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Our vision of Responsible Beauty

"At Clarins, we believe in beauty that respects the planet and mankind, and have thought so for nearly 60 years. Nature is our source of inspiration, Respect is our ethical code. This is conveyed in the special relationship we forge day after day with our clients. Responsible development is a voluntary yet concrete approach that all Group employees put into practice on a daily basis. In addition to a passion for beauty, what brings the men and women of the Clarins Group together is the motivation to get involved above and beyond the call of duty. It is the belief that, together, we can improve life for people now and for future generations. It is a commitment to responsible beauty.”
Christian Courtin-Clarins, Chairman of the Supervisory Board

"I am convinced that beauty, self-confidence, and well-being have a direct influence on the body and our health. I also believe in the beneficial effects of happiness and pleasure on the skin as well as the sensorial benefits of cosmetic products through their fragrances and textures. This is important for healthy women and for women who are not. Helping women feel more beautiful is not futile, it is extremely important when they are affected deep within themselves. Just as the French organizations ‘Etincelle’ and ‘Belle et Bien’ help women support the physiological and psychological effects of cancer, the Arthritis Foundation gives hope to those affected by rheumatoid arthritis. The Foundation is unique in France in this field and has already contributed to two major advances: establishing early diagnosis and a new therapeutic practice that changes the life of those with the disease.”
Dr. Olivier Courtin-Clarins, Managing Director, Chairman of the Arthritis Foundation

"From the beginning, the managers of the Clarins Group have been fully involved in the commitment to responsible beauty. These commitments reflect the company’s collective awareness and concern. Everyone – both internally and externally – is involved in our Group’s international success. Corporate Social Responsibility is something we address every day. It acts like a compass to point us in the right direction and helps us identify the changes we may need to make in our development strategy: how to apply our talent to reach sustainable economic goals, social equity and the preservation of nature. Let’s rise to the boldest challenges together. Let’s dare to innovate!"
Philip Shearer, Chairman of the Board of Directors
Presentation of the Group

General Organization

The Clarins Group is a French family enterprise that began in 1954. Its business is Beauty: Face and Body Treatments and Products, Make-Up and Fragrances. It employs close to 8000 people directly worldwide with about 1600 employees in France.

Clarins is the European leader in luxury skin care and the Group continues to grow worldwide, especially in emerging markets. The network includes 24 subsidiaries and approximately 130 agents in as many countries. Clarins Group brands can be found in 19,000 points of sale, particularly in department stores and perfumeries but also in a certain number of beauty institutes and spas.

Corporate governance is organized across 2 entities: the Board of Directors présidé by Mr. Philip Shearer with Dr. Olivier Courtin-Clarins as Managing Director, and the Supervisory Board présidé by Mr. Christian Courtin-Clarins along with Claire and Jenna Courtin-Clarins and Mr. Michel Cohen (moderator). As a way to prepare for the Group’s international development, Virginie Courtin became Head of Marketing and Communication of the Mugler Fashion department in 2013 and Prisca Courtin is Head of Strategic Projects for Spa Activities, My Blend and Retail.

The head departments recently moved into a new building in Paris and the R&D department is located in Pontoise, about 30 km north of Paris. Paris is also where brands such as Clarins, Thierry Mugler Perfumes, Azzaro and My Blend elaborate their product development strategy and communication.

The way these strategies are carried out in local markets is organized into 3 regions under the responsibility of a president:

- The Asia-Pacific Region is based in Singapore and includes 8 subsidiaries (including the new Australia/New Zealand subsidiary created on December 12, 2014) and all of the agents of the region.
- The EMEA Region (Europe, Middle East, Africa) covers all of the 13 European subsidiaries as well as agents from the Swiss regional office and a regional office in Dubai.
- The American Region groups together the USA, Canada and Mexico as well as agents in Latin and Central America from the regional office in Miami.

Industrial Organization

Distributed worldwide, all products and fragrances are made in France at 2 production sites; skin care products are manufactured in Pontoise and fragrances in Strasbourg. Products are shipped worldwide from the Logistics Center in Amiens. France and surrounding countries receive direct shipments. Three logistics sites help with international shipping: Dubai is the platform for Africa and the Middle East, Singapore for Asian countries and Geneva for Travel Retail clients and agents in Northern Europe. Except for a few repackaging operations, subsidiary warehouses are exclusively dedicated to storing and shipping products to local retailers. Administrative and Sales support is based in Paris in the 17th arrondissement.
Clarins Laboratories in Pontoise

Under the ‘Clarins Laboratories’ entity, the industrial site in Pontoise (which opened in 1983) consists of 61,000 m² and occupies a surface of 38,000 m². It is home to three main activities: Research and Development (R&D), the storage of raw materials and packaging components and the manufacturing and packaging of all beauty products and scented derivatives. Quality Control and the Health, Safety and Environment (HSE) departments are also based in Pontoise.

At the Pontoise site in 2014: 3175 tons of raw materials were used and 229.6 million units were produced.

The Cosmeurop site in Strasbourg

The Cosmeurop site in Strasbourg has underground maceration tanks with a capacity of 734,000 liters. All alcohol-based products for the Group are manufactured here and packaging items and raw materials needed for this production are stored here. The facility follows strict guidelines for environmental protection and is particularly vigilant in this area.

At the Strasbourg site in 2014: 999 tons of raw materials were used and 63.9 million units were produced.

Clarins Logistics platform in Amiens

Since its construction in January 2001, the Amiens site, which also follows strict guidelines for environmental protection, ensures the distribution of all of the Group’s brands. It occupies an area of 12,000 m². The ultra-efficient storage tower can automatically process 27,500 pallets. The order-preparation zone manages shipments to France, Spain, Germany, Belgium and, since 2013, Austria, in just-in-time mode.

At the international level, this organization is completed with regional logistics centers in Singapore for Asia, Dubai for Africa and the Middle East and in Geneva for Travel Retail and Northern Europe.

At the Amiens site in 2014: 22,679 tons of goods were shipped.
• A department dedicated to Responsible Development

Created in 2007, the Responsible Development Department is part of the Group’s Presidency based in Paris. The employees in the Paris office work with correspondents in each subsidiary and brand. In France, the Health, Safety and Environment department is present at each of the 3 industrial sites, as well as the Human Resources department who plays an important mobilization and training role and helps develop responsible objectives in employee evaluations.

The department’s primary mission is to mobilize employees so that the Group’s development takes place in a coherent manner within its vision of being a responsible corporation. This is done using the principles that have been the foundation of the company’s success and have always guided its approach in the context of being acutely aware of environmental and social factors worldwide.

We owe our success to nature: we take from her our most active ingredients. By learning more about plants, we have learned about the need to protect them and their environment. We’ve understood this importance for more than 30 years along with the importance of biodiversity and healthy ecosystems for our ingredients. We also know this is important for the raw materials used in our packaging and above all, we know how important a healthy environment is for everyone’s quality of life. Pure air and clean water are common goods for all of humanity. Our company has a role to play to help ensure their preservation for future generations.

We are thankful to our customers and the trust they have given us. Clarins has developed products by listening to women, directly in the Institute at first then via the Client Card whose spirit is still found in the new modes of client communication (Le Club for example). Clarins has always sought to show customer respect by having a sincere dialogue and by offering serious, effective products that do what they say. We strive to offer advice that goes beyond product use and product communication by maintaining relationships with our clients. We feel the same way when it comes to our business partners, suppliers and of course with all of our employees, the company’s number one asset. All of these stakeholders are identified and listened to, either directly or through representative organizations to meet their sustainable needs.

It is this respect for Man and Nature and the will to say ‘thank you’ that made the company commit, beyond simple product development, to medical research, protecting biodiversity and other programs that focus on well-being for society in general, with a specific focus on education for women and children.

This is what Clarins founder Mr. Jacques Courtin-Clarins meant when he talked about ‘Beauty taken seriously’. Today, the Group talks about ‘Responsible Beauty’ but it is Respect for Man and Nature that guides this approach, with the same concern for producing without harming, neither Man nor the environment, with the goal of making life more beautiful, for everyone, over the long term. This is even truer today in the urgent context of sustainable development. Clarins is a socially-responsible company and we want to do our part to protect the health and beauty of the world.
Strong commitments for responsible beauty.
The Group’s Responsible Commitments

These Responsible Commitments define the Group’s approach to sustainability. They nourish the spirit in which all employees are called to look for ingenious solutions that will ensure the company’s longevity by balancing economic performance, social fairness and protecting the environment.

1. Create formulas that are safer than ever.

Product efficacy and safe use, strict production procedures and traceability measures that adhere to industry regulations are a priority for the Clarins Group.

2. Develop environmentally-friendly formulas.

When ingredients offer the same efficacy and sensorial aspects, a strict ingredient policy favors plant-based raw materials, organic ingredients, locally-grown plants and, if they come from afar, plants from fair trade practices.

3. Help protect biodiversity.

Working closely with organizations such as Pro-Natura International in Brazil, Alp Action and Asters in Europe, the Clarins Group has also supported the St. Ay Herboretum and the Bastide du Parfumeur in Grasse. The Clarins brand created the ClarinsMen Environment Award to recognize outstanding work in this field. The first recipient, Jean-Pierre Nicolas, helps re-create traditional medicinal plant gardens worldwide. His exceptional work as an ethnobotanist and his enthusiasm to grow these plants to help lives was rewarded. On-going support is also given to programs working to improve the lives of populations in need. Examples of such programs include health and nutrition workshops, sustainable projects that focus on access to clean water (in Madagascar and Burkina Faso) and a reforestation/replanting program with Pur Projet in China and the Amazon.

4. Develop products and promotional materials that have the lowest possible environmental impact.

For all products, packaging and promotional materials, the Group aims to reduce weight and volume, use recycled and recyclable material, explain how packaging might be used again, look for new, eco-friendly printing techniques, different communication methods and ways to highlight product displays. Customer involvement in supporting social efforts, such as the FEED program, is also important. Eco-development is taken into consideration from the very beginning (marketing, purchasing, merchandizing) and in the creation studio as well.

5. Encourage innovation.

As a precursor not only in the realm of skin care but also fragrance, the Group encourages innovation and illustrates this through its partnership with Bertrand Piccard’s Solar Impulse project: have a plane flying day and night, exclusively propelled by solar energy. Bertrand Piccard was the second laureate of the ClarinsMen Environment Award in 2010.
6. Reduce greenhouse gas (GHG) emissions and optimize the use of natural resources.

Since the first Carbon Assessment carried out in 2007 at all facilities in France, goals to reduce greenhouse gas emissions were set. Those areas that had the highest impact are being monitored: packaging materials, product transportation, business travel and energy use. Measures have been taken to favor renewable energy sources, energy-efficient lighting and heating systems, minimizing air shipments, reducing the use of water and improving the quality of recycled water, etc.

7. Limit unnecessary production and improve the supply chain.

Adjusting stock levels and sales forecasts, reducing returns and destructions, finding ways to save money, reinventing logistics procedures: all of these economic and environmental measures are at the heart of the Group’s concerns.

