

Particulars

About Your Organisation

1.1 Member Name

L'Oreal

1.2 Membership number

4-0021-07-000-00

1.3 Membership sector

Consumer Goods Manufacturers

1.4 Membership category

Ordinary

1.5 Country

France

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants
- I trade or broker palm oil, palm kernel oil or related products
- I am a refiner of palm oil or palm kernel oil
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related ingredients
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products
- I manufacture consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors.
- I retail consumer (B2C) products containing palm oil, palm kernel oil or related products
- I operate food retail outlets that use palm oil, palm kernel oil or related products
- I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- I support the sustainable development of the palm oil industry as a social and human development NGO

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

-

2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

NOVÉAL
LOGOCOS Naturkosmetik GmbH & Co. KG

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe, North America, China, India, Malaysia, Indonesia, Africa, Latin America, Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of uncertified and certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	309.0
Total volume of crude palm kernel oil (tonnes)	0.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	83074.0
Total	83383.0

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	34.0
Palm kernel oil-based derivatives and fractions	66.0

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions. In cases where sales distribution data is not available, members may use manufacturing regions as a proxy for regional usage of certified volumes.

Countries/Regions	Percentage
Europe	54.0
North America	22.0
Malaysia	0.0
Indonesia	5.0
China	8.0
India	1.0
Latin America	6.0
Africa	3.0
Rest of World	1.0

2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.0	0.0	0.0	4048.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	1.0
Mass Balance (MB)	0.0	0.0	0.0	78679.0
Segregated (SG)	309.0	0.0	0.0	346.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	309.0	0.0	0.0	83074.0

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	34.0
Certified Palm kernel oil-based derivatives and fractions	66.0

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:

100.00%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

Since 2010, 100% of the palm oil directly purchased by L'Oréal are sustainably certified through the RSPO Segregated model.

In addition to RSPO certification, in 2020, 85% of the palm oil directly purchased by L'Oréal were also POIG verified.

Since 2012, 100% of palm and palm kernel-based derivatives used by L'Oréal are sustainably certified by RSPO. In 2020:

- 94,7% were RSPO certified through the Mass Balance model (compared to 73% in 2019). Among these RSPO MB certified volumes, 27% of them (equivalent to more than 22,000 tonnes) are produced by independent smallholders part of sustainable field projects implemented by L'Oréal and designed to be NDPE compliant;

- A few volumes were RSPO certified according to the Segregated model (346 tons, representing 0,4%)

- The remaining 4,9% of volumes were covered by the RSPO Book and Claim model.

2.6 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	54.0
North America	22.0
Malaysia	0.0
Indonesia	5.0
China	8.0
India	1.0
Latin America	6.0
Africa	3.0
Rest of World	1.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2010

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2010

3.2.1 If the previous target year has not been met, please explain why.

Not applicable

3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2012

3.3.1 If the previous target year has not been met, please explain why.

Not applicable

3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2020

3.4.1 If the previous target year has not been met, please explain why.

100% of L'Oréal palm oil is RSPO SG certified since 2010. The Group has continuously increased its percentage of physically certified supply chain for palm-based derivatives with the target to reach 100% RSPO MB. However, some remaining challenges still exist for palm-based derivatives. Indeed, the 5% remaining gap versus the 100% RSPO Mass Balance on palm-based derivatives target is due to following challenges:

- Supply of Mass Balance certified quality inferior to demand, causing high stress on supplies for several palm and palm kernel-based derivatives;
- Unavailability of Mass Balance certified quality for some raw materials of specialties purchased in small volumes;
- Lack of availability of Mass Balance certified quality on certain markets and geographical zones.

In order to overcome these challenges, L'Oréal has contributed in 2019 to the creation of the Action for Sustainable Derivatives (ASD) initiative. Indeed, being a small player of the palm industry, one of the levers to address these challenges is to work collectively with other players in order to increase the demand for RSPO certified materials and push the upstream players for more RSPO certification.

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

Not applicable

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

Within Sharing Beauty With All, its sustainability program, L'Oréal committed by 2020, to inform and empower every L'Oréal consumer to make sustainable consumption choices. This objective has been reaffirmed within L'Oréal for the Future sustainability commitments for 2030 as the Group considers it is its responsibility to involve consumers in its transformation process. PO/PKO based derivatives being contained in 80% of cosmetics products, it is important for L'Oréal and its brands to find the right way to communicate on the sustainable sourcing of the renewable raw materials contained in the final products. Thus, every year, L'Oréal communicates transparently about the results of its sustainability programme, Sharing Beauty With All, launched in 2013, and will continue to do so through the new L'Oréal for the Future sustainability commitments. This systematically includes progresses made on achieving Zero Deforestation. The 2020 Sharing Beauty With All progress report is available at: https://www.loreal-finance.com/system/files/2021-03/SBWA_PR_GROUPE_2020_ENG_0.pdf and contains in page 12 the specific section on "Achieving Zero Deforestation" detailing the action plan regarding palm oil, palm oil derivatives and palm kernel oil derivatives.

In addition, L'Oréal Zero Deforestation commitment is publicly available: <https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/sbwa/2014-loreal-zero-deforestation-commitment.pdf> L'Oréal Zero Deforestation policy is a Group commitment, that applies for every brand part of L'Oréal Group.

