

# L'OREAL SUSTAINABLE SOURCING OF SOY-BASED INGREDIENTS

JANUARY 2019

*Within the scope of its Zero Deforestation policy L'Oréal committed to sustainably source 100% of its soy-based ingredients by 2020 the latest.*

## ***Overall approach***

Since 2014, a dedicated action plan has been implemented to secure a traceable and sustainable sourcing of soy-based ingredients with our direct and indirect suppliers, relying on:

- a close monitoring of geographical provenances for every concerned ingredient (at least at country, going to sub national levels in sensitive countries),
- an in depth deforestation risk mapping,
- a strict control of suppliers compliance,
- combined when relevant, with a sustainable certification of sources.

## ***Volumes***

L'Oréal uses very low volumes of soybean oil (240 T per year), mainly used as an emollient in skincare and hair care products, but also soy derivatives (25 T per year), such as proteins, lecithin, and tocopherol, which require several steps of transformation and are mostly found in skincare, make-up and hair care products.

## ***Sustainable certification of sources***

By end of 2017, 92% of the soybean oil used by L'Oréal and originating from Brazil (state of Parana, municipality of Capanema), was fully traceable, certified organic, and in the process of being RTRS and Fair Trade certified. The objective is to source 100% of our soybean oil from this sustainable source by end 2019.

Regarding soy derivatives, a strict monitoring of soy provenance is regularly performed with direct suppliers and completed with a risk mapping process. None of them come from areas identified at risk of deforestation.

**Supply chain mapping**

– List of L’Oréal’s main<sup>1</sup> suppliers for SOYBEAN OIL and SOY DERIVATIVES in 2017

<b>COMPANY NAME</b>
BASF
BUNGE
HUILERIES DE LAPALISSE
SYMRISE
ZOR / GEBANA

– Sustainable sourcing status of soy based ingredients

<b>INGREDIENT category</b>	<b>SUPPLIERS</b>	<b>VOLUME (% total)</b>	<b>GEOGRAPHICAL PROVENANCE (Soy)</b>	<b>CERTIFIED SUSTAINABLE SOURCE</b>
Soybean OIL (= 240 tons per year)	Source A	80%	Brazil, Parana – Capanema	100% traceable and organically certified Ongoing certification process for RTRS and Fair Trade (2019)
	Source B	5%	Netherland, Canada	100 % IP certified
	Source C	4%	USA, Brazil	On-going switch to source A (2019)
Soy DERIVATIVES (= 25 tons per year)	Proteins	6%	USA	Due diligence done in 2016 – no deforestation risk
	Tocopherol	4%	USA	Due Diligence done in 2016 – no deforestation risk
	Various	<1% each	Western Europe (Austria, Germany), Northern America (Canada, USA) and Australia.	No deforestation risk identified based on internal risk mapping

<sup>1</sup> Suppliers covering 99% of total volumes for soy-based ingredients in 2017