8. Raise awareness around Responsible Development.

A training program that focuses on sustainable development is in place and specific communication can be found on our intranet site for employees. A film about Clarins’ values was produced for journalists and an ethics charter was drawn up for suppliers. Presentations are made on a regular basis by the Responsible Development department to raise awareness among all of the Group’s partners in France and in subsidiaries who each have their own Responsible Development Coordinator.

9. Support members of staff and encourage their development within the Group.

HR management is a priority for the Clarins Group. Introductory seminars allow new employees a chance to discover the Group’s values. An ambitious training program has been organized within a corporate ‘university’ and encourages the development of skills and competency. Mobility between the brands and even countries is encouraged. On-going internal communication enhances the ability to listen to others and to recognize work well done. All of which contributes to a spirit of teamwork and motivation.

10. Establish the Group as an exemplary socially-minded enterprise.

The Clarins Group supports medical research with the Arthritis Foundation and through diverse organizations such as ‘Etincelle’ and ‘Belle et Bien’ (Look good, feel good). These organizations support women on an esthetic level while undergoing cancer treatment. For the past 17 years in France and now in 14 other countries, the Clarins Dynamic Woman Award recognizes women who devote their time and energy to improving the lives of underprivileged children. More than 75 Dynamic Women have already been recognized. A huge chain of solidarity has been created by Clarins, a true socially-minded company.
Social Responsibility: key dates

1964. The 100% pure plant oils were launched.
1965. First profit-sharing plan offered to employees.
1984. Entry on the Stock Market; shares given to staff.
1992. Launch of Thierry Mugler’s “Angel” refillable perfume and the start of a partnership with Pro-Natura International in Brazil to protect the environment.
1993. Beginning of the partnership with Alp Action for the preservation of biodiversity in the Alpine region.
2004. The first ClarinsMen Environment Award given to the ethnobotanist Jean-Pierre Nicolas and his organization called ‘Jardins du monde’ (Gardens of the World).
2006. Creation of the Courtin Arthritis Foundation that takes on after ARP.
2007. Creation of the Responsible Development department at the Clarins Group. Start of a project in Madagascar to plant 10,000 katufay trees.
2008. The first Carbon Assessment carried out; communication of the Group’s responsible commitments. Group left the stock market; long-term strategy established. Construction of a school and clean water access program in Madagascar.
2009. Planting of 12,000 trees in Burkina Faso and training programs to protect them.
2010. Partnership with Techenuctua and Deyrolle to carry out awareness campaigns around biodiversity. The ClarinsMen Environment Award given to Bertrand Piccard for his ‘Solar Impulse’ airplane. Product eco-calculator was introduced.
2011. Clarins participated in a medicinal plant census of an area of 104,000 hectares in the northern Mongolian forest. The Mugler Forest started in Peru. Birth of a bearded vulture in the Alps who was named ‘Clarins’.
2013. Thierry Mugler Perfumes launched a new 4-part ‘source’ fragrance refill station. Carbon Assessment carried out in Asia and a reduction plan set up. Camille Lacourt, named spokesperson for the Lake Sentinels program near Annecy, a project carried out with Asters. Roland Jourdain received the ClarinsMen Environment Award for his Explore Foundation which supports innovation through plants. A Generational Contract was put into place in France and the Employee Well-Being Plan was launched.
2014. The new eco-designed building (BREAM, HQE) completed in Paris. Biodiversity programs continued in Europe, China, Peru. Signing of a biodiversity protection agreement (MOU) in Yunnan with Chinese authorities. 60 years of values and expertise with 2 publications: ‘60 Years, 60 Plant Stories’ and ‘Doctor, I want to be the prettiest!’ Carbon Assessment at the US subsidiary. The FEED program raised funds for 6.6 million meals by end 2014 (source: Feed).
CSR information for 2014

Let’s take a closer look at the new initiatives carried out by our brands, regions, subsidiaries, production sites and employees in France and around the world. Throughout 2014, discover how the Group pursued its commitments and communicated them to stakeholders for even more responsible beauty, day after day.

1. Create formulas that are safer than ever.

Product efficacy and safe use, strict production procedures and traceability measures that adhere to industry regulations are a priority for the Clarins Group. The notion of safety concerns customers, employees and all those who are exposed to products throughout their life cycle: suppliers, beauty therapists and beauty advisors.

The Group is proud that all skin care, fragrances and their derivative products are ‘Made in France’. This geographical grouping helps ensure optimal traceability, strict quality control and manufacturing conditions.

A team of R&D experts with complementary areas of expertise (chemists, biologists, toxicologists, pharmacists) all have a common mission: guarantee the safety and compliance of all raw materials used as well as finished products following the (European) Regulation 1223/2009 along with REACH and CLP legislation (Classification, Labelling & Packaging of chemical substances).

A series of both in-vitro and in-vivo tests systematically validate the stability, efficiency and tolerance of each formula. In 2007, Clarins Laboratories’ Cellular Biology unit was the first in the industry to receive a Good Laboratory Practices certification from the French National Medication Safety Agency (ANSM). Complementary methods ensure thorough product quality control during both the manufacturing and packaging processes.

At the site in Pontoise, a Cosmetic Vigilance department was set up within the Laboratory itself. It is structured following a Group protocol at the European level in place since 2013 in order to follow any potential reaction that occurs after using a product. This protocol started to be implemented around the world in 2014 and will continue over the course of 2015.

A Quality Control team of 50 people make sure that the Good Laboratory Practices protocol is followed and aims to ensure optimal quality throughout the entire manufacturing process. Anticipating risks and developing protocols to avoid those risks are part of its mission.

Both production sites and the logistics center are committed to making continuous progress in terms of reducing their environmental impact driven by the Environmental Safety manager at each site in collaboration with the HSE department. Employee safety is continually being improved as well. Managers at industrial sites underwent training with Dupont de Nemours, a recognized expert in the field of corporate safety. For more details, please refer to ‘Protecting Employee Health’ in chapter 9 dedicated to initiatives orchestrated by the HR department.
2. Develop environmentally-friendly formulas

• Ingredient policy

At Clarins, observing nature has led to finding the most effective ingredients so that the skin can better protect itself. The Group uses more than 250 natural raw materials of vegetal origin. Owing much to nature, the Group has always worked to protect these resources. The plants used are chosen with care working in collaboration with ethnobotanist Jean-Pierre Nicolas. When ingredients offer the same efficacy and sensorial aspects, a strict ingredient policy favors plant-based raw materials, organic ingredients, locally-grown plants and if they come from afar, plants from fair trade practices.

Clarins respects all international legislation that aims to protect the environment. Clarins does not use plants that might be endangered. The Clarins Group respects the Rio Convention and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Known for their high standards, Clarins Laboratories accepts to pay the right price for a sustainable ingredient supply. Because plant traceability is important, Clarins R&D studies each ingredient of vegetal origin from all sustainable aspects of the plant: origin, type of crop, harvest method and any free trade agreements.

Today, several ingredients are being scrutinized for their impact on the environment or health. Continuous monitoring by our employees with the help of outside experts make it possible to evaluate risks and, when needed, seek alternative solutions. For example, since December 31, 2014, the Clarins Group decided to no longer use plastic microbeads in any rinse-off product.

The potential impact of plastic microbeads led Clarins Research to reconsider using them in current and future products and to look for an immediate alternative that is just as effective, perfectly tolerated and more respectful of the environment.

In 2014, Clarins created a rigorous supply chain that respects man and the environment in Madagascar: organic harungana extract, the key ingredient of Clarins Super Restorative range, is now the object of exemplary ‘from field to jar’ traceability and follows the principles of fair trade with the local community (Joffreville) located in the northern part of the island.
Fair Trade

Whenever possible, the Group develops partnerships that combine helping local populations, boosting economic development and improving harvests with the purchase of plant-based ingredients at the right price and reasonable harvesting that does not harm the ecosystem. Projects are carried out which aim to develop collective infrastructures and the transfer of knowledge. These fair trade partnerships help assure local populations ‘an existence that is worthy of human dignity’ (article 23 from the Universal Declaration of Human Rights).

For example, in Madagascar, a fair trade program has been in place since 2008 for the purchase of several ingredients that help support the people who live in the high plateaus. Since the program began, funds collected from the purchase of katafray (HydraQuench), ambiaty (Multi-Active) and antsemby (Ultra Comfort Foundation) made it possible to create: a water supply network, 9 furnished classrooms, 1 functional, fully equipped health center and an outpatient clinic. More projects will be continued throughout 2015.

In 2014, two new classrooms were built for the school in Bembary (340 students). With these additional classrooms, all of the students will benefit from a full-time, set schedule because there is no longer a need to share space using a modified schedule. The students will also not have to travel long distances at night. These new classrooms significantly improve the educational conditions of these students and have a direct impact on their motivation and success. The school is aiming for a 60% success rate which is considerably higher than other rural parts of Madagascar.
Clarins works diligently with peers and suppliers to ensure the proper sourcing of ingredients.

- **Natural Resources Stewardship Circle (NRSC)**

Our company is a member of the Natural Resources Stewardship Circle, a group that brings together leaders from the cosmetics and fragrance industry, those who use natural raw materials. Despite being competitors, they have decided to look beyond their competitiveness and work together to reduce their impact on biodiversity and improve the living conditions of local populations.

The founders, who met in October 2008 in Grasse, approved a declaration based on the UN’s Biodiversity Convention, the Declaration on the Rights of Indigenous Peoples, the Global Compact and the International Labour Organization. The common goal is to make the fragile natural raw materials channels sustainable because they are important to the industry. This can be done by studying all aspects of the network, from the quality of the product to the everyday conditions of the people who harvest the crops.

Guidelines were written and signed by all members of the NRSC in October 2010 in Paris. They were presented during the International Biological Diversity Convention in Nagoya, Japan. This initiative was applauded by the United Nations, our industry being the first to have presented such work.

Members of the NRSC are convinced that we are entering a new era, where the value of a company isn’t just measured by economic terms but also in terms of its social and environmental impact. Taking this impact into consideration opens the doors to new possibilities in regards to a new model of balanced interests in our chain of values.

Respect, Transparency and Responsibility are the founding commitments of the members of this Circle, co-chaired by Christian Courtin-Clarins.
3. Help protect biodiversity

Biodiversity can be defined as the variety and variability of all living organisms. It is the source of our most essential requirements: feeding ourselves, looking after ourselves, breathing clean air, drinking clean water, fertilizing soil, pollinating plants, etc… biodiversity truly is life itself. It has an immeasurable value and Clarins knows this well and knows how to draw inspiration from it. Not only do we draw our main ingredients from it, but also our packaging. We are well aware how much we depend on biodiversity.

As a pioneer, Clarins has always looked to offer the best from plants while respecting nature and biodiversity. This concern is taken into account when creating products, from ingredient selection to the choice of packaging and throughout the entire development process.

Since the 1980’s, the Group has continuously worked to protect biodiversity and raise public awareness through a variety of activities. For example, the creation of the ClarinsMen Environment Award in 2004 and support for organizations involved in protecting biodiversity through long-term partnerships. And since solutions are locally managed, the Group supports programs in all the regions where we are present: in Africa, Asia, South America and Europe.

- **ClarinsMen Environment Award**

  Created in 2004, the ClarinsMen Environment Award recognizes and encourages men who advocate for sustainable development in the full sense of the term, for the common good of all mankind.