On top of that, L'Oréal has decided to publish in June 2016 its first Palm Progress Report in order to be accountable to its stakeholders, among them consumers, on the targets, efforts and accomplishments in the sourcing of palm oil and palm oil derivatives. The second Palm Progress Report was published in July 2019: <https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/sbwa/2018-palm-progress-report.pdf>

In the framework of its 2020 Zero Deforestation commitment, L'Oréal is planning to publish a Zero Deforestation Progress Report in 2021, with a dedicated section on palm.

In addition, with its ambition to raise awareness about the challenges around sustainable sourcing of palm derivatives, L'Oréal made a film, which has been awarded by the Global Sustainability Film Awards in 2016. (<https://youtu.be/F-QxRbO6pol>) As part of our "Living Sustainably" commitment, our brand Kiehl's in Indonesia launched in 2016 a campaign (operated in 2017) to promote biodiversity conservation in Indonesia, through a partnership with The Nature Conservancy to support the conservation of the Wehea Forest & Orangutan. This directly contributes to consumer awareness and engagement toward sustainable consumption in Indonesia. In 2018, Kiehl's Indonesia continued supporting the Wehea forest protection and orangutan species through Kiehl's Gives program in collaboration with The Nature Conservancy (TNC), following their successful program done back in 2016. A press conference has been hold on October 2018. The key difference with the previous project is on the specific donation provided to support TNC's forest rangers, based on every consumer purchase of Kiehl's specific product: https://www.instagram.com/p/BogmBpFFUik/?utm_source=ig_embed&utm_campaign=embed_video_watch_again

In 2017, we have contributed to a free MOOC on Biodiversity and Global Changes developed in partnership with the French Ministry of Education in which L'Oréal intervention was focused on deforestation issues around palm production and sustainable solutions: <https://www.fun-mooc.fr/fr/cours/biodiversite-et-changements-globaux/>

Since 2018, as an active member of the China Sustainable Palm Alliance & the India Sustainable Palm Oil Coalition, L'Oréal supported RSPO & WWF to raise awareness of local consumers on the importance of consuming sustainable palm oil. L'Oréal has actively participated to several meetings and shared its experience with other members. This contributes raising awareness on the topic of sustainable palm oil on these two markets, which are today major palm importers with a very low RSPO certified materials uptake.

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

After 7 years of work done with our suppliers and the support of an external and independent third-party to identify the origin of our PO/PKO based derivatives, we have today a clear mapping of our supply chains and we have also observed a progressive transformation of the industry towards better practices.

In spite of progress made, L'Oréal acknowledges that challenges and that the Group needs to continue its efforts as an individual company, as well as collectively by engaging with its direct and indirect suppliers to fulfill its environmental and social commitments. Five levers have been identified.

- Continue to develop business with the most committed and transparent suppliers

Within the scope of its Zero Deforestation policy, L'Oréal commits to ultimately work with suppliers enforcing responsible practices along palm oil and palm kernel oil supply chains by 2020. The most committed direct suppliers will be promoted through increased volumes, new products lines, longer-term contracts or any relevant business incentives.

In 2016, L'Oréal upgraded its evaluation scorecard for suppliers of palm oil and palm kernel oil derivatives, by creating a Sustainable Palm Index (SPI). The Sustainable Palm Index is integrated into the suppliers' performance rating, to enable purchasing teams worldwide to align business decisions with supplier's commitments and practices. The matrix is the result of a close interaction with suppliers and has been developed as a pragmatic tool to drive change within the derivatives market. It takes into account the supplier's achievements in terms of knowledge and transparency of their own supply chain, sustainable procurement practices and compliance with L'Oréal's Zero Deforestation policy but recognizes also their commitments to progress. Suppliers are requested to provide means of proof for each criterion. The information disclosed is verified by an independent party. The ranking allows differentiating 3 levels of compliance with L'Oréal's expectations. Based on the aggregated scoring, action plans are set up with suppliers, going from business promotion and development of partnerships for the most advanced suppliers, to business reduction or ultimately disengagement unless immediate plan of progress is implemented. This new Sustainable Palm Index has been made public and available to all companies and business partners in the sector since 2017, in order to support efforts made to ensure sustainable palm oil sourcing and compliance with our Zero Deforestation policy. Every year, and before every SPI annual campaign, a series of webinars are organized by L'Oréal to explain the SPI process to the palm derivatives' suppliers. Since 2019, L'Oréal is a founding member of the Action for Sustainable Derivatives (ASD), a collaborative cross-industry initiative co-managed by BSR & Transitions to accelerate the sustainable sourcing of PO & PKO derivatives. As a sponsor of the initiative, L'Oréal has shared its methodologies throughout the sector, notably regarding the Sustainable Palm Index methodology and has encouraged its direct suppliers to engage in ASD & to cascade SPI to their own suppliers.

For the past 3 years, all L'Oréal direct suppliers have been evaluated using the Sustainable Palm Index. To date, 97% of the volumes of PO & PKO derivatives purchased from our direct suppliers are compliant to L'Oréal Zero Deforestation policy.

Every year, SPI scores are discussed during dedicated slots in annual business reviews meetings and one to one meetings are organized in order to define action plans for SPI non-compliant suppliers.

In 2020, in partnership with another ASD member facing the same challenges with the Japanese market, L'Oréal decided to organize a specific 2-days workshop dedicated to Japanese suppliers in order to raise their awareness towards sustainable palm production and empower them to increase their Sustainable Palm Index scoring.

