

***SUSTAINABLE
DEVELOPMENT***
for
Cosmetics Company

L'ORÉAL

SHARING
BEAUTY
WITH ALL



WHY COMMIT
TO SUSTAINABILITY?

L'ORÉAL

SHARING
BEAUTY
WITH ALL

PLANET
BOUNDARIES



L'ORÉAL

**SHARING
BEAUTY**
WITH ALL



ATMOSPHERIC AEROSOL LOADING

OCEAN ACIDIFICATION

LAND-SYSTEM CHANGE

OZONE DEPLETION

FRESHWATER USE

BIOGEOCHEMICAL FLOWS

CLIMATE CHANGE

BIODIVERSITY LOSS

L'ORÉAL

SHARING
BEAUTY
WITH ALL

CLIMATE **CHANGE**



L'ORÉAL

SHARING
BEAUTY
WITH ALL

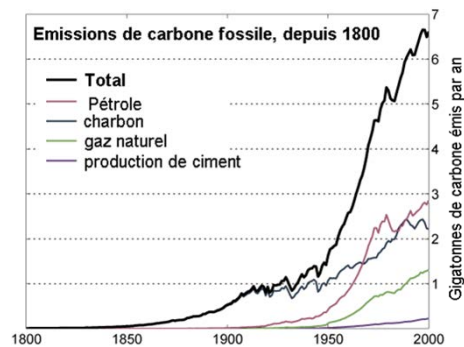
GREENHOUSE EFFECT

*Small quantities of Greenhouse Gases (GHG) in the **atmosphere** retain a large amount of solar energy reflected by the earth into space.*

*This is a natural phenomenon without which global temperature would be about **-18°c** instead of **15°c** now.*

GREENHOUSE EFFECT

Greenhouse gases' concentration in the atmosphere increases since the 19th century, essentially because human activities:



— **MASSIVE USE OF FOSSIL FUELS (coal, petroleum, natural gas) :**

The carbon stored in earth's basement for millions of years has been released in the atmosphere in a few decades.

— **DEFORESTATION :**

A **mature forest** constitutes an **important carbon reservoir**. Photosynthesis allows the accumulation of large quantities of atmospheric carbon within wood, roots, soil and the ecosystem.

GLOBAL WARMING **OBSERVED EFFECTS**

— *THE AVERAGE WARMING SINCE 1880
IS ESTIMATED 0,85° C*

— *THE THREE PAST DECADES
ARE THE HOTTEST
SINCE AT LEAST 4 000 YEARS*

— *AMONG THE TEN HOTTEST YEARS
FOR A CENTURY,
NINE ARE POST-2000*

	Years	Deviations to the average of 1951-1980
1	2010	+0,92° C
2	2005	+0,86° C
3	2007	+0,85° C
4	1998	+0,82° C
5	2013	+0,82° C
6	2009	+0,79° C
7	2011	+0,78° C
8	2002	+0,77° C
9	2003	+0,77° C
10	2006	+0,77° C

GLOBAL WARMING IMPACTS

WEATHER EVENTS (SHORT AND LOCAL):

- Extreme events - storms more frequent and more intense, with more water in wetlands, less water in dry areas.

CLIMATE EVENTS (LONG TERM AND GLOBAL):

- Rising sea levels caused by continental and polar ice sheets melting , in addition to thermal expansion of the oceans. 19cm between 1901 and 2010. From 26 to 82 cm by 2100
- Damage on ecosystems and biodiversity

GEOPOLITICAL EVENTS:

- Scarcity / Migrations / Health hazards / Conflicts

*The risk
is to be
confronted to
a climate
change that
exceeds
coping skills
of mankind*

BIODIVERSITY:

*Biodiversity
(or biological diversity) is
a collective term meaning
the totality and variety of
life on earth*

The *UN Convention on Biological Diversity* says there are some *13* million species, of which *1.75* million have been described

Leading threats to biodiversity are:
converting land to agriculture, clearing forests, climate change, pollution, unsustainable harvesting of natural resources, and the introduction of so-called alien species to areas where they are not native

BIODIVERSITY:

The current rate of species extinction is **many times higher** than the background rate: species extinction is occurring at **100 times the natural rate**, and is expected to **accelerate** to between **1,000** and **10,000** times the natural rate in the coming decades

If one species becomes extinct, this can have a **knock-on effect on others it interacts with**

Loss of biodiversity

threaten the stability of the ecosystem services on **which humans depend**

ECOSYSTEMS

provide us with material things that are essential for our daily lives, such as food, wood, fertile soils - the conservation and sustainable use of those systems are essential to human well-being