  The first recipient was Jean-Pierre Nicolas, a Ph.D. in anthropology and an ethnobotanist, founder and president of ‘Jardins du monde’, an organization whose goal is to improve people’s health through the use of traditional medicinal plants in parts of the world where access to conventional medical care- which is too expensive- is not available. Jardins du Monde intervenes at the request of villages or local institutions. Clarins has continually supported this organization since 2004 and has supported several projects, primarily in Madagascar and Burkina Faso where the organization is very active.

  The second recipient was Bertrand Piccard in 2010 for his Solar Impulse project, a plane that flies using only solar energy. This support symbolizes Clarins faith in man to innovate and find ingenious solutions that will ensure good conditions for our life on earth.

  In 2013, the ClarinsMen Award was given to Roland Jourdain in partnership with Express Styles. An experienced sailor, he was recognized for his innovative approach that combines the love of nature with technological innovation. Roland Jourdain is working to find safe, plant-based materials of tomorrow that can replace petroleum-based plastics that harm ecosystems. "There is a feeling in the Clarins Group to constantly move toward something new and better, that has less of an impact on the environment, something that is sustainable for everyone. Clarins is a fabulous example of a responsible company." Roland Jourdain.
Long-term partnerships around the world

Alp Action

Between 1993 and 2004, Clarins helped protect the rich, natural and historical environment in the Alpine region with Alp Action, an organization founded by Prince Sadruddin Aga Khan. For Clarins, this was one of the first steps toward environmental awareness shortly following the launch of its Anti-Pollution make-up line (1991). Together, they developed 5 programs to protect the ecological chain at the heart of Europe which includes butterflies in Antagnes in Switzerland (1993), an orchid species in Judenburg, Bavaria (1996), the restoration of wetlands in the Marais de la Cluse near Annecy (1999), the preservation of very rare plants in the Italian Alps (2001), and the reintroduction of the bearded vulture in the Bargy Mountains in Haute-Savoie, France (2002).

Lake Annecy, Northern Alps, France.

Asters

The work which began with Alp Action continues with the Asters preservation organization in the Haute Savoie region of France. Clarins has been a proud and ongoing supporter of three projects in the Annecy region: the preservation of the flora and protected animal species around Lake Annecy, the reintroduction of the bearded vulture and educational activities in local schools and for the general public. The educational activities allow school children to be involved in on-site experiences in the area, similar to how a company can be an important stakeholder in the community it is a part of.

"Thanks to Clarins’ support over the past 10 years, we have been able to continue our work to help bring the bearded vulture back to this region," said Christian Schwoehrer, the organization’s director.

2014, Clarins’ 10-year anniversary of its partnership with Asters. This partnership has made it possible to successfully maintain the only breeding center in France. The bearded vulture (Gypaetus barbatus), one of the largest birds in Europe, disappeared from the Alps at the beginning of the 20th century. At the end of 2014, 198 young birds have been reintroduced to the area.
Jardins du monde in Burkina Faso

With Clarins’ support, Jardins du monde, whose mission is to improve the health of local populations through the use of medicinal plants, has been carrying out an ambitious program in Burkina Faso since 2004. The program also aims to fight malnutrition, protect local biodiversity and further development. Local authorities recognize the continual, effective results. New projects are planned every year.

2004-2014: 10 years of uninterrupted support from Clarins has led to the completion of several health programs as well as projects that focus on plant production. Mothers participated in training programs on how to prevent common diseases and how to use plants to treat them. Several ‘community health centers’ were put in place and 750 children’s nutritional needs are being monitored each year in the villages of Poun and Mogueya. Radio spots that talk about health issues are being broadcast in local dialects (mooré and lyélé) as well as in French on Radio Palabre Kougoudou. 50 agents from the Ministry of the Environment were trained on how to use local medicinal plants and 1800 leaflets (‘Taking care of your health using medicinal plants’) were distributed.

In order to carry out training programs and ensure plant production, 6 community gardens (Poun garden left) are now up and running and found in 4 villages (Poun, Mogueya, Poa, Boutoko), 5 drying stations and packaging areas for the medicinal plants are now in operation and 32 hectares of protected land has been earmarked for medicinal plant production.

Specific Clarins projects have also made it possible to plant 13,000 trees (néré, tamarinier, shea and moringa) which were carefully chosen with the help of local populations based on how the trees are used in local diets, medicine, crafts and cosmetology in order to meet the communities’ short and long-term needs.
The water access program started by Clarins in 2012 continued in 2014. It has been successful thanks to the dedication of the local Jardins du Monde team. A meticulous anthropologic field study was first carried out to define the program best adapted to the needs and means of the population.

The work done in 2014 made it possible to expand the water access project which now includes mini dams (called ‘radier’ in Poun and ‘bouli’ in the mooré language in Mogueya): 12 large diameter wells and 8 wells were drilled or restored near the village (see above photo). 21 garden wells were dug, 58 artisan wells were restored in production areas, 12 latrines were installed and 23,000 meters of stone lines were put in place by villagers.

Mini dams make a second harvest possible which improves both the food supply and revenue for the villagers. The photo on the left shows the harvesting of millet and sorghum optimized by the stone lines placed in the fields in Mogueya.

These complementary projects help achieve the Millennium Development Goals which aim to reduce the number of people living in extreme poverty by half between 1990 and 2015.

**Jardins du Monde in Madagascar**
On-going support from the Clarins Group to Jardins du Monde in Madagascar makes it possible to organize training activities regarding the use of medicinal plants, the creation of learning gardens and the distribution of pamphlets (“Family health and medicinal plants in northern Madagascar”), available in French and in Malagasy, given primarily to health workers. In 2014, priority was given to training, especially among health workers and university students but also continued among the younger population. Comic-book like communication was distributed to high schools and libraries and health-themed plays were also performed as a way to raise awareness.

2014. A new brochure entitled ‘A few plants used in southwest Madagascar’ is just one of the ways Jardins du Monde is working to preserve and transmit traditional know-how to the younger generations and raise awareness around the value of the environment, the biological treasure of medicinal plants.

In Madagascar, water-borne illnesses are the second cause of death following malaria. Clarins completed its water access program in 2014 which began in 2012 in the region where katafray is harvested. Katafray is the key ingredient of the HydraQuench range. Training programs that focused on water use were carried out to ensure the long-term aspect of these new installations. Approximately 10,000 people benefit from these projects in the Tulear region located in the southwestern part of the island where the katafray Clarins uses is grown.
In South America

Pur Projet in Peru

After the launch of the eco-designed fragrance Womanity, Thierry Mugler Perfumes continues to demonstrate its responsible fragrance approach by supporting a biodiversity program in Peru since 2011.

It is a 3-part program that aims to protect biodiversity in partnership with Pur Projet by:

1) planting a botanical garden in Santa Rosa to highlight medicinal plants, flowers and local aromatics as well as protecting traditional know-how,

2) planting native trees to complement cocoa following the principles of agroforestry,

3) working to preserve 10,000 hectares of forest.

In 2014, 7544 new trees were planted in the ‘Mugler Forest’. This was made possible following an awareness campaign carried out by Thierry Mugler Perfumes: for every Angel Eau de Toilette refill that was purchased in France during the 2013 holiday season, a tree was planted in the Amazon forest.

Pur Projet in Brazil

Clarins’ support of projects in Brazil came about when marketing teams eco-designed the eye make-up palette for Christmas called “The Essentials” in 2013. The project was later extended to include a biodiversity project in line with the company’s vision: plant trees whose ingredients are used medicinally and in skin care products to help a community revive its traditional culture.

In 2014, the project that originally focused on the Kuntanawa indians was extended to include the Ashaninkas, a native community in the Acre state in Brazil (southwest of the Amazon). This indigenous population is creating new forest areas where pastures once were (themselves replacing the original forest). The Indians rely on the forest’s ecosystem to maintain their traditional lifestyle (sustained food items, wood to craft their homes and medicinal plants. 3350 new trees (fruit trees mainly) were chosen by members of the community and were planted in 2014.
In Asia

15,500 fruit trees were planted in Hebei.

In Yunnan, the focus is on transmitting traditional knowledge about medicinal plants.

Pur Projet in China

China, known for its ancestral pharmacopeia, is where the cangzhu plant comes from (used in Double Serum). The Group decided to invest in this growing market both commercially and to help the people who live there. This is how the two social and environmental regeneration programs came about in partnership with Pur Projet and with the strong participation of the villagers themselves who have been sorely impacted by the deterioration of their environment. This deterioration is the result of accelerated economic growth, the intense phenomenon of desertification along with air, water and soil pollution.

A pilot decontamination program, a fight against desertification and replanting according to the principles of agro-ecology, started in 2012 and continued throughout 2014 in Qinlong, a village located in the province of Hebei. The villagers were taught how to take care of and trim back fruit trees.

In 2014, 6500 new trees were planted by the 110 beneficiaries of the project for which Clarins is the primary contributor. Overall, the program has made it possible to plant more than 15,000 trees that will help restore the damaged ecosystem, decontaminate the area and improve the living conditions of the local community.

In other rural communities (Liming, Meile, Liguang) located in Yunnan province, a program to plant traditional medical plants is taking place. The main goal is to transmit knowledge and to teach agro-forestry techniques. Women are particularly involved in this project.

This part of Yunnan province is one of the richest in China in terms of vegetal biodiversity.

In 2014, Clarins Asia supported this biodiversity project and planted 25,000 new trees (primarily fruit trees: peach, plum, walnut and cinnamon), prickly ash and 65,000 medicinal plants. Participating farmers learned planting techniques and how to harvest and sell the medicinal plants as well as sustainable farming practices.
The China subsidiary proudly supports projects that help sustain biodiversity.

In November 2014, Clarins signed a partnership agreement with Chinese authorities, the Zigen association and the Botanical Institute in Kunming to protect biodiversity in Yunnan province. The agreement (which was signed in the presence of Dr. Olivier Courtin-Clarins) made official and reinforced the Group’s commitment in this region which houses a rich biodiversity.

Reforestation in Thailand

The Dhamma Rakhsa reforestation project (‘nature is a remedy’) is locally orchestrated by Pur Projet in rural areas where the forest had been cleared (in the northern and eastern parts of Thailand). It aims to preserve and regenerate forests and biodiversity. Led by the Asian Region, Clarins is committed to helping women in local communities replant native tree species along with rice, coffee and banana trees. Three cooperatives are carrying out this work which will benefit approximately 2500 people.

Clarins Asia planted 60,000 trees in 2014 to commemorate Clarins’ 60th anniversary. The 35 different native tree species (including fruit trees) will help preserve local biodiversity and resources such as water while allowing farmers to learn about organic farming methods and improve their living conditions.
4. Develop products and POP material that have a minimal environmental impact

Multiple impacts

Every product development impacts the environment: we harvest resources; we emit waste into the water, air and soil. Some of these impacts are visible and managed directly at the production site: water and energy use, waste management and production (see chapter 6). Other impacts are less visible but just as real. The first Life Cycle Analyses (LCA) and Carbon Assessment carried out in 2007-2008 showed that packaging and promotional materials had a major impact on the environment but that also meant that we could make changes to in order to reduce this impact.

Product carbon assessment is followed closely. It is a good indicator of not only our environmental ‘footprint’ even though the teams involved in product creation and development know that it isn’t the only indicator to be considered.