Thanks to this initiative, L'Oréal aims to onboard 100% of its suppliers and reach its target of compliance with its Zero Deforestation policy for 100% of its volumes of PO & PKO derivatives for the SPI in the campaign covering the 2020 palm-based derivatives supplied volumes (results will be available end of May 2021).

In addition, in order to enable its direct suppliers to cascade to indirect suppliers, L'Oréal provides them the ability and support:

- to cascade the SPI tool to their own suppliers;
- to use the results of the SPOTT Palm Oil evaluation to orientate choices in terms of business allocation, considering parent companies of mills, crushers and refineries that are compliant with Zero Deforestation and NDPE policies;
- to join and encourage direct suppliers to engage in collective initiatives, such as the Action for Sustainable Derivatives (ASD), to find concrete solutions and accelerate compliance of their supply chain with deforestation-free and responsible sourcing principles.

- Reinforce risks monitoring and compliance procedures beyond tier-one suppliers

The proactive monitoring and compliance control of a whole supply chain in a commodity market is not a challenge that a company can realistically address individually. Only a collective and aligned monitoring mechanism and compliance control should help to efficiently end deforestation.

According to its 2020 Zero Deforestation ambition, the Group will continue its efforts to find solutions with peers. L'Oréal supports the Zoological Society of London (ZSL) and Transitions in the development of a new add-on of the SPOTT platform to evaluate the compliance of refineries and crushers with NDPE principles. The objective of this tool is to enable L'Oréal to orientate its supplies towards upstream processing facilities whose commitments, actions and sourcing practices are in line with its requirements for NDPE and Zero Deforestation. Over 130 indirect suppliers (100 parent companies and 38 refineries and crushers), representing 86% of the volumes in L'Oréal's supply-chain have already been evaluated through this due diligence process. In addition, since 2018, L'Oréal, with the support of its trusted partner Transitions, contributes to develop the Implementation Reporting Framework, which aims to evaluate mills compliance.

Since 2016 L'Oréal implemented a close monitoring of the grievances observed in its supply chain.

The "palm alert procedure" is activated as soon as informed by a potential breach to the policy even at upstream stages of the supply chain, far beyond first-tier suppliers. L'Oréal then immediately cascades information to its direct/indirect suppliers for them to investigate further along their supply chains, set up clear time-bound milestones to bring their concessions into compliance & take appropriate business decision, going up to business disengagement if progress are not met.

- Support the sector transformation

L'Oréal is a founding member of the Action for Sustainable Derivatives (ASD), a collaborative cross-industry initiative co-managed and co-facilitated by BSR and Transitions to spur action for accelerating the sustainable production and sourcing of palm oil and palm kernel oil derivatives.

To date, this initiative involves 23 multi-sectorial actors of the palm and oleo chemical industry, representing more than 5% of the total palm oleo-chemicals market. As a sponsor of the initiative, L'Oréal has shared its methodologies throughout the sector, notably regarding transparency and traceability, with the Sustainable Palm Index. This initiative also intends to provide tangible solutions, scale up efforts towards compliance with NDPE principles and create synergies between diverse actors for the implementation of field sustainable sourcing projects. The 2019/2020 Annual Update on Progress is publicly available at:

https://www.bsr.org/reports/ASD_Annual_Update_on_Progress_2020.pdf

- Contribute to raise consumers awareness in major markets

As a member of the Board of the Consumer Goods Forum, L'Oréal pledges to mobilize resources to help achieve zero net deforestation by 2020. Since 2018, as an active member of the China Sustainable Palm Alliance as well as the India Sustainable Palm Oil Coalition, L'Oréal supports RSPO & WWF to raise awareness of local consumers on the importance of consuming sustainable palm oil.

More globally, within Sharing Beauty With All, its sustainability program, L'Oréal committed by 2020, to inform and empower every L'Oréal consumer to make sustainable consumption choices. PO/PKO based derivatives being contained in 80% of cosmetics products, it is important for L'Oréal and its brands to find the right way to communicate on the sustainable sourcing of the renewable raw materials contained in the final products. Thus, L'Oréal has decided to publish in June 2016 its first Palm Oil Progress Report in order to be accountable to its stakeholders, among them consumers, on the targets, efforts and accomplishments in the sourcing of palm oil and palm oil derivatives. The second Palm Oil Progress Report was published in July 2019 (https://www.loreal-finance.com/system/files/2020-06/EN_2019%20L%27Oreal%20Progress%20Report.pdf).

In 2021, L'Oréal plans to publish a Zero Deforestation Progress Report, with a dedicated section on palm.

- Strengthen stakeholders' engagement

In addition, L'Oréal is permanently engaging with external stakeholders to report and inform regarding its Zero Deforestation policy, interacting with them to identify robust options for strengthening its current strategy and address the challenges identified together, taking into account the risks and benefits of various alternatives:

- In December 2020, L'Oréal held a Stakeholders e-Forum to share the results related to its 2020 Zero Deforestation Policy, gathering around 15 non-profit organizations, including NGOs, Research Institutes, Experts or Certification bodies.... This was the opportunity to update participants on the last achievements related to L'Oréal's palm action plan, discuss the remaining challenges and launch a consultation process with external stakeholders on L'Oréal 2030 Forests Policy, which will be the next generation of commitments notably for palm. Through this consultation process, L'Oréal has gathered feedbacks and comments, in order to get a transversal vision of external stakeholders' expectations and to ensure its 2030 commitments are responding accurately to environmental and social stakes regarding forest protection.