POVERTY



L'ORÉAL

SHARING
BEAUTY
WITH ALL

POVERTY

70%
of the *1 billion* poor
are women

**840
million**
of people are
undernourished

1 billion
in extreme poverty
of people lives with
less than 1,25 \$ per day

**860
million**
live in slums

L'ORÉAL

SHARING
BEAUTY
WITH ALL

WATER



L'ORÉAL

**SHARING
BEAUTY**
WITH ALL

WATER

85%

of the world population lives in
the driest half of the planet

2.5 billion

do not have access to
adequate sanitation

11%

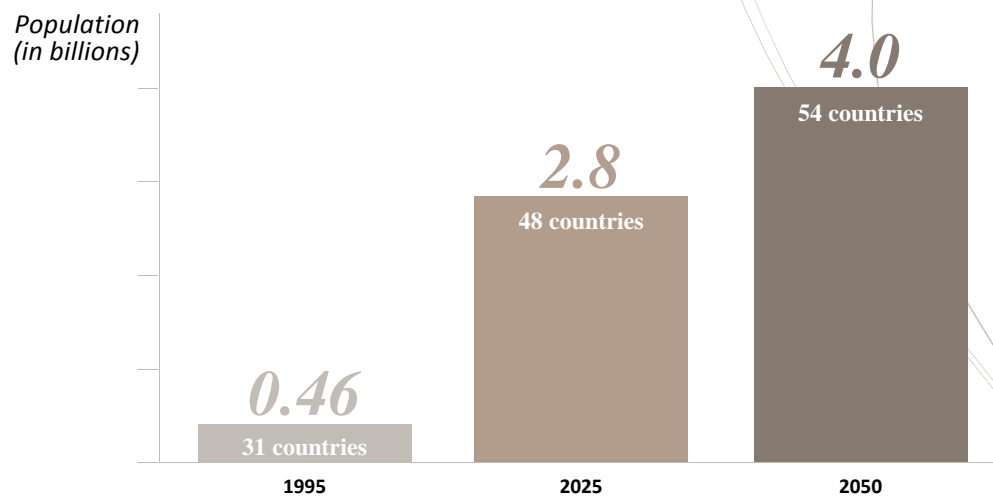
of world population, *768 millions* people
does not have access to clean water

L'ORÉAL

SHARING
BEAUTY
WITH ALL

WATER SCARCITY AND STRESS

POPULATION IN WATER-SCARE
AND WATER-STRESSED COUNTRIES,
1995-2050



150
to **300**

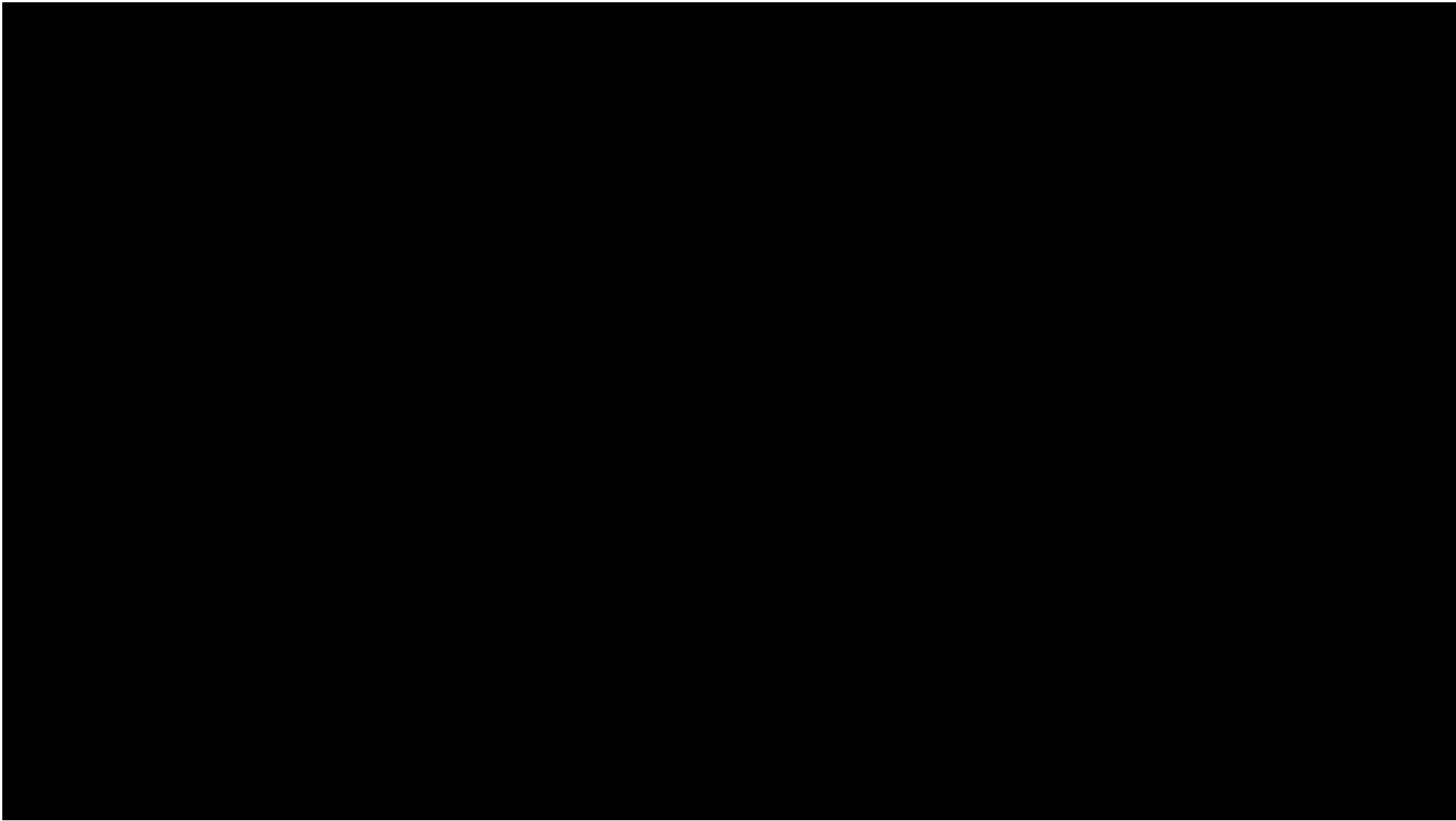
million people
**displaced by
climate change**
in 2050