Designed with the environment in mind

To reduce a product’s carbon footprint without necessarily transferring this impact to other activities, the brands put in place voluntary actions, called ‘eco-conception’ or ‘eco-design’. This includes anticipating all of the environmental impacts linked to product development with the goal of being able to reduce them. Different methods can be put in place: CO₂ emissions, water consumption and also the percentage of recycled material, the ability for packaging elements to be recycled, the number of décors which can be reused, choosing to use abundant material and new materials that have less of an impact on the environment. The percentage of recyclable packaging material (glass and paper stock) is as follows: 63% for Clarins products, 74% for Thierry Mugler Perfumes and 82% for Azzaro.

Employees from marketing, purchasing, development, merchandizing and the creation studio at the head office participated in specific training programs beginning in 2008. An ‘eco-calculator’, a sort of simulation tool regarding products’ carbon and water footprints is available to developers to help guide them in their choices.

Certain measures have already been adopted and we’ve already witnessed concrete results: the coating on outer cartons and showcards has been eliminated, merchandizers are delivered folded flat for less volume, FSC paper (Forest Stewardship Council) or PEFC (Program for the Endorsement of Forest Certification Scheme) is used for the majority of our publications, folded outer cartons, etc.

The golden rule

Never develop a product without also adding an element that aims to improve the environment or social conditions of a local population.

‘Anticipate and plan’- beginning with the very first product briefing.
All of our brands are committed to making continuous progress.

The Clarins brand develops products that meet clients’ needs and expectations while respecting the environment. The iconic glass jar was the object of an environmental study that highlighted the advantages of using glass versus other kinds of material. This led the way to several improvements: glass that was about 12% lighter in weight (24g per jar) compared to the former version. Recycled glass has also started to be used.

In 2014, the use of post-consumer recycled glass (PCR) continued to grow. All of the bottles for the Face and Body Oils along with all of the bottles for Foundations are made using recycled glass. 85% of glass jars contain 25% recycled glass. In 2014, 24% of total glass purchases by the Group (in units purchased) contained PCR.

Recycled material also pertains to plastic. In 2014, Clarins launched Sun Care Oil Spray whose bottle contained 30% PETR (certified recycled PET after use). This will pertain to all sun care spray products in 2015.

Packaging updates might not be noticed by clients since they do not affect product use or enjoyment. Efforts to reduce the use of resources continue: superfluous packaging is no longer used to wedge small products, outer cartons are lighter, product information is printed on both sides of the outer carton, decoration is minimal, ballasts are no longer used in the new Make-up compacts, new recycling programs have been set up in Clarins boutiques in France, product merchandizers are now delivered folded flat to reduce transportation volume, cardboard is selected instead of plastic for time-specific counter displays, etc.

In 2014, Clarins launched its new Extra-Comfort Anti-Pollution Cleansing Cream with a conscious decision to minimize packaging: only one presentation instead of two, the lightest packaging possible (a tube and not a jar), the outer carton is printed on both sides so that a product insert is not needed. Recycling tips are offered to the client. Over a one-year sales period, it is estimated that 13% less resources will be used and GHG emissions will drop by 42%.
The Clarins Fragrance Group has always looked to achieve a balance between environmental concerns and sales. The “Source” is a key sustainable development concept that Thierry Mugler Perfumes have been using since the launch of the perfume Angel in 1992.

The main idea behind the Source is really quite simple. Since a fragrance’s packaging (bottle) represents the element with the highest environmental impact, and because clients come into a store to purchase a fragrance, why sell the bottle each and every time? They only need one bottle which can be refilled as often as needed.

This refill process, called ‘ressourçage’ in French, has become a ritual that customers the world over have adopted.

Throughout its history, the brand has continued to expand its environmental plan. Life cycle analyses were carried out on the best-selling fragrances Angel and Alien in order to identify where improvements could be made. The results of these analyses served as a base upon which a Responsible Development Charter was written.

In 2014, all A*Men spray bottles became refillable. To do this, the bottles were modified and one eco-designed 100ml bottle was created. To raise awareness among clients, outer cartons were labeled ‘Refillable’.

This idea spread to other Brands and Licenses that teams are working on in the Clarins Fragrance Group. Refill systems are progressively being introduced as new launches take place.

The CFG is organizing important communication campaigns to share its ‘different approach to luxury’ concept with customers and sales personnel.

My Blend by Dr. Olivier Courtin

Created in 2007 to widen the Group’s high-end product offer, My Blend is a range of custom skin care products that, from the beginning, was designed using refillable packaging in order to optimize the longevity of the materials used.
5. Encourage innovation

- A pioneering spirit

Clarins Laboratories constantly keep an eye on what’s happening in the scientific and technological world. Products they have developed are considered to be major skin care innovations, from sun protection to well-being and include the 100% Pure Plant Extract Oils, Double Serum and Eau Dynamisante. A number of scientific discoveries have also been made such as the Anti-Pollution Complex, now found in all of Clarins daytime moisturizers. It has protected the skin from the potentially damaging effects of the environment since 1992. These innovations are often recognized by the most sought-after beauty awards from magazines including Cosmopolitan, Marie Claire, Harper’s Bazaar, etc.

"Open” formulas are a major asset for the Group’s Research teams. This means that product formulas can be updated and improved upon whenever new discoveries take place. Double Serum has greatly benefited from this idea. Developed in 1985, it was the first serum to offer both water and oil-based ingredients to stimulate the skin’s 5 vital functions which ensure its youthful qualities (hydration, nutrition, oxygenation, protection, regeneration). The continually updated formula has received more than 100 international awards on every continent by the end of 2014.

The Group’s perfume business (Clarins Fragrance Group) owes its success to a clever mix of audacity and creativity without hindering expertise and a solid relationship with customers. Angel, a truly unique, hearty fragrance, is a wonderful example of this.

- Solar Impulse

A forerunner in its field, the Clarins Group encourages innovation when it can. In 2008, it was one of the first companies to support Bertrand Piccard and Andre Borschberg’s Solar Impulse project, the very first solar-powered airplane. The project’s goal is to make an airplane take off and fly on its own, during both the day and the night, using only solar energy (no fuel and no pollution). The Solar Impulse project is scientific but also philosophical since it hopes to raise public awareness regarding saving energy resources and respecting the environment. Building and flying an airplane that does not use fuel is a way to attract public attention to the essential changes that need to be implemented. Supporting the Solar Impulse project shows that we believe in Mankind and his ability to find solutions for a sustainable future for all.
6. Reduce greenhouse gas emissions and optimize the use of natural resources

At production sites in France, environmental policy is managed by the Health, Safety and Environment department. Internationally, it is under the responsibility of the Regional Presidents. Since 2008, the Group has been measuring its carbon footprint and progressively widening the perimeter and the precision of this evaluation. When we understand our primary sources of emission better, we are able to optimize programs that will yield lasting reductions, both in France and internationally.

- Help fight against greenhouse gas emissions

The first Carbon Assessment carried out in 2007 at all French sites identified packaging and POP material (Publicity on Place: merchandizers for example) as major sources of greenhouse gas emissions (GGE) that the Group produces in France. Since then, the Group has acquired a software program that evaluates our overall carbon assessment and also provides an ‘eco-calculator’ for each product to determine its impact. This software is used annually in France and we plan to start using it internationally. In the meantime, targeted and complementary studies have been carried out in the regions and in different activities such as our Spas. Following Asia, the US subsidiary carried out a carbon footprint analysis of its activity in 2014.

Source: Global Carbon Assessment- all Clarins Group sites – fiscal year 2013 in France, Toovalu software.

POP = Publicity on Place (of sales), merchandizers for example
Every aspect of the company is urged to work on reducing greenhouse gas emissions, directly or indirectly. For packaging and promotional materials, the teams in charge of development use an eco-calculator to help them carry out carbon and water footprint simulations. To reduce business travel where possible, ever more performant video conference tools are being used. Rules have been established regarding the shipping of merchandise and logistics teams work to optimize shipping by truck.

The Group publishes a Greenhouse Gas Emissions Report following new French regulations (called BEGES in France). Emissions being tracked showed a slight decrease: 2665 T CO₂-equivalent in 2014 vs. 3457 T CO₂-equivalent in 2013. This report primarily focuses on emissions linked to energies used at the production facility in Pontoise while the overall voluntary Carbon Assessment takes into account emissions generated by our activities on a wider scope.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Description</th>
<th>CO₂ (Tons)</th>
<th>CH₄ (Tons)</th>
<th>N₂O (Tons)</th>
<th>Other gases (Tons)</th>
<th>Total 2014 (TCO₂e)</th>
<th>Incertitudes</th>
<th>Total 2013 (TCO₂e)</th>
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<td>1 Direct emissions from fixed combustion</td>
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<td>0,08</td>
<td>0,00</td>
<td>1839,94</td>
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<td>2578,77</td>
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<td>2 Direct emissions from mobile thermic motor source</td>
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<td>3 Direct emissions from processes excluding energy</td>
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<td>4 Fugitive direct emissions</td>
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<td>5 Direct biomass emissions (soils and forest)</td>
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Clarins BEGES (GHG emission report) in France, fiscal year 2014, source: Toovalu software.

In 2014, following the Carbon Assessment carried out in 2012, the Asian Region continued to put in place a plan to reduce greenhouse gas emissions linked to its activities: an action plan that includes daily eco-awareness gestures in the offices, a CO₂ calculator to measure emissions linked to transportation, recycling test in the spas, etc. To complement these reduction efforts, the Asian Region is organizing planting programs in China and Thailand which includes the 60,000 trees planted in Thailand for Clarins 60th anniversary, a symbol of our commitment to restore local forests and protect biodiversity.

A Carbon Assessment was carried out in 2014 by the US subsidiary. A committee was then formed to monitor the action plan to reduce GHG in this zone.

- **Limit energy use**

Global energy use by the Group represented 36,000 MWh in 2014 compared to 39,500 MWh in 2013. Energy use is evaluated based on the information provided by our subsidiaries and our industrial sites. An action plan was set to improve its reliability within the next 2 years.

The industrial sites in France represent the top energy users with 22,901 MWh in 2014. The reduced energy use is partially linked to efforts made and time-specific circumstances like interrupted production due to construction. In 2014, energy-saving tactics carried out in Strasbourg made it possible to limit the impact of new production rooms which use more energy because they are air conditioned and have air treatment filters. In Amiens, improved management of the building’s heating system helped reduce overall energy use.
Internationally, several energy-saving measures were put into place in 2014. One of the most significant took place in the US subsidiary at the warehouse in Orangeburg where new LED lightbulbs were installed. This will mean a savings of 400 MWh and an annual savings of $40,000.

As a way of reducing greenhouse gas emissions from energy use, the Group has chosen to use renewable energy sources when possible, high-performing equipment and improved methods and processes: ungrouped switches, light timers, sensors, new servers, lower temperatures in certain cleansing processes, etc… All of these help lower CO₂ emissions as well as lower the energy bill.