- During the RSPO Roundtable in Bangkok (November 2019), L'Oréal held a Stakeholder forum gathering more than 15 non-profit organizations. The objectives of this event were to challenge, discuss and prioritize the operational solutions identified, ensure alignment of our action plan with the expectations of civil society, and reinforce the line of dialogue between L'Oréal and our stakeholders.

- In November 2019, L'Oréal participated to the Innovation Forum and to the conference on "Forests track: How to tackle deforestation by communities and smallholders" taking the opportunity to communicate about L'Oréal's strategy to support independent smallholders through field projects.

- Since 2019, L'Oréal supports the launched of the SPOTT tool in collaboration with ZSL and Transitions to identify a positive list of compliant upstream players, at group level, notably refiners and crushers, who are in line with L'Oréal's requirements for Zero Deforestation.

- In addition, since 2018, L'Oréal, with the support of its trusted partner Transitions, contributes to develop the Implementation Reporting Framework, which aims to evaluate mills compliance (https://ndpeirf.files.wordpress.com/2019/10/npde_irf_update06.pdf)

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

1.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

Yes

1.3.1 Does the policy cover:

- Free Prior and Informed Consent (FPIC)
- Compensation

Occupational Health & Safety

1.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?

Yes

Climate Change & Greenhouse Gas (GHG)

1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?

Yes _____

1.5.1 Does the policy cover:

- Identification and assessment of GHG
- Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances

1.6 Does your company have a Complaints & Grievances Mechanism?

Yes _____

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes _____

Smallholders

1.7 Does your company support oil palm independent smallholder groups?

Yes _____

1.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

1.7.2 How is your company supporting them?

L'Oréal's intention by 2020 was to have 30% of its total derivatives volumes coming from sustainable field projects supporting Independent Smallholders in its key sourcing areas. As the final off-taker, L'Oréal indirectly supports pluri-annual premium-based commitment to purchase the smallholders' RSPO certified production, including upstream intermediaries. Through 5 projects, L'Oréal initiates a long-term business relationship with every actor of the value chain, which is inclusive for the independent smallholders, and disruptive with regards to the rules of a traditional commodity market. In 2020, L'Oréal covered 27% of its physical sourcing from projects with independent smallholders:

1) In 2015, L'Oréal launched its first experiment with its direct oleochemicals supplier, Clariant, but also with the intermediary supplier Global Amines, the upstream Producer Wilmar and the Malaysian social enterprise, Wild Asia, and launched the SPOTS Project in Sabah (Malaysia), in the Beluran district. The purpose of this 5 years' project involving the value chain players from consumer product to renewable palm feedstock producers, is to integrate small Malaysian producers within the global supply chains in order to promote traceability, RSPO certification and sustainability. Adoption of better agricultural practices, a closer connection to global markets and the long-term commitment of the players will improve the living conditions of more than 500 small producers. So far the project has shown significant success and in the fifth year of the project, 804 small independent farmers and growers joined the SPOTS project, representing 10 000 hectares of RSPO certified area. More than 200 training sessions were conducted alongside small palm producers to provide them with knowledge about the RSPO certification system, best management and sustainable agricultural practices, waste management, soil health, etc. L'Oréal is currently designing the second phase of the project along with Wilmar, Clariant and Wild Asia. The objective will be to increase the project impact at landscape level and to develop innovative regenerative agricultural practices with voluntary smallholders.

2) Since 2017, in addition to the SPOTS Project in Malaysia, L'Oréal has been identifying priority areas / landscapes in its supply chain to focus on for developing or joining sustainable field projects supporting independent smallholders. In 2018, taking into account the first lessons learnt from the SPOTS project, L'Oréal, in collaboration with SNV, Netherlands Development Organisation, a not-for-profit international organisation, has launched a wide landscape project located in the Berbak landscape in Jambi, Sumatra extends over 250,000 ha and is dominated by peatlands. It includes the Berbak National Park, which provides a habitat for the Sumatran rhinoceros, the Sumatran tiger and other endangered native wildlife. The Project aims to support 12,500 independent smallholders over 5 years in improving their production practices in order to prevent deforestation to happen in the area and to increase their livelihoods including the implementation of supportive on-field actions and fairly traded principles in the supply-chain so as to increase and secure living wages of the farmers and/or harvesters. In 2020, more than 9,600 beneficiaries had benefited from the project. In 2019 and 2020, L'Oréal also partnered with the French Agricultural Research Centre for International Development (CIRAD) to evaluate impacts of agricultural practices of smallholders on their soils' quality & productivity of palm trees in two cooperatives of independent smallholders. In 2020, the results have been used to adapt the training materials and make practical recommendations to the smallholders in order to improve their practices, increase their yields, reduce their use of chemical inputs and therefore decrease their environmental impacts.

3) In 2017, L'Oréal launched a four-years peatland restoration project in Borneo, Indonesia, with one of its palm oil derivatives suppliers to rehabilitate 2,600 Ha of peatland area while working with surrounding communities on fire prevention. The project plans to train local village communities on sustainable farming practices & increase carbon sequestration by wetting 2,000 Ha of land to regenerate local biodiversity. The project is located within an RSPO certified palm concession where 4,000 Ha of conservation area (peat swamp forest) were degraded due to 2015 fires. L'Oréal will continue to support ecosystems protection and restoration, notably in Sumatra (Indonesia) in 2021.

