted the inclusion of disability throughout all levels of the organisation. All Group subsidiaries participated in the initiative, thus raising awareness on the inclusion of disability in more than 60 countries.</p>

CRITERION 16 The COP describes strategic social investments and philanthropy

INDICATORS	ANSWERS
<p>Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy</p>	<p>In 2013, the L'ORÉAL Group invested € 32,8 million in Philanthropy projects through:</p> <ul style="list-style-type: none"> • The L'ORÉAL Foundation, which developed in France programs in keeping with the company values, particularly in the fields of Science and Beauty: For Women in Science, Beauty for a Better Life, Hairdressers against Aids, Opération Sourire, Beauty from the Heart... • The L'ORÉAL corporate divisions, that implement locally the L'ORÉAL Foundation programs and also participate in local community Programs • The L'ORÉAL Brands that support general interest initiatives in line with their identity and values. Ex.: MySkinCheck (La Roche-Posay)... <p>In 2013, 22,000 persons benefited from the Solidarity Sourcing Programme.</p> <p>With Solidarity Sourcing, L'ORÉAL hopes to spread this philosophy by opening up its procurement process to new categories of suppliers who create employment in fragile communities. Five communities of suppliers are concerned by the programme: enterprises endeavouring to employ disabled persons, social insertion companies, very small companies that find it difficult to forge business relationships with large companies, companies owned by minorities and fair trade producers.</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report pages 12, 31, 36, 44, 45, 47 • 2013 Annual Report (Registration Document 6.4.2) • 2013 GRI Report, EC7 • 2013 Foundation L'ORÉAL Activity Report
<p>Coordinate efforts with other organizations and initiatives to amplify – and not negate or unnecessarily duplicate – the efforts of other contributors</p>	<p>To involve staff in its community spirit and commitment to solidarity, L'ORÉAL decided to introduce in 2010 a “Citizen Day”.</p> <p>In 2013, 20,031 employees took part in Citizen Day. A great number of field initiatives took place focusing on six key themes: youth, the fight against social exclusion, environment, disabilities, reintegration into the employment market and intergenerational solidarity.</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report pages 36-37 • 2013 GRI Reports, G4 24-26, SO1
<p>Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups</p>	<p>In 2010, Matrix rolled out a micro-distribution project in the favelas of Rio. This project has had a significant positive social impact, particularly for women micro-entrepreneurs who, by becoming Matrix product distributors, have had the opportunity to earn significant income. The impact was ultimately much broader, as the greatest contribution was the vocational training of hairdressers in hair salons of the favelas: their service quality increased significantly and, consequently, their revenues did also. The programme was extended to São Paulo in 2013 and 50 women micro-distributors made products available to 2,400 salons and enabled 5,087 people to benefit from training.</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report page 40

<p>Other established or emerging best practices</p>	<p>To extend the impact of the Solidarity Sourcing Programme, L'ORÉAL has moved to convince traditional suppliers to deploy a similar approach. 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.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 1.6.4) • 2013 GRI Report, General Standard Disclosures G4-24 to G4-27 page 33
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CRITERION 17 The COP describes advocacy and public policy engagement

INDICATORS	ANSWERS
<p>Publicly advocate the importance of action in relation to one or more UN goals/issues</p>	<p>The Body Shop is a founding member of the Ethical Trading Initiative (ETI). The ETI is an alliance of companies, non-governmental organisations (NGO's) and trade unions who work in partnership to improve the working lives of poor and vulnerable people across the globe.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.3) • 2013 GRI Report, Economic Management Approach page 4 <p>L'OREAL has pro-actively promoted women empowerment and advancement within the private and public sector, namely by helping create a women leadership program called EVE, and, at European Level, participating in the creation of the Gender Equality European Standard (GEES) that allows to set a benchmark in terms of Gender Equality.</p> <p>L'OREAL also proactively supports and promotes the Economic Dividend for Gender Equality (EDGE) and 7 key subsidiaries are currently undergoing the audits.</p>
<p>Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues</p>	<p>L'ORÉAL hosted the European Origins conference at its head office in partnership with the ENAR (European Network Against Racism) in October 2013.</p> <ul style="list-style-type: none"> • 2013 GRI Report, General Standard Disclosures G4 24, Labour Management Approach page 6 <p>L'ORÉAL also participated in key women forum such as the Global Summit of Women in 2013, the Women's Forum in Europe and Asia edition and in several key summits on the inclusion of disability in the workplace organized by the ILO in Singapore, China, France and Switzerland.</p>
<p>Other established or emerging best practices</p>	<p>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 organization's Disability Network, in order to share its best practices and interact with stakeholders, such as Non-Governmental Organisations, civil associations and other businesses.</p> <ul style="list-style-type: none"> • 2013 GRI Report, Labour Management Approach page 5 • Diversity section on loreal.com