Three subsidiaries: Italy, Switzerland and Germany are equipped with solar panels and produce a part of their own electricity. The Canadian subsidiary uses hydraulic energy. Industrial sites at Amiens and Pontoise are under contract to use renewable energy sources (called the ‘Equilibre’ or balance contract). In total, we can say that 48% of the electricity comes from renewable energy sources or from sources that favor this type of energy. On average, at the production sites in France (Pontoise, Strasbourg and their suppliers), 0.36 kWh were used to produce one retail product (all packaging consumption equated to the amount of retail products produced).

On July 15, 2014, the doors of the new head office in Paris opened. Employees from the previously separate 7 locations are now housed in one location. The new building boasts the highest performing materials in terms of insulation, energy, comfort and acoustics as well as work conditions. Solar and thermal panels are installed on the roof. The building received a special certification (BREEAM) for its low energy use and High Environmental Quality for its construction. The goal is to reduce energy use between 2012 and 2015 by 30%.

- **Saving water**

Our bodies are 60% water and need this water in order to function properly. Water is also essential for our products since it makes up for about 50% of a skin care formula. Source of life, water is a rare, fragile resource that is unequally distributed throughout the world.
Less than 3% of the earth’s water is fresh water. The water cycle makes this a renewable resource but it is vitally important not to release unclean water into nature. This is another environmental concern the Group takes seriously.

Across the Group, worldwide water usage runs around 100,000 m³ with most of that water being used in France with 64,144 m³ used at industrial sites, the logistics center and at administrative sites. Water amounts are based on the declarations made by subsidiaries and French sites. Some rental contracts do not allow access to water data and estimates had to be made which represented 20% of the estimated usage. These types of evaluations are imperative and will be made more reliable over the course of the next 2 years.

In France in 2014, an action plan was put in place at industrial sites that includes the installation of meters that optimize the different operational cleansing methods, refine the regulation of the different pumps and the cooling of production vats. The Strasbourg site has a system to recuperate rainwater. Water use per retail product produced at production sites (Pontoise and Strasbourg) is estimated to be 0.7 liters (per retail product equivalent).

Water-saving equipment was installed in the new building and rainwater is recuperated to water the garden.

At industrial and logistics sites, all loading and unloading areas are waterproof and made to recuperate any accidental spills so as to avoid the risk of groundwater pollution.

Internationally, the same processes apply to logistics sites. In Switzerland, two reservoirs (30 m³) capture rain water to supply running water to two buildings. At the subsidiary in Spain, their water use decreased by 23% thanks to their ongoing efforts.
• **Reduce waste**

The Group takes waste management seriously. Several action plans are being carried out at different sites in France and worldwide that aim to minimize our impact on natural resources using a preventative strategy with the goal of improving waste management overall.

It is estimated that we produce 5000 tons of waste worldwide (production and administrative sites combined). Most of this comes from production sites in France (2913 T in 2014). Waste management has not yet evolved sufficiently in all of our markets to render a reliable analysis of end-of-life treatment methods.

The topic is however still being addressed, in phase with the Group’s strategy, to reduce waste production and improve end-of-life conditions in our markets, especially those who have warehouses and who must manage waste associated with transportation and sometimes small packaging operations.

In France, the HSE department outlines the strategy for prevention and improvement when it comes to waste management. It trains and informs personnel on a regular basis regarding the recycling and sorting methods required to treat dangerous waste (solvents, alcohol, inks, etc.) and regular waste (paper, cardboard, plastic, glass, metal and wood).

In 2014 in France, the most notable operation took place just before moving into the new building: Group employees were invited to help clean out office space and cabinets. On one hand, this served as an awareness campaign for the 600 employees at the head office and an overall beneficial operation for the environment: 80 tons of paper and boxes were recycled which equals a savings of 112 tons of wood, 3857 tons of water (average household use for 70 people) and 820 MWh of energy (average household use for 79 people). *Source E-tonnes Eco-Embaltages.*

Internationally, subsidiaries work to raise awareness about recycling and then carry out those action plans themselves. The US subsidiary’s warehouse in Orangeburg optimized their recycling program and sent almost all of its waste to be recycled (318 T/year).

In Canada, our subsidiary is a member of the ‘We recycle here!’ program in Quebec and has a goal of ‘zero waste’. In 2014, it expanded its recycling program to soft plastics and invested $20,000 CAN in new equipment and reduced the size of its shipping boxes. At the end of the year, it earned a level 2 certification (silver) given by the Office of the Environment in Laval based on the effective methods it uses to treat residual materials.
The Hong Kong office participated for the third year in a row in a beach clean-up event. Awareness campaigns are also being carried out on the topic of recycling and marine pollution. It also donated 8000 euros to Ecozine magazine that promotes a sustainable way of life.

- **Minimize the impact of transportation**

  1. **Product shipping**

     Internationally, the services involved in product shipping are well aware of and concerned for the need to protect the environment when it comes to transportation. Unnecessary shipments are carefully avoided and particular attention is paid to grouped orders and direct shipping from the supplier to the final destination for POP material when possible. Air transportation, while relatively low in volume, has a high impact on the environment and therefore is the object of a restrictive authorization procedure.

     In France, freight represents 18% of greenhouse gas emissions generated by our activities, it is the second source of such emissions following packaging (source: Group’s Carbon Assessment 2013, Toovalu software). This includes the transportation of packaging from suppliers to our production sites, the movement of finished products from production sites to the logistics center and finally, shipments from Amiens to our subsidiaries, direct-delivery clients or Clarins warehouses worldwide.

     The breakdown of finished product shipping managed at the Amiens site to the rest of the world is as follows: 56% by truck; 37% by ship; 5% by train and 2% by air. Air freight (2% of shipments in weight) has been stable for several years.

     Internationally in 2014, following the Asian Region, the US office carried out a carbon assessment for its shipping activities the first time. The action plan will be studied in 2015.

  2. **Business travel**

     Two kinds of professional travel are included here: business trips by plane for employees of the Group worldwide for seminars, market visits or meetings and travel by vehicles owned or directly used by the Group’s subsidiaries. Travel between one’s residence and workplace were not taken into account in the consolidated numbers.

     Over the course of 2014, air business travel by Group employees worldwide generated 12,300 T CO₂-equivalent emissions which was a decrease compared to the previous year. This is in part due to shorter distances traveled (-10%).

     GHG emissions linked to car travel represented 3359 T CO₂-equivalent vs. 3559 T CO₂-equivalent last year, a slight decrease based on distance traveled.
Business travel represents a high level of greenhouse gas emissions, the 4th highest on the Group’s Carbon Assessment (in France). Different action plans are in place to reduce this impact: employees are encouraged to minimize business travel, especially by plane, and to optimize the use of alternative methods when available. 9 subsidiaries or sites are equipped with video-conference tools that make it possible to limit business travel while maintaining a link with business partners: Geneva, Hong Kong, Montreal, Paris, New York, Pontoise, Singapore and Strasbourg. To encourage carpooling, since 2010, a website was set up for employees to use either for an on-going transportation need or punctually to facilitate carpooling. Concerning company vehicles, rules apply in France and at all subsidiaries to reduce the carbon footprint per distance covered. Today, the maximum allowed is 130g CO2/km with local adaptations like in Canada where climatic conditions require using more powerful vehicles.

In 2014, the new building in Paris is located next to public transportation options and special parking areas were created for bikes and those who carpool. There are three electric cars available for short distance trips.

Internationally, the UK and Japan optimize the use of train travel which represents the majority of transportation costs of these two subsidiaries. In 2014, Spain encouraged train travel (more than 700 trips over the course of the year) which partially replaced traveling by plane.

### Land footprint

Across the Group, the area used by administrative and logistics buildings totals more than 200,000 m² worldwide (half of which is in France). New construction projects comply with local architectural styles or whenever possible, undergo landscaping improvement. The Group’s activities do not create noise pollution when they are being carried out.

The highlight of 2014 was the construction of the new office building in Paris. It now houses, in one location, the 650 employees which, until this time, were spread across 7 different locations. Designed to save energy and natural resources, the building also enhances well-being at work with, for example, natural light for everyone. The environmental and quality of life advantages are certified by the BREAAM and HQE certifications.

As a way to demonstrate the desire for the new building to have a minimal impact on the environment, three beehives were installed on the roof. 160,000 bees symbolize the Group’s commitment to preserving the environment and biodiversity since bees are a fragile witness to any changes taking place.
7. Limit unnecessary production and improve the supply chain

Adjusting stock levels and sales forecasts, reducing product returns and destructions, finding ways to save, reinventing processes and the logistics “flow”: all of these are imperative for the economy and the environment and are at the heart of the Group’s concerns. A product’s end-of-life is carefully studied in order to optimally reduce excess or obsolete stock and waste. Employees from all of the Group’s activities and from every region are working on a vast and ambitious project called ‘Scoop’ whose goal is to optimize all operations linked to production, management and distribution. It became operational in 2014.

Developing sustainable practices is part of the mission of our Purchasing teams. A Suppliers Charter was drawn up which outlines the principles behind Social and Environmental Responsibility that the Group wants to share with its partners. In 2014, the signing of this ethics charter continued and all categories of suppliers were invited to participate. An audit plan has begun.

8. Raise awareness about Responsible Development values

Clarins has built its success on listening and dialogue. “It is women themselves who have led me to grant importance to beauty. I was happy to listen to them and to follow them,” said Jacques Courtin-Clarins. Communication tools have changed as the company and technology have evolved. In this digital age, the Thierry Mugler “Circle” and the Clarins “Club” have replaced the paper client card found in every product. But the level of listening has remained the same.

The Group accords extreme importance to raising awareness of Responsible Development, both internally and externally. This level of listening is also found in the relationships between the Group and its partners, neighbors, consumer groups, local governments and institutions. The Public Affairs position for the Group exemplifies the desire to optimize communication.

Raising awareness among employees is the main mission of the Responsible Development department, which works directly with the Group’s Presidency. Communicating these ‘responsible’ values to all concerned is the work of everyone and includes the general public and direct partners.

Clarins signed the Advertisers’ Union (UDA) responsible communication charter which confirms our commitment to the principles, actions and beliefs outlined in the charter. The guidelines of the UDA charter dictate our communication strategy and process. It applies to all of our communication (institutional and commercial), traditional and non-traditional media, and covers all of our social and environmental responsibilities. In 2014, the brand renewed its commitments and goals on the UDA’s website.
Employee success is enhanced when they adhere to company values and commitments.

**Raising employee awareness**

Communicating the values and stakes behind sustainable development does indeed target employees first and foremost so that we can all feel responsible for putting in place the Group’s commitments and investing in the mission of spreading these values. Making employees aware of these values begins at the introduction seminar for all new employees. Detailed information can also be found on the company’s intranet site, organized events and during conversations with other employees.

In September 2014, a seminar was organized at a small farm in France (Bourdaisière) that brought together those most involved in sourcing raw materials. The seminar covered topics such as organic farming and fair trade.

Each subsidiary has a Responsible Development Coordinator. They are in charge of communicating good practices and initiatives between the head office and various countries. In-house seminars are also a great time to remind employees what the Group is doing in regards to its commitments.

During yearly evaluations, employees have a chance to share their own responsible commitments they apply at work. The variety of initiatives in France and internationally is an example of their dedication to company commitments. They are often passionate players when it comes to performing concrete actions regarding corporate values.