4) In 2020, L'Oréal joined the Siak Pelalawan Landscape Programme, a private sector-driven initiative in the districts of Siak and Pelalawan in Riau province, Indonesia, supported by Proforest and Daemeter. The programme supports and builds on existing government led initiatives, and has 4 long term goals: 1) Protect and enhance forests, peatlands and natural ecosystems, 2) Empower palm oil smallholders to achieve improved livelihoods, 3) Respect of labour and community rights within the palm oil sector and 4) Pursue sustainable palm oil production.

5) Since 2020, L'Oréal is working with its supplier Wilmar on a field project supporting smallholders in RIAU, Indonesia. A methodology of NDPE assessment at project level has been developed with Daemeter in 2020 and will be deployed on the project in 2021. Those field projects impacted more than 10,500 beneficiaries in 2020 and allowed to avoid 73,500 tons of CO2 emissions since 2017. In 2021, the NDPE assessment methodology developed with Daemeter will be deployed to other projects.

L'Oréal also intends to build on this existing projects portfolio to develop specific activities linked to regenerative agricultural practices (agroforestry, pilots on 'bio farms', etc.) in order to increase the yields while improving soil quality, biodiversity and profitability for the smallholders.

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

Yes _____

Waste Management

1.9 Does your company have a waste management plan?

Yes _____

Water Management

1.10 Does your company have a water management plan?

Yes _____

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes _____

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

Yes _____

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

Yes _____

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

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

1/ The competitiveness of the oleo derivatives market coupled with a very high level of complexity and ramifications of supply chains with a multiplicity of actors involved, which implies: No traceability, lack of transparency of intermediary suppliers not facing media exposure.

L'Oréal action:

- 7 years of in-depth investigation of our derivatives supply chain launched with the support of an external and independent third party to build trust and facilitate the collection data through confidentiality agreement with direct and indirect suppliers.
- Collaborative approach based on continuous dialogue with our suppliers to increase the understanding and awareness about deforestation issues, to increase their capacity to handle the topic, to commit towards zero deforestation. To do so, we developed methodologies and adapted tools that we shared with all our oleochemicals' suppliers through regular webinar sessions and Q&A and we involved them directly in the process, being very clear that we will ultimately work with suppliers that guarantee the raw materials they sell to L'Oréal are free from deforestation. In addition to the development of a methodology helping to get more transparency along our supply chains, in 2016, L'Oréal upgraded its evaluation scorecard for suppliers of palm oil and palm kernel oil derivatives, by creating a Sustainable Palm Index (SPI). In 2020, all L'Oréal suppliers have been assessed for the fifth year based on the updated version of the SPI. Today, the SPI is fully integrated into our direct suppliers' performance rating, to enable purchasing teams worldwide to align business decisions with supplier's commitments and practices. The evaluation grid is the result of a close interaction with suppliers and has been developed as a pragmatic tool to drive change within the derivatives market. Every year, and before every SPI annual campaign, a series of webinars are organized by L'Oréal to explain the SPI process to the palm derivatives' suppliers. SPI scores are discussed during dedicated slots in annual business reviews meetings and, one to one meetings are organized in order to define action plans for SPI partially compliant or non-compliant suppliers.

As announced, L'Oréal has published this tool in 2017 and made it available on its website (<https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/commitments/sbwasustainablepalmindex1-enaccessible.pdf>), so every actor from the sector can use it. Since 2019, L'Oréal is a founding member of the Action for Sustainable Derivatives (ASD), a collaborative cross-industry initiative co-managed by BSR & Transitions to accelerate the sustainable sourcing of PO & PKO derivatives. As a sponsor of the initiative, L'Oréal has shared its methodologies throughout the sector, notably regarding the Sustainable Palm Index methodology and has encouraged its direct suppliers to engage in ASD & to cascade SPI to their own suppliers. In 2020, in partnership with another ASD member, L'Oréal decided to organize a specific 2-days workshop dedicated to Japanese suppliers in order to raise their awareness towards sustainable palm production and empower them to increase their Sustainable Palm Index scoring. Thanks to this initiative, L'Oréal aims to onboard 100% of its suppliers and reach its target of compliance with its Zero Deforestation policy for 100% of its volumes of PO & PKO derivatives for the SPI in the campaign covering the 2020 palm-based derivatives supplied volumes (results will be available end of S1 2021).

- In addition, in 2018, L'Oréal has been working with the Zoological Society of London (ZSL) to create a public scorecard of the global palm oil refineries and palm kernel crushers "the Sustainable Refineries & Crusher Index". This tool is public since 2019 on ZSL Platform SPOTT: <https://www.spott.org/> The objective of this tool is to enable L'Oréal to orientate its supplies towards upstream processing facilities whose commitments, actions and sourcing practices are in line with its requirements for NDPE and Zero Deforestation. Over 130 indirect suppliers (100 parent companies and 38 refineries and crushers), representing 86% of the volumes in L'Oréal's supply-chain have already been evaluated through this due diligence process. In addition, since 2018, L'Oréal, with the support of its trusted partner Transitions, contributes to develop the Implementation Reporting Framework, which aims to evaluate mills compliance.