CRITERION 18 The COP describes partnerships and collective action

INDICATORS	ANSWERS
<p>Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy</p>	<p>Many partnership projects are organized either with public organizations for example UNESCO or with private organizations, industry peers or suppliers at a Corporate, Brand or local level.</p> <p>Examples include "Beauty for a Better Life", UNESCO "For Women in Science", Hairdressers against AIDS, Opération Sourire, Médecins du Monde, Garnier/TerraCylce FSC Packaging, the Carbon Disclosure Project, the "Look good Feel Better" network.</p> <p>L'OREAL has co created the first European Award for Social Entrepreneurship and Disability (SE+D) at European level along with the European Union.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.3.2, 6.4.2) • 2013 Sustainable Development Report pages 29, 43-44, 47 • 2013 Foundation L'ORÉAL Activity Report pages 7, 23, 31, 32, 35 • 2013 GRI Reports, G4 16, PR3, EC2, EN19, EN28
<p>Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain</p>	<p>L'ORÉAL continues to act as a leader and shares its progress in the field of sustainable development by taking part in and cooperating with many different organisations.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.2) • 2013 GRI Reports, G4 16 + 24-26, EC2, EN19
<p>Other established or emerging best practices</p>	<p>17 L'ORÉAL suppliers volunteered to be involved in Action Exchange, a new customised support programme created through a partnership between CDP and the University of Minnesota.</p> <ul style="list-style-type: none"> • 2013 Sustainable Development Report page 38

CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP

CRITERION 19 The COP describes CEO commitment and leadership

INDICATORS	ANSWERS
CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact	<p>"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 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."</p> <p><i>Statement of Jean-Paul Agon, Chairman and Chief Executive Officer.</i></p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Sustainable Development Report pages 2-3 • 2013 GRI Reports, General Standard Disclosures pages 2-3 , Human Rights Management Approach page 2, Environment Management Approach page 3
CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards	<p>L'ORÉAL participates in "The World Business Council for Sustainable Development", an international organization of CEOs that deals exclusively with issues of business and sustainability.</p> <p>L'OREAL is also an active member of the Consumer Goods Forum dealing with issues such as deforestation and waste.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.2) • 2013 GRI Report, G4 16
CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation	<p>The Chief Ethics Officer reports to the Chairman and CEO.</p> <p>The Strategy and Sustainable Development Committee is chaired by the Chairman and CEO.</p> <p>In 2013, the CEO chaired the internal working group, composed of members of the Group Executive Committee and the Group Sustainability Director, to determine the "Sharing Beauty with All" commitments implementation strategy. The CEO regularly oversees the implementation of the corporate sustainability strategy with monthly direct reporting from the Group Sustainability Director.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.2) • 2013 GRI Report, General Standard Disclosure G4 34-38, G4 56-58 • Ethics section on loreal.com
Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team	<p>50% of the CEO's annual variable remuneration is calculated on the basis of an assessment of the qualitative aspects of management and namely actions to help society.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.3.2.2)

CRITERION 20 The COP describes Board adoption and oversight

INDICATORS	ANSWERS
<p>Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance</p>	<p>The Board analyses strategy, the group's economic and financial management and the Company's commitments to the environmental, social and societal fields.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.2.2, 5.2.3.2) • 2013 GRI Report, G4 34, 45-47
<p>Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.</p>	<p>Strategy and Sustainable Development Committee.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.2 , 5.2.3.2) • 2013 GRI Report, G4 42, 45-47
<p>Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)</p>	<p>L'ORÉAL's Sustainability Report is approved by the Chairman and CEO.</p> <ul style="list-style-type: none"> • 2013 GRI Report, G4 48

CRITERION 21 The COP describes advocacy and public policy engagement

INDICATORS	ANSWERS
<p>Publicly recognize responsibility for the company's impacts on internal and external stakeholders</p>	<p>L'ORÉAL engages in 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.</p> <ul style="list-style-type: none"> • 2013 GRI Report, G4 24-26
<p>Define sustainability strategies, goals and policies in consultation with key stakeholders</p>	<p>Because the importance and handling of the challenges related to corporate social and societal responsibility differ from one country to the next, L'ORÉAL has set up stakeholder forums all over the world in order to promote a dialogue at a local level with regard to both local and global issues.</p> <p>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).</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.2) • 2013 Sustainable Development Report page 8 • 2013 GRI Report, G4 18-21, G4-27

<p>Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance</p>	<p>The Stakeholders Forums namely aim to collect feedback from stakeholders on L'Oréal's strategy regarding sustainability to nurture the Group's strategic thinking.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 6.4.2) • 2013 Sustainable Report page 8 • 2013 GRI Report, G4 24-27
<p>Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'</p>	<p>Concerns and questions can be reported without fear of retaliation in line with L'ORÉAL's Open Talk policy and namely through the L'ORÉAL Ethics Open Talk website which provides a secure mechanism for raising concerns directly with the Chief Ethics Officer.</p> <ul style="list-style-type: none"> • Ethics section on loreal.com • 2013 Annual Report (Registration Document 2.5.2.1) • 2013 GRI Report, G4 49, 56-58
<p>Other established or emerging best practices</p>	<p>During Ethics Day 2013, the central event 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.</p> <p>L'ORÉAL joined 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.</p> <ul style="list-style-type: none"> • 2013 Annual Report (Registration Document 2.5.2.1 ; 6.4.5) • 2013 GRI Reports, General Standard Disclosures G4 56-58 page 104, HR2