Every year in France, the Works Council at each site organizes fundraisers for the associations run by our Dynamic Women award recipients. Since 1997, the money raised is distributed among the 16 different organizations to help support their work over the long term.

In 2014, Spain created an ‘eco-committee’. Made up of volunteers, its mission is to raise awareness, develop and coordinate sustainable initiatives. It organizes ways to reduce environmental impacts. Results were visible the very first year regarding water use, paper consumption and waste recycling, etc. In October, volunteers spent a successful day planting trees in the Sierra de Guadarrama near Madrid.
The Group is aware of the important role it plays when promoting Sustainable Development values among all of its partners.

Other groups are not to be outdone in terms of generous volunteering. The Asian Region has been very active over the past several years.

Clarins Asia organized a planting activity while at a recent seminar in Thailand (photo left).

- **Raising business partners’ awareness**

The Group works with many different business partners across several different categories. Suppliers, sub-contractors, researchers, scientists, advertisers, distributors, journalists, beauty advisors and therapists, etc…. who share our development and our success. The Group shares with them our values and our commitments and also listens to them to better understand their expectations.

**Suppliers**

A new Supplier Charter was put in place in November 2013. It replaces the one drawn up in 2007. Both parties sign this charter which aims to share our business vision, our sense of environmental and social responsibility.

In this Charter, the Group outlines what it expects from its suppliers in a concrete manner pertaining to a wide array of areas: business ethics (integrity, equity, honesty), respect for human rights as defined in the UN's Universal Declaration of Human Rights, respect for employee health and safety, respect for the environment and minimal impact of goods and services along with reduced energy use, saving resources, a reduced carbon footprint, water and waste management, etc…

All suppliers were invited to sign the charter in December 2013, especially those providing raw materials, packaging, POP and sub-contractors. The charter will be sent to other suppliers throughout 2014, especially those in the transportation sector, those who are involved in the new building in Paris and all other services used by the Group.

**Beauty Advisors**

Each Brand has Product Training teams. Every year, they train thousands of Beauty Advisors worldwide who then become ambassadors for that Brand. Transmitting the Brand’s values is something training teams carry out regardless of the communication methods used: seminars, e-learning, magazines, information letters, videos, etc. Expectations run high and Beauty Advisors are proud to promote products based on strong values.
Distributors

There are several ways we communicate the Group’s Responsible Commitments to our distributors, regardless of the distribution network or country. Brand magazines open wide their pages to distributors: Clarins Group News from Travel Retail, C à Vous (magazine for Clarins France Beauty Advisors), and CFG News.

Worldwide, business units, subsidiaries and agents themselves who are highly motivated, set up initiatives on a regular basis to raise awareness among their partners to convey the Group’s responsible initiatives. Depending on the circumstances, this could take place at sales sites, during theme-based activities, or even during events with partner stores or with journalists. Christian and Olivier Courtin-Clarins are often invited by local markets to act as ‘ambassadors’ for the Group’s values during press conferences all over the world and receive an enthusiastic welcome at each of these events.

- **Educating the general public**

With brands associated with luxury and beauty, present in international women’s magazines, the Group is aware of the role it can play for clients when it comes to raising awareness about the stakes involved in sustainable development and to encourage responsible behavior. With an increasing number of eco-developed products, small daily gestures that help the planet are encouraged: invitations to recycle, to refill one’s fragrance and choosing larger size products… products that do not have packaging, the possibility to plant a tree or make a purchase to benefit an organization are activities the Group strives to do.

In 2014 in France, a series of interviews was featured in Néoplanète, a web-based radio program that focuses on sustainability issues. The interviews highlighted the Group’s knowledge and activities in terms of protecting biodiversity and being involved in social issues.

Internationally, the Asian Region continued its commitment to raising awareness for the environment. In Singapore, Clarins was recognized by the National Development Ministry for its actions aimed at protecting biodiversity.
Clarins was a proud sponsor of the Garden Festival and for this event, a group of employees volunteered to organize educational activities for children aged 5-12 to teach them how important plants are and the need to protect them.

- **Raising consumer awareness**

The Group’s responsible communication is being developed primarily in a digital version: the values and commitments as well as the Responsible Beauty Annual Report, are accessible to everyone on the Clarins Group website, on the brands’ websites and on store websites. The ‘beautiful’ actions being carried out by the Group, those that are built on the Group’s values, are regularly highlighted, explained and affiliated with sales operations: fair trade ingredients, support for the Arthritis Foundation, Jardins du Monde, etc. The same approach is carried out in various markets. They carry on the Group’s initiatives or adapt them to meet local needs.

A new generation of solidarity through sales operations is also the occasion to share the Group’s approach with customers worldwide. Based on the Group’s values, they showcase the causes the Group supports, with a focus mainly on helping children and protecting nature. Subsidiaries support these activities and actively participate in the communication of the Group’s values and commitments.

**FEED & Clarins partnership**

Since 2011 and based on an initiative of the American subsidiary, Clarins has built a partnership with FEED, an organization founded by Lauren Bush-Lauren which works to fight hunger worldwide. Every FEED beauty bag sold provides a certain number of school meals through the UN’s World Food Program.

When a client receives a FEED bag as a gift, she feels she is making a difference in the fight against childhood malnutrition worldwide and the promotion of education since providing a meal ensures regular attendance at school. At the end of 2014, Clarins had financed 6.6 million meals (according to Feed Projects estimates).
"Together we can make a difference and improve the life of all children with neurological problems that affect their development.”

Dr. Carmant, Sainte-Justine Hospital

**A month of hugs in Canada**

In Canada, Clarins celebrated its 7th annual ‘Month of Hugs’: with the purchase of Lip Perfector, half of the sales price ($10) is given to the St. Justine Hospital to help sick children. The operation was carried out in partnership with Jean Coutu and raised more than $1 million CAN by the end of 2014. This year, the funds will be used to build a Neuro-Development Institute for Children, the first institute of its kind in North America. This sales event is now well-known and clients and journalists alike look forward to it every year. A special shade “Pink Hugs” was even created just for the event. This operation illustrates well the cooperation between the press, marketing teams, sales reps, distributors, etc…. and it is planned to continue in 2015.

**Singapore Garden Festival**

Clarins Singapore rolled out the usual decor used for sales events to raise awareness among clients on biodiversity and participated in the Garden Festival in May 2014. The visuals at the Clarins sales sites, digital campaigns, mailing operations to loyal clients and articles in the press all made this operation a huge success. It was a wonderful example of how clients can be involved.

**France**

In December 2014 in the Printemps department store auditorium, Christian Courtin-Clarins presented the ‘Dynamic Woman’ award to two deserving candidates in front of an audience filled with loyal clients: Gisèle Tsobanian (Les Toiles Enchantées) and Tina Kieffer (Toutes à l’école) were honored.

Other initiatives took place worldwide: in Portugal, a Christmas campaign raised funds for the 4th year in a row to the Novo Futuro organization. In Switzerland, profits from sales of sun care products in June were given to the Swiss ‘Look Good Feel Better’ group.
9. Support members of staff and encourage their development

- The ambitions of the HR department

The HR department’s main mission is to help both the company and employees grow by developing an Employer’s promise in the image of the Clarins Group values. This promise should illustrate the values of Respect, Performance, Audacity and Perennity every day.

At the heart of each market and on every level of the organization, HR policies should be clear and transparent. Employee performance, talent review, pay scales, training, developing competences, functional and geographical mobility - all of these make up the fundamental aspects of HR management that the Clarins Group wants to put into practice.

The ambition of the HR department started in 2014 with the arrival of Yolène Coppin as Head of the Group’s HR department and a member of the Executive Committee. This nomination symbolizes a new era in HR organization and the beginning of a global HR project.

In order to encourage progress in this direction along with employee performance and proximity, the function of the HR department was reorganized into 3 areas of global expertise. This was done to deploy the Group’s policies and processes to all countries. There are also 2 HR areas of management (Functions and Brands).

The global HR project is based on the Clarins Group’s 4 core values: Respect, Audacity, Performance and Perennity

- **Respect** is translated across the HR project as the will to adopt a new respectful managerial attitude vis-à-vis employees: "be demanding all while being benevolent.” It is also the will to promote ethical behavior like transparency and honesty. For example, it’s about defining, developing and communicating clear HR policies on the themes of pay, career management, mobility and also training policy.
• **Audacity** combines the strong will to believe in the potential of each one of our employees while adapting to his/her own managerial style, rewarding success while recognizing shortcomings.

• **Performance:** first of all, it is important to clearly define evaluation criteria and evaluate it objectively and fairly. It is also in the manager’s capacity to promote collective performance as a complement to individual performance.

• **Finally, Perennity** is translated by the desire to retain talented employees, prepare advancement plans and ensure that everyone has the best possible work conditions.

The global HR project was presented to employees at the end of 2014. Its goal: accompany the sustainable growth of the Clarins Group worldwide through employee development.

**Listening**

Listening to clients has always been part of the Group’s DNA. In the same manner, in order to listen and respond to all of the Group’s employees and help them grow, an internal opinion poll (Your Say) took place in January 2015 across all of the Group’s companies. The goal of this type of poll is to collect feedback from employees through a series of 81 questions on 14 themes such as group strategy, work conditions, pay and also innovation and client orientation.

The ‘Your Say’ poll will allow the Clarins Group to identify its strong points so that they become long-lasting and also to spotlight areas where improvement could be made. The overall results and the results by entity will be communicated to employees and will be the subject of workshops. Action plans will be put in place (worldwide and locally) to continue to make progress together over the long term. In order to evaluate the progress of the Clarins Group, a new opinion poll is being planned for 2017.

**The global Human Resources project**

The opinion poll is the central point of the global HR project which is based on a cycle of 6 themes, or ‘pillars’:

1. **Be a united team from the highest level : share a common vision**

   It is important to share the same vision at every level of the company and in every country to respond to strategy and accompany the performance of the Clarins Group.

2. **Accompany the transformation of organizations and change**

   Over the last several years, the Clarins Group has undergone a lot of change. Work organization, different professions and ways of working together have evolved. Teams work in a more transversal manner. Demands are higher. The HR department looks to support and accompany the organizations undergoing change and make life better for employees.

3. **Manage performance and talent at all levels and in all markets**

   The HR department wants to install clear policies that are shared by all of the entities of the Clarins Group. It wants to treat all employees fairly and develop everyone’s potential. To do this, it is important to define performance and develop evaluation criteria in order to build a policy for performance management and create transparent pay schedules that are fair yet competitive.
4. Develop a good managerial attitude

The role of a manager is key when accompanying employee development. This is why HR constantly looks to support team leaders in their role and help improve managerial practices on a daily basis. This means developing a good managerial attitude and promoting ethical behavior.

5. Offer optimal working conditions in terms of health and safety

Management would like to position the Clarins Group as the place to work by ensuring optimal work conditions to all employees worldwide.

6. Share opportunities and unite employees

This means offering every employee, worldwide, a career project within the Clarins Group.

Managing talent

In 2014, the HR department worked primarily on the performance and talent pillar in order to establish a clear management policy regarding performance, pay and talent.