2/ A lack of Mass Balance certified derivatives availability among suppliers:

L'Oréal action: L'Oréal has been very proactive to push its suppliers to deliver and commit to buy RSPO Mass Balance grade as a minimum. The objective shared is that RSPO Mass Balance scheme should deliver 100% of L'Oréal's volumes by end of 2020, combined with responsible and sustainable local sourcing projects covering at least 30% of L'Oréal's volumes of palm-based derivatives.

100% of L'Oréal palm oil is RSPO SG certified since 2010. The Group has continuously increased its percentage of physically certified supply chain for palm-based derivatives with the target to reach 100% RSPO MB. However, some remaining challenges still exist for palm-based derivatives. Indeed, the 5% remaining gap versus the 100% RSPO Mass Balance on palm-based derivatives target is due to following challenges:

- Supply of Mass Balance certified quality inferior to demand, causing high stress on supplies for several palm and palm kernel-based derivatives;
- Unavailability of Mass Balance certified quality for some raw materials of specialties purchased in small volumes;
- Lack of availability of Mass Balance certified quality in some specific markets and geographical zones.

In order to overcome these challenges, L'Oréal has contributed in 2019 to the creation of the Action for Sustainable Derivatives (ASD) initiative. Indeed, being a small player of the palm industry, one of the levers to address these challenges is to work collectively with other players in order to increase the demand for RSPO certified materials and push the upstream players for more RSPO certification.

3/ The price of Segregated certified derivatives still prohibitive when available (at very low volumes) on the market. Considering the low volumes we purchase, our lever of influence is very weak to impact the market price.

4/ Lack of involvement of the millers to support independent smallholders into the adoption of sustainable practices.

L'Oréal actions:

L'Oréal intention by 2020 was to have 30% of its total derivatives volumes coming from sustainable field projects supporting Independent Smallholders in its key sourcing areas. As the final off-taker, L'Oréal indirectly supports pluri-annual premium-based commitment to purchase the smallholders' RSPO certified production, including upstream intermediaries. Through 5 projects, L'Oréal initiates a long-term business relationship with every actor of the value chain, which is inclusive for the independent smallholders, and disruptive with regards to the rules of a traditional commodity market. In 2020, L'Oréal covered 27% of its physical sourcing from projects with independent smallholders:

1) In 2015, L'Oréal launched its first experiment with its direct oleochemicals supplier, Clariant, but also with the intermediary supplier Global Amines, the upstream Producer Wilmar and the Malaysian social enterprise, Wild Asia, and launched the SPOTS Project in Sabah (Malaysia), in the Beluran district. The purpose of this 5 years' project involving the value chain players from consumer product to renewable palm feedstock producers, is to integrate small Malaysian producers within the global supply chains in order to promote traceability, RSPO certification and sustainability. Adoption of better agricultural practices, a closer connection to global markets and the long-term commitment of the players will improve the living conditions of more than 500 small producers. So far the project has shown significant success and in the fifth year of the project, 804 small independent farmers and growers joined the SPOTS project, representing 10 000 hectares of RSPO certified area. More than 200 training sessions were conducted alongside small palm producers to provide them with knowledge about the RSPO certification system, best management and sustainable agricultural practices, waste management, soil health, etc. L'Oréal is currently designing the second phase of the project along with Wilmar, Clariant and Wild Asia. The objective will be to increase the project impact at landscape level and to develop innovative regenerative agricultural practices with voluntary smallholders.

2) Since 2017, in addition to the SPOTS Project in Malaysia, L'Oréal has been identifying priority areas / landscapes in its supply chain to focus on for developing or joining sustainable field projects supporting independent smallholders. In 2018, taking into account the first lessons learnt from the SPOTS project, L'Oréal, in collaboration with SNV, Netherlands Development Organisation, a not-for-profit international organisation, has launched a wide landscape project located in the Berbak landscape in Jambi, Sumatra extends over 250,000 ha and is dominated by peatlands. It includes the Berbak National Park, which provides a habitat for the Sumatran rhinoceros, the Sumatran tiger and other endangered native wildlife. The Project aims to support 12,500 independent smallholders over 5 years in improving their production practices in order to prevent deforestation to happen in the area and to increase their livelihoods including the implementation of supportive on-field actions and fairly traded principles in the supply-chain so as to increase and secure living wages of the farmers and/or harvesters. In 2020, more than 9,600 beneficiaries had benefited from the project. In 2019 and 2020, L'Oréal also partnered with the French Agricultural Research Centre for International Development (CIRAD) to evaluate impacts of agricultural practices of smallholders on their soils' quality & productivity of palm trees in two cooperatives of independent smallholders. The results will help to improve smallholders' practices & reduce their environmental impact.

3) In 2017, L'Oréal launched a four-years peatland restoration project in Borneo, Indonesia, with one of its palm oil derivatives suppliers to rehabilitate 2,600 Ha of peatland area while working with surrounding communities on fire prevention. The project plans to train local village communities on sustainable farming practices & increase carbon sequestration by wetting 2,000 Ha of land to regenerate local biodiversity. The project is located within an RSPO certified palm concession where 4,000 Ha of conservation area (peat swamp forest) were degraded due to 2015 fires. L'Oréal will continue to support ecosystems protection and restoration, notably in Sumatra (Indonesia) in 2021.