Increased droughts, desertification, sea level rise, and disruption of seasonal weather patterns such as monsoons

Migration within and without their country of origin

L'ORÉAL

SHARING
BEAUTY
WITH ALL



***THE CONSUMER
WANTS MORE***

L'ORÉAL

**SHARING
BEAUTY**
WITH ALL

THE ETHICAL JOURNEY WORLDWIDE CONTEXT

71% *leaving an ethical & sustainable lifestyle plays an important role in wellbeing**

57% *important to buy ethical or socially responsible products*

(86% Brazil / 83% China / 81% India / 50% USA / 61% France / 50% Japan / 44% UK / 41% Germany)

67% *prefer to work for socially responsible companies in 2014* (vs. 62% in 2011)**

47% *Often buy beauty products from trustworthy/ethical brands in 2015... ***

(63% Brazil / 54% China / 43% USA / 28% France)

* Datamonitor consumer survey 2008 / In DATAMONITOR 2010

** Nielsen Global Survey of Corporate Social Responsibility, 2011 & 2014, 60 COUNTRIES (30 000 consumers)

*** Sustainability & cosmetics CMI 2015

THE DESIRE FOR ETHICAL BEAUTY

BEYOND SUSTAINABILITY

ETHICAL BEAUTY

Brands and products doing 'the right thing' for:

Humans

Environment &
Animals

SUSTAINABILITY

NATURALNESS

TRANSPARENCY
AUTHENTICITY

L'ORÉAL

SHARING
BEAUTY
WITH ALL

HOW TO COMMIT **TO SUSTAINABILITY?**

L'ORÉAL

SHARING
BEAUTY
WITH ALL

THE SYSTEM

Illimited ressources

*Extraction
of raw materials*

Production

Consumption

Illimited waste

L'ORÉAL

SHARING
BEAUTY
WITH ALL

WHAT CORPORATIONS/BRANDS NEED TO DO

RETHINK THE WHOLE VALUE CHAIN

***INTEGRATE SUSTAINABILITY IN ALL BUSINESS AND
MARKETING STRATEGIES***

***TO CREATE ECONOMIC VALUE AND POSITIVE
SOCIAL IMPACT WITHOUT HARMING THE
ENVIRONMENT***

L'ORÉAL

**SHARING
BEAUTY
WITH ALL**

- *Product Innovation*
- *Sustainable Sourcing*
- *Reduction of the environmental impact of Manufacturing*
- *Sustainable Consumption*



***WE CAN MANAGE
THE CHALLENGES WE FACE ONLY
BY COOPERATING ACROSS COMPANIES***

L'ORÉAL

**SHARING
BEAUTY**
WITH ALL

✓ BY TAKING COMMITMENTS TOGETHER

- *PACKAGING*

✓ BY TAKING ACTION TOGETHER

- WASTE MANAGEMENT PROJECT



CONCLUSION

L'ORÉAL

SHARING
BEAUTY
WITH ALL