Also in 2014, a new performance and talent management policy was put into place for the ‘Top 100’ Managers (COMEX and N-1 of COMEX – Functions, Brands, Regions, Subsidiary Presidents, Travel Retail Managing Directors and Agents) within the Group. This aims to define, recognize and align the contribution of each employee with the Group’s results by clearly defining what is expected from each employee by regularly measuring the progress of each person and by identifying their development opportunities.

1. Talent policy

This new policy also aims to anticipate big changes and future competences to guarantee the Group’s long-term success. It also aims to give employees perspective by creating a career path.

This is one of the reasons the Clarins Group put in place in 2014, worldwide, a ‘Talent Review’: a new management tool that consists in reviewing employee performance and potential on a regular basis. In 2015, the results of these Talent reviews (which will take place over the course of the last trimester) will be shared by members of COMEX with the pertinent Top 100. This will make it possible to feed and enrich their development plans, give them clear, shared perspectives about their future within the Clarins Group and their chances for promotion.

2. Performance and pay policy

It is important to have in place a pay policy that has clear rules that are strictly applied to especially when bonus pay, based on performance, is offered. It should be part of a real performance and talent management policy.
It is also important to redefine the concept of performance within the Clarins Group, first, for the ‘Top 100’ so that individual and collective performances support business performance but also the fundamental values of the Group.

This policy fully registers with the global HR project as well as with the will of the Group’s General Management. It was validated by the Nominations Committee and the COMEX.

We are committed then, beginning in 2015, to completely revamping the concept for the ‘Top 100’. This policy will be based on 6 major principles that each reflect the values and objectives of the Clarins Group.

This policy is essential because it makes it possible to define goal-setting basics and performance evaluation criteria by including the Group’s ambitions, values and major projects. It is part of a complete vision for performance and talent management which are the basis of any policy regarding HR management.

This policy is translated by a new goal-setting and development file that will be presented and explained to the ‘Top 100’ beginning at the end of January 2015. Of course, if a large number of elements are evaluated from mid-year to year’s end, a special training for COMEX and for the ‘Top 100’ will be developed at the head office and in regions in order to offer an educational approach.

**Principle 1:** All ‘Top 100’ managers can earn a performance bonus.

All ‘Top 100’ executives receive a performance bonus whose target depends on the level in the organization. A global classification (managers in the Clarins Group) will be put in place before the end of 2015 and will define the levels of targeted bonuses. Despite that, at the beginning 2015, a draft of these bonuses will be proposed.

A significant part of these target bonuses is based on the Group’s (or group/brands or group/region or group/subsidiary) ‘Sustainable Profitable Growth’ business results. The other part is based on the fundamental commitments of the Clarins Group: ‘Responsible Commitments by its Employees’ and ‘Responsible Development’.

**Principle 2:** The part of the performance bonus linked to economic results is identical in proportion, regardless of function but the calculation basis varies depending on the role each person plays within the organization. The part of the performance bonus linked to the Group’s business results represents 60% of all of the ‘Top 100’s’ target bonus.

One basic principle is that members of COMEX receive incentive solely on results of the Clarins Group and not only or almost only on their region or their own territory because they represent the Group first and foremost. This is completely in line with the approach to collective performance taken on by the COMEX and makes it possible to make decisions that are ‘good for the Clarins Group’.

This is also true for management committees with support functions: Secretariat General, Operations, Research & Development, and Human Resources.

**Principle 3:** The target bonus corresponds to the meeting of objectives set for the year. The culture of performance relies on a ‘stretch’ of this bonus making it possible to ‘penalize underperformance’ and ‘encourage over-performance’.
**Principle 4:** The evaluation of someone’s global performance over the course of the year is based on the ability to hold the job, meet specific goals (maybe even surpassing them) but also how those goals were met across the Clarins Group’s values.

The concept of global performance is the combination of different criteria that demonstrate the quality of the job being held and the capacity to ‘go above and beyond’ when meeting those goals. It can be broken down into 3 essential elements evaluated on 4 levels (and no longer 5) in order to be more selective, more demanding and more segmented in the evaluation. Global performance has a direct impact on remuneration and therefore on the salary review and target bonus decisions.

**Principle 5:** A position's global performance is validated by the step entitled ‘Relative Performance Review’ which directly impacts remuneration.

Global performance is then re-evaluated and confirmed by the ‘Relative Performance Review’ step that makes it possible to develop a culture of performance and excellence by evaluating employees on a more competitive level.

**Principle 6:** A quick evaluation done mid-year (June/July) will be put in place in order to gage how goals are being met and primarily to dedicate discussion on professional development, the next steps, training actions and for employees to receive feedback from the company following the ‘Review of Talent’ done in April/May.

This step is fundamental because it makes it possible to ensure the proper roll out for the year and to give everyone the best chance to succeed. Or, on the contrary, this makes it possible to identify any performance problems.

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**Who are we?**

- **An international group with a human dimension**

The Clarins Group directly employs 8545 people around the world: 45% work for the business side and are based in Europe, 24% in the Asia-Pacific region and 14% in the Americas. Industrial sites, logistics and R&D represent 10% of the total work force. 6% are located with head departments in Paris building. Worldwide, the total number of employees has remained stable.

- **Long-term employment**

Within the Clarins Group, almost all work contracts are permanent ones (96%). Permanent contracts are the vast majority for the Paris activities (97%), at production sites and R&D (99%) as well across the European region (98%). Permanent contracts are also very high across the Americas (88%) and the Asia-Pacific region (94%).
Female employees

Most of these jobs are held by women: they represent more than 86% of the total number of employees. This number is especially notable in subsidiaries (92% female on average) with the Asian subsidiaries counting the most (on average, more than 97% women). Men count for only 1% of the workforce in Taiwan and Malaysia. The UK, Russia and France have a high level of female employees: 96%. However, the percentage of female managers represents only 52% of this population. This breakdown is very similar among the different countries. Managers account for 3% of the global workforce.

Young and loyal teams

In 2014, the average age of our employees worldwide was 37.1 (versus 38 years of age in 2013). It varies among the different regions though: the Asia-Pacific Region is the youngest (31.6 years of age), the American Region has the oldest average employee age (42.9), and the European Region has an average age of 35.6. However, the Paris office (39.1) and production sites/R&D have a higher average age than the rest (43.7).

We find exactly the same trends concerning longevity of employment which, globally, is 6.1 years. The Asia-Pacific Region counts 3.9 years versus 5.3 for the Americas and 5.5 for Europe. Average length of employment at the Paris office is 8.8 years and at industrial sites/R&D, it is 13.4- a number which is twice as long as other regions. Still, a few subsidiaries stand out with more than a 10-year average and they are: France, Germany, Italy and Spain. Russia, Korea, China and South Africa on the other hand, have an average of less than 3 years.

Dynamic recruitment

The number of arrivals and departures for permanent contacts is roughly equal: 2262 arrivals versus 2079 departures in 2014. Turnover** for the Clarins Group overall is about 25%. Turnover is about 1.5 as high in APAC (38%) compared to the EMEA (25%) and the Americas (25%). In France, the turnover is rather low (8.5%) compared to national score (13.7 as per Hay). The Paris office is at 17% and production sites/R&D have a low level at 4%. Redundancies account for about one third of the turnover.

The UK alone counts for a third of arrivals (29%) and departures (over 31%). The US also has a high level of turnover, like Russia and South Africa. Recruitment activities and departures are high in Taiwan and Hong Kong. Southern Europe (Italy, Portugal and Spain) have low recruitment numbers.

*Indicators calculated on the basis of total number of employees (permanent contract and temporary contract) working on December 31, 2014.

**Turnover is based on the number of departures over the year compared to the permanent staff as of December 31, 2014.
Accomplished in 2014

- Integrating each new employee

Because the Clarins Group is convinced that positive employee integration is a vector of motivation, efficiency and well-being, the Group wants to excel in welcoming new employees.

This integration period consists of a formal integration schedule and the introduction of the new employee's mentor to help him/her navigate their way their new work environment.

And because the Clarins Group is also convinced that the manager helps guarantee team performance, the Group has chosen to formalize the steps necessary in integrating a new hire with the help of the manager.

The philosophy of this approach, driven by the HR department, is to offer the best welcoming conditions to the new hire because first impressions are the last to be forgotten.

The integration period with the Clarins Group has several different steps:

- Welcoming the new employee and giving him/her the welcome booklet and communication up arrival.
- Setting up an integration plan.
- Designating a mentor.
- Giving the employee a description of his/her role and responsibilities.
- Participating in an integration seminar.

Welcoming a new employee is a collective approach and involves the HR department, the manager and the mentor.

A mentor's goal is to accompany the new employee during the integration phase and complements the manager's role. A mentor is a reference in the company and the new employee should feel comfortable asking any question. A mentor guides, accompanies and follows the new employee's first steps in the company and beyond.

The integration seminar is a highlight of a new employees’ first days in the company. In this seminar, the Group’s history is explained along with its values. It is also a chance to new hires to learn about the Group’s products and the brands affiliated with it.

During the seminar, new talent has the chance to meet with and talk to managers in the Group and also visit the production site and laboratories in Pontoise.

Among the 1784 new employees welcomed worldwide in 2014, 146 new employees started to work for the Clarins Group (permanent contract) in France (105 in the Paris office and 41 at production facilities).

- Training and developing employee competences

Worldwide in 2014, the average time devoted to training per employee equaled one week a year.

More specifically, in France, commitments made to training in 2014 were respected, and even surpassed, in terms of financial investment, training time and equal treatment among employees.
The number of employees trained in 2014 increased sharply compared to previous years and main trends were identical to 2013. In France, for the companies located in Paris, 95% of employees benefited from at least one training program, more than 1543 actions were carried out which meant more than 16,000 hours of training.

For the past several years, the Clarins Group continues its investment in developing employee competences in several areas: professional expertise, personal development, learning a new language and personnel management.

2014 saw the continuation of training programs on the Quality of Life at Work for managers and the launch for all employees. A ‘Career Cycle’ training and English language learning also took place.

The accent continues to focus on collective competence development and putting in place an adapted and personalized training plan.

- **Promote the training of young people**

A real source of recruitment, the Clarins Group welcomes and trains many interns every year. In 2014, more than 130 interns from prestigious business schools and universities worked for the Group in France. They worked in different departments such as marketing, purchasing, communication, media, digital, HR, legal, audit, etc. They learned more about specific jobs and shared their own expertise. The vast majority of our interns was very happy with their internship and said they would like to end up working in the Group.

10% of our interns in France were offered a job within the Group in 2014.

- **Promote internal mobility**

Every year, employees worldwide have the chance to voice a desire to change jobs during the development interview, a career management tool used within the Group.

With this in mind, they can also meet with a member of HR in order to discuss changes to their career.

Always at the heart of the Group’s priorities, internal mobility continues to occupy a predominant place in terms of recruitment policy. This is how a third of job openings were filled in 2014.

The Group's online portal is a valuable communication tool for sharing information about job openings worldwide. In parallel, HR teams from all of the international subsidiaries have been sharing news regarding job openings and employee mobility since 2013.

The HR department would like to develop international mobility even more by formalizing and communicating a Group policy.

