

# L'ORÉAL

## L'Oréal named as one of the World's Most Ethical Companies by the Ethisphere Institute for the 9<sup>th</sup> time

**Clichy – February 12, 2018 - L'Oréal**, the world's leading beauty company, has been recognized by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, as one of the [2018 World's Most Ethical Companies](#).

L'Oréal has been recognized for the 9<sup>th</sup> time and is one of only 3 in the Health and Beauty industry, underscoring their commitment to leading with integrity and prioritizing ethical business practices.

*"A company's value is not measured by its sole economic performance. Because L'Oréal has always strived to be a virtuous and responsible company, we have placed ethics at the heart of our strategy and daily practices. It is this approach that is recognized today by Ethisphere, and it is a source of pride for all of us."* said **Jean-Paul Agon**, Chairman and Chief Executive Officer of L'Oréal.

*"Companies' culture of ethics and integrity has become a substantial part of their assessment. The currency of ethics is trust and our sustainable development is based on L'Oréal's core Ethical Principles: Integrity, Respect, Courage and Transparency."* said **Emmanuel Lulin**, Senior Vice-President and Chief Ethics Officer of L'Oréal.

In 2018, 135 honorees were recognized, spanning 23 countries and 57 industries. This year's class of honorees had record levels of involvement with their stakeholders and their communities around the world. Measuring and improving culture, leading authentically and committing to transparency, diversity and inclusion were all priorities for honorees.

*"While the discourse around the world changed profoundly in 2017, a stronger voice emerged. Global corporations operating with a common rule of law are now society's strongest force to improve the human condition. This year we saw companies increasingly finding their voice. The World's Most Ethical Companies in particular continued to show exemplary leadership,"* explained Ethisphere's CEO, **Timothy Erblich**. *"I congratulate everyone at L'Oréal for being recognized for the ninth time as one of the World's Most Ethical Companies. This is a great achievement."*

### **Ethics & Performance**

Once again, the 2018 World's Most Ethical Companies have proven that operating with integrity leads to greater financial performance. According to Ethisphere, research has found that, when indexed, listed World's Most Ethical Companies outperformed the U.S. Large Cap Index over five years by 10.72 percent and over three years by 4.88 percent. Ethisphere refers to this as the *Ethics Premium*.

### **Methodology & Scoring**

The World's Most Ethical Companies assessment is based upon the Ethisphere Institute's [Ethics Quotient](#)® (EQ) framework, which offers a quantitative way to assess a company's performance in an objective, consistent and standardized manner. The information collected provides a comprehensive sampling of definitive criteria of core competencies rather than all aspects of corporate governance, risk, sustainability, compliance and ethics.

Scores are generated in five key categories: ethics and compliance program (35 percent), corporate citizenship and responsibility (20 percent), culture of ethics (20 percent), governance (15 percent) and leadership, innovation and reputation (10 percent). All companies that participate in the assessment process receive their scores, providing them with valuable insights into how they stack up against leading organizations.

### **About Ethics at L'Oréal**

[www.loreal.com](http://www.loreal.com) -  Follow us on Twitter [@loreal](https://twitter.com/loreal)

A company's behavior is as important as its economic performance or the quality of its products. L'Oréal was built on strong ethical principles that guide its development and contribute to building its reputation: Integrity, Respect, Courage and Transparency. These principles are namely the foundation of the Group's policies in terms of compliance, responsible innovation, environmental stewardship, social and societal responsibility, and philanthropy. L'Oréal's ambition is to be an exemplary company worldwide and integrate ethics into the very heart of its business practices.

- In 2000, L'Oréal was one of the first companies in France to establish a Code of Ethics and to appoint, in 2007, a Chief Ethics Officer.
- In 2008, L'Oréal's Chairman and CEO, Jean-Paul Agon, received the prestigious Stanley C. Pace Leadership in Ethics Award.
- In 2014, L'Oréal launched the 3<sup>rd</sup> edition of its Code of Ethics, which is now available in 45 languages and in Braille in English and in French, as well as a new ethics e-learning in 22 languages.
- In 2015, L'Oréal's Senior Vice-President and Chief Ethics Officer, Emmanuel Lulin, received the prestigious Carol. R. Marshall Innovation in Ethics Award
- In 2017, L'Oréal received the Transparency Grand Prix for its Code of Ethics (Grand Prix de la Transparence – Charte Éthique). It is the first time that this prize was awarded.
- L'Oréal is a Global Compact LEAD company, one of the 100 companies included in the Global Compact 100 stock index, a signatory of the Women's Empowerment Principles, an initiative of UN Women and the UN Global Compact and supports the United Nations Sustainable Development Goals
- L'Oréal organizes an annual Ethics Day where employees from around the world can chat online with L'Oréal's Chairman and CEO and their country General Manager about ethics.

For more information on ethics at L'Oréal: <http://www.loreal.com/group/governance/acting-ethically.aspx>

#### **About L'Oréal**

L'Oréal has devoted itself to beauty for over 100 years. With its unique international portfolio of 34 diverse and complementary brands, the Group generated sales amounting to 26.06 billion euros in 2017 and employs 82 600 people worldwide. As the world's leading beauty company, L'Oréal is present across all distribution networks: mass market, department stores, pharmacies and drugstores, hair salons, travel retail, branded retail and e-commerce.

Research and innovation, and a dedicated research team of 3 885 people, are at the core of L'Oréal's strategy, working to meet beauty aspirations all over the world. L'Oréal's sustainability commitment for 2020 "Sharing Beauty With All" sets out ambitious sustainable development objectives across the Group's value chain. [www.loreal.com](http://www.loreal.com)

#### **About the Ethisphere Institute**

The Ethisphere® Institute is the global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust and business success. Ethisphere has deep expertise in measuring and defining core ethics standards using data-driven insights that help companies enhance corporate character and measure and improve culture. Ethisphere honors superior achievement through its World's Most Ethical Companies recognition program and provides a community of industry experts with the Business Ethics Leadership Alliance (BELA). More information about Ethisphere can be found at: <https://ethisphere.com>.

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