4) In 2020, L'Oréal joined the Siak Pelalawan Landscape Programme, a private sector-driven initiative in the districts of Siak and Pelalawan in Riau province, Indonesia, supported by Proforest and Daemeter. The programme supports and builds on existing government led initiatives, and has 4 long term goals: 1) Protect and enhance forests, peatlands and natural ecosystems, 2) Empower palm oil smallholders to achieve improved livelihoods, 3) Respect of labour and community rights within the palm oil sector and 4) Pursue sustainable palm oil production.

5) Since 2020, L'Oréal is working with its supplier Wilmar on a field project supporting smallholders in RIAU, Indonesia. A methodology of NDPE assessment at project level has been developed with Daemeter in 2020 and will be deployed on the project in 2021.

Those field projects impacted more than 10,500 beneficiaries in 2020 and allowed to avoid 73,500 tons of CO2 emissions since 2017. In 2021, the NDPE assessment methodology developed with Daemeter will be deployed to other projects.

L'Oréal also intends to build on this existing projects portfolio to develop specific activities linked to regenerative agricultural practices (agroforestry, pilots on "bio farms"...) in order to increase the yields while improving soil quality, biodiversity and profitability for the smallholders.

1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

1/ We continuously work with our direct and indirect suppliers to improve traceability of our ingredients. Our approach is to work in close collaboration with our first-tier suppliers to train them to tackle palm cultivation challenges and build with them a common strategy that is technically feasible and economically viable in order to deliver sustainable palm oil to the market and "deforestation free" palm to the group.

In this framework:

- we have created new methodologies and tools of traceability (2014-2016);
- we created and launched in October 2016 the Sustainable Palm Index (SPI), which is a tool aimed at evaluating compliance of our direct suppliers of palm derivatives with our Zero Deforestation policy. An updated version of the tool better in line with POIG criteria as well as with the Responsible Guidance for Sustainable Palm published by CERES has been released in 2017. This tool has been made public, available to all companies and business partners in the sector on L'Oréal's website: https://loreal-dam-front-corp-endam-front-corp-encdn.damdy.com/ressources/afile/179399-fb84e-resource_pdf-sbwasustainable-palm-index.pdf

- Since 2019, L'Oréal is a founding member of the Action for Sustainable Derivatives (ASD), a collaborative cross-industry initiative co-managed by BSR & Transitions to accelerate the sustainable sourcing of PO & PKO derivatives. As a sponsor of the initiative, L'Oréal has shared its methodologies throughout the sector, notably regarding the Sustainable Palm Index methodology and has encouraged its direct suppliers to engage in ASD & to cascade SPI to their own suppliers. In 2020, in partnership with another ASD member facing the same challenges with the Japanese market, L'Oréal decided to organize a specific 2-days workshop dedicated to Japanese suppliers in order to raise their awareness towards sustainable palm production and empower them to increase their Sustainable Palm Index scoring.

Thanks to this initiative, L'Oréal aims to onboard 100% of its suppliers and reach its target of compliance with its Zero Deforestation policy for 100% of its volumes of PO & PKO derivatives for the SPI in the campaign covering the 2020 palm-based derivatives supplied volumes (results will be available in May 2021).

- we have developed the Sustainable Refinery & Crusher Index (2016) in order to engage our indirect suppliers (refineries and crushing plants) towards compliance with our Zero Deforestation policy aligned with POIG Charter criteria. In 2016 and 2017, this internal tool to L'Oréal has been used as a due diligence in order to evaluate compliance of indirect suppliers with our policy. In 2018 and 2019, L'Oréal has been working with the Zoological Society of London (ZSL) to create a public scorecard of the global palm oil refineries and palm kernel crushers, so that the overall sector, including our direct suppliers for palm derivatives, could benefit from the approach to both make more sustainable procurement choices and engage non-compliant refineries/crushers towards sustainability. The objective of this tool is to enable L'Oréal to orientate its supplies towards upstream processing facilities whose commitments, actions and sourcing practices are in line with its requirements for NDPE and Zero Deforestation. In 2020, the list of refineries and crushers with high levels of traceability was shared by L'Oréal with its direct suppliers for them to be able to orientate their supplies towards transparent actors. Since 2019, over 130 indirect suppliers (100 parent companies and 38 refineries and crushers) have already been evaluated through this due diligence process.

- In addition, since 2018, L'Oréal, with the support of its trusted partner Transitions, contributes to develop the Implementation Reporting Framework, which aims to evaluate mills compliance.

- In order to enable its direct suppliers to cascade to indirect suppliers, L'Oréal provides them the ability and support:

- o to cascade the SPI tool to their own suppliers;
- o to use the results of the SPOTT Palm Oil evaluation to orientate choices in terms of business allocation, considering parent companies of mills, crushers and refineries that are compliant with Zero Deforestation and NDPE policies;
- o to join and encourage direct suppliers to engage in collective initiatives, such as the Action for Sustainable Derivatives (ASD), to find concrete solutions and accelerate compliance of their supply chain with deforestation-free and responsible sourcing principles.

2/ We have also diversified our palm oil sourcing by developing innovative partnerships with suppliers, which allowed us to increase the volumes of Mass Balance for the palm-based derivatives covering 95% of our volumes in 2020.

3/ In 2015/2016/2017/2018/2019/2020, we took advantage of several public opportunities to reaffirm our support to RSPO: during workshops and webinars held with our suppliers, during a workshop on deforestation held in London or even through the Task Force of the Consumer Goods Forum on Palm. In November 2019, L'Oréal participated to the Innovation Forum and to the conference on "Forests track: How to tackle deforestation by communities and smallholders" taking the opportunity to communicate about L'Oréal's strategy to support independent smallholders through field projects and support to RSPO. In November 2020, L'Oréal participated to the Innovation Forum and to the conference on "Land track - Biodiversity: Case studies of progress made to protect and monitor biodiversity on the ground" taking the opportunity to communicate on its partnership with CIRAD aiming at supporting independent smallholders to improve their agricultural practices on the palm production.

L'Oréal took advantage of the RSPO Roundtable in Bangkok (November 2019), to hold a Stakeholder forum gathering more than 15 non-profit organizations. The objectives of this event were to challenge, discuss and prioritize the operational solutions identified, ensure alignment of our action plan with issues identified by civil society, and reinforce the line of dialogue between L'Oréal and our stakeholders.

In December 2020, L'Oréal held a Stakeholders e-Forum to share the results related to its 2020 Zero Deforestation Policy, gathering around 15 non-profit organizations, including NGOs, Research Institutes, Experts or Certification bodies.... This was the opportunity to update participants on the last achievements related to L'Oréal's palm action plan, notably regarding the RSPO certification coverage, discuss the remaining challenges and launch a consultation process with external stakeholders on L'Oréal 2030 Forests Policy, which will be the next generation of commitments notably for palm, in line with RSPO vision. Through this consultation process, L'Oréal has gathered feedbacks and comments, in order to get a transversal vision of external stakeholders' expectations and to ensure its 2030 commitments are responding accurately to environmental and social stakes regarding forest protection.

4/ Through 5 field projects supporting small palm producers, L'Oréal initiates a long-term business relationship with every actor of the value chain, which is inclusive for the independent smallholders, and disruptive with regards to the rules of a traditional commodity market. As an example, the SPOTS Project we launched in Sabah (Malaysia) in 2015 contributes to integrate small producers' inclusive models for promoting traceability, RSPO certification and sustainability within global supply chains. The RSPO certification has been identified as a target for 500 small producers targeted by the project. In addition to this project, we have launched in 2018 in Indonesia in collaboration with SNV, Netherlands Development Organisation, a project located in the Berbak landscape in Jambi (Sumatra) and connected to our supply chains in order to scale-up our approach and target 12500 independent smallholders and prepare them to be RSPO certified.

1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

- **Sharing Beauty With All Progress Report:**

Every year, L'Oréal communicates transparently about the results of its sustainability programme, Sharing Beauty With All, launched in 2013. This systematically includes progresses made on achieving zero deforestation. The 2020 Sharing Beauty With All progress report is available at:

https://www.loreal-finance.com/system/files/2021-03/SBWA_PR_GROUPE_2020_ENG_0.pdf and contains in page 12 the specific section on "Achieving zero deforestation" detailing the action plan regarding palm oil, palm oil derivatives and palm kernel oil derivatives.

- **L'Oréal Zero Deforestation policy:**

The Zero Deforestation policy is also detailed on the Group website: <https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/sbwa/2014-loreal-zero-deforestation-commitment.pdf>

- **L'Oréal Palm Progress Reports:**

Willing to be even more transparent on Zero Deforestation results, L'Oréal has decided to publish in June 2016 its first Palm Oil Progress Report in order to be accountable to its stakeholders, among them consumers, on the targets, efforts, challenges and accomplishments in the sourcing of palm oil and palm oil derivatives: https://cdn.uc.assets.prezly.com/b5c23d5c-1860-4314-9b42-250df73f2131/-/inline/no/palm_oil_progress_report_2015_eng_0.pdf

The second Palm Oil Progress Report was published in July 2019: <https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/documents-media/publications/sbwa/2018-palm-progress-report.pdf>

In this Progress Report, L'Oréal exposes clearly the 3 main challenges faced and details its action plan for the coming years.

In the framework of its 2020 Zero Deforestation commitment, L'Oréal is planning to publish a Zero Deforestation Progress Report in 2021, with a dedicated section on palm.

- **Annual reporting for CDP Forest & ACOP RSPO:**

Every year, L'Oréal reports on CDP Forest and give access to its data detailing the key barriers and challenges.

- **L'Oréal responds to WWF questionnaire to be evaluated through the WWF Palm Oil Buyers Scorecard:** <https://palmoilscorecard.panda.org/check-the-scores/manufacturers/loreal>

In 2020, WWF published a Case Study on Sustainable Palm Oil regarding L'Oréal's approach and achievements (<https://palmoilscorecard.panda.org/scores/casestudy/loreal>) where the main roadblocks are listed as well as L'Oréal post-2020 Action Plan to address those challenges on the palm derivatives supply-chains.

- Since 2019, L'Oréal is a founding member of the Action for Sustainable Derivatives (ASD), a collaborative cross-industry initiative co-managed by BSR & Transitions to accelerate the sustainable sourcing of PO & PKO derivatives. As a sponsor of the initiative, L'Oréal has shared its methodologies throughout the sector, notably regarding transparency & traceability (Supply chain mapping, Sustainable Palm Index), and has encouraged its direct suppliers to engage in ASD. Key ASD achievements in 2019/2020 are detailed into ASD Annual Update on Progress which starts by synthesizing the main challenges of the palm derivatives supply chain: https://www.bsr.org/reports/ASD_Annual_Update_on_Progress_2020.pdf