- **Ensure equity and equal opportunities**

The Clarins Group has always believed that its values help ensure healthy social responsibility in terms of diversity, equal opportunity and treatment between all employees. This is how the Clarins Group makes sure its commitments are being respected across the different areas of its HR policies: recruitment, training and pay. A company agreement that favors professional equality between men and women was signed by personnel representatives in France.
• **Rewarding employees**

In 2014, the Clarins Group worked to have a dynamic, motivating pay policy.

For the first time, Managers from production sites and logistics took part in appreciation and development interviews and were eligible for individual pay raises. However, non-managers from these sites will continue to receive the general pay raise.

The lessons learned from the annual salary review are consistent from one year to the next:

1. **The global budget allocated to pay raises is respected.**
   Global increase if 2.7% and is broken down as follows:
   - 0.8% for general pay raises.
   - 1.5% for raises based on performance.
   - 0.4% for promotions.

2. **A real correlation between performance level and pay.**
   Employees whose performance is subpar do not receive pay raises. 35% of employees whose performance could be improved receive an average raise of 0.6%. Employees who perform well receive a pay increase of about 2.5% on average (in line with the level of inflation for 2013 which was +0.7%). Employees who surpass expectations receive an increase of 4.2% on average (4.2% in Paris, 3.9% at production sites).

3. **A desire to reward all employees more widely.**
   88% of employees benefited from a pay raise.

4. **The main principles of non-discrimination are respected** (gender, status, age, years at work, union affiliation, maternity leave).

Equal treatment between men and women: 86% of women and 91% of men received a pay increase. Increases for women are slightly higher than men (2.8% versus 2.5%). This trend is the same for the Paris offices and production sites.

Overall, the percentage of employees who received a pay raise regardless of age category is close (between 76% and 92%). All levels of seniority benefit from pay increases in a generally equal manner.

Pay raises for personnel delegates is identical to other employees: 2.7%.

The percentage of pay raises for women who were on maternity leave in 2013 was higher than average (3.4% versus 2.7%). The trend is the same for all of the companies in France.

The percentage of pay raises is very close depending on status: 2.7% for (Executive) Managers, 2.6% for Middle Managers and 2.9% for workers.

Special attention is given to part-time employees who received a pay raise of 1.8%.
• **Protect employee health and safety**

Helping to maintain employees’ mental and physical health is at the heart of the Group’s concerns.

A Health and Safety initiative began in 2013 within the Clarins Group in France and developed throughout 2014 to all of the French companies. Although not yet formalized through company agreements, this approach is spreading globally and gradually in order to communicate preventative philosophy to all subsidiaries and sites worldwide.

On this note, several actions were initiated in France which brought together personnel delegates, employees and managers in order to get them involved in security.

• **Safety culture**

A common approach to Safety Management, with the support of Dupont de Nemours, a well-known reference in security, was launched at the 3 production sites, the logistics center, and R&D in France. In 2013, Clarins Logistics was the pilot for the project. The process continued in 2014 at Cosmeurop and Clarins Laboratories.

This approach consists in evaluating the site through a series of interviews with managers and operators, training all managers on the Dupont de Nemours processes, rolling out an action plan by inter-department work groups to carry out actions that will lead to improvement.

There were a total of 130 managers who were trained in safety as well as all of the members of CHSCT. Initial results are very positive. This approach shows the strong desire of the Group and the involvement of company Leaders to make safety a real priority for everyone.

In the same manner, updating all of the Unique Documents in France led to a certain number of risks to be identified for which action plans were made: psycho-social risks, ergonomic risks at work stations and road risks.

• **Psycho-social risks**

In 2013, the HR department initiated a vast brainstorming plan and training program on the Quality of Life at Work (QLW) destined to all employees in Paris. In 2014, all managers and employees participated in a day of training on the Quality of Life at Work. In total, 450 employees and 175 managers in Paris participated in the 56 training sessions organized over the year.

A similar approach to evaluating psycho-social risks was carried out between 2013 and 2014 at production sites, the logistics center and R&D with the help of the consulting firm Bureau Veritas. A questionnaire was sent to all employees in order to better evaluate risk. Analyzing the situation made it possible to establish pertinent action plans with managers and carry out corrective actions.

• **Ergonomic work stations**

The Clarins Group turned to JLO Consulting firm to complete an ergonomic study for the opening of the new ‘Skin Spa’ located rue Pilot in Neuilly-Sur-Seine. In particular, they studied the organization and modulation of the treatment rooms in order to adapt the work furniture. An identical study was done for Beauty Therapists with this same consulting firm.
A special study was also carried out on the difficulty of work stations at production sites. A work group has been put in place to improve the ergonomic aspects of working in the warehouse at the logistics center.

- **Driving risks**

The Clarins Group carried out training sessions in 2014 to raise awareness around safe driving with the Sageris organization. This training consisted of a theoretical part and a practical side. In total, 45 employees who travel for work (sales reps) participated in the training.

- **Handicap Mission**

Developing a handicap policy within the Clarins Group also translates this commitment. As a prolongation of the work accomplished over the last few years, the Handicap Mission has continued to carry out audacious projects in 2014. These projects aimed to raise awareness about the problems handicap workers face, to wipe out ‘taboos’, to encourage recognition in quality of the handicapped worker, to accord close attention to handicapped employees and to guarantee an optimal work environment.

Handicap Mission’s actions have helped anchor this theme in the concerns of everyone. Passed on to all of the sites of the Clarins Group in France, actions carried out in 2014 were organized around the values of the Group:

  - Workshops were held at the head office to raise awareness around muscular and skeletal problems. All employees from the head office were invited to a conference on this theme which was given by Bruno Fuatrel, the head of the rheumatology department at Pitié Salpêtrière hospital. Three other workshops were also given by two physical therapists. The ‘exercising at work’ workshop taught employees a few basic stretching techniques. The ‘ergonomics at work’ workshop explained more about the proper posture that should be adopted at one’s work station. Finally, a ‘relaxation’ workshop helped employees learn how to prevent and manage stress. An introductory yoga class was also offered to employees.

  - The organization of a special sports event: a 12-km team relay race. All companies in France were invited to participate in this event that celebrated performance and disabilities. More than 100 runners turned out to race against a Handisport team. The Clarins Group was honored to welcome Muriel Hurtis, Olympic champion of the 4x400m. She led the group in a series of warm-up stretches. Proceeds from the winning team were given to an organization dedicated to helping those with handicaps.

  - The desire to publically share what the Clarins Group is doing in terms of hiring people with disabilities by renewing its participation in an on-line recruitment fair dedicated to Handicapped Workers.

  - The organization of a 5-minute stretching class every morning and afternoon at the Amiens production site. The goal is to offer this activity at other production facilities over the course of 2015.

Furthermore, since 2012, a Handicap committee was established at the head office. This committee meets several times a year to discuss health problems and to offer personalized solutions for every handicapped employee. This committee ensures a performant work environment for employees and offers them the ‘Clarins Plus’.

Committees include personnel representatives, HR managers, and Handicap Mission managers.
In 2014, a Handicap committee was set up at each of the Clarins Group’s industrial sites in France (Logistics center, Laboratories and Cosmeurop) and a Group Committee was formed.

In parallel, the Handicap Mission continued to raise awareness by underlining its desire to focus on a person’s competences and not their differences when interacting with that person.

*an adapted, individualized solution to each situation to ensure equal work conditions for every employee.

- **Balancing work with one’s personal life**

In order to improve the quality of life of its employees, the Clarins Group also makes sure that employees find a sense of balance between work and home life. It is in this spirit that the HR department developed a parenting booklet so that employees could better understand their rights and obligations, and initiated brainstorming sessions about the feasibility of telecommuting at the beginning of 2013. This study led to the creation of a pilot group to experiment the idea. This pilot group continued throughout 2014.

- **Develop a social dialogue**

The year 2014 will be remembered by the quality of the social dialogue between Management and personnel representatives. Again this year, several collective negotiations led to the signing of 20 agreements within the companies in France regarding different themes:

- PERCO: revalorization of the amount paid by the company to monies from the profit sharing program (850€ gross, up from 750€)
- obligatory annual negotiations
- profit sharing bonus of 300€ gross divided evenly among employees based on working for the company for at least three months as of 31 December 2013
- 300€ gross paid to employees on their September 2014 pay
- professional elections (pre-election protocols and setting up electronic voting at the head office
- and also revised company rules and regulations for those working at the head office following the move to the new building: working access hours, company restaurant, video surveillance system…

2014 was also marked by the renewal of personnel representatives (Works Councils, Personnel Delegates, Unique Personnel Delegates, Health and Safety/Work Conditions Committee and Group Committee) within the companies in France except for Clarins Logistics where professional elections will take place in June 2015.

- **Internal communication: Live portal**

The Clarins Group introduced a new communication tool in June 2014 destined to be used by all employees worldwide. This online portal makes it possible to improve communication by sharing information quickly and simply through blogs, communities and personalized areas. The portal hopes to facilitate international transversal communication, facilitates cooperation and the sharing of good practices. It will be both a communication and a collaboration tool.
Each service can produce a blog that employees have access to and can comment on with the goal of exchanging information and promote interaction. Also, this tool serves as a platform—without-borders to encourage international exchanges on projects taking place within the Clarins Group.

Several events were organized for employees at the head office such as the 60th anniversary of the Clarins Group, a presentation of the Thierry Mugler’s fashion show, a presentation on the different regions and news about product launches. These internal events are meant to bring employees together and allow them to learn more about the different brands, company organization and goals for the Group.

- **The new building in Paris**

The Clarins Group recently opened a very modern new building in Paris to house all of the head office’s employees. The new building allows the different teams to work together in a modern, optimized environment.

Certified ‘High Environmental Quality’ and ‘Very Good’ by BREEAM, this building was eco-designed and was built to reduce the Clarins Group’s environmental impact as much as possible. The building is “one of the most advanced ecological and structural buildings and offers optimal work conditions” said Denis Valode, the project’s architect.

The 7-story building strongly conveys the Clarins Group’s values: design audacity, respect for nature and employee well-being, technological performance and a long-term vision by building the Group of tomorrow. The goal of such a move was to promote a cohesive work environment and teamwork. Specific areas were designed to encourage group exchanges (the Le Café area and the company’s restaurant).

During the move, ‘Working Together’ workshops were organized by the HR department to explain the different aspects of the new building and also to share rules and regulations of the new building to allow everyone to work together better. This new building symbolizes the desire to work together better, to be higher performing and more efficient at work.

Inauguration party of the new building in Paris in October 2014, the symbol of ‘All together’.
10. Establish the Group as an exemplary socially-minded company

A company open to the world, the Clarins Group supports two primary areas of social action: medical research and children. It gives its support to medical research with the Arthritis Foundation, and diverse organizations including ‘Etincelle’ (Spark) and ‘Belle et Bien’ (Look Good Feel Better in certain subsidiaries) that helps female cancer patients combat the appearance-related side effects of cancer treatments. Since 1997, Clarins’ ‘Dynamic Woman’ Award has been awarded for actions promoting child advocacy. This spirit of community and cooperation is strongly supported in all locations, by all the company’s brands and by all employees.

- The Arthritis Foundation

The goal of the Foundation is to promote and contribute to rheumatism research, encourage the discovery of innovative treatments, improve communication about these diseases, find ways to prevent them and find ways to improve the quality of life for those who suffer from them.

The Foundation was established as a non-profit on 26 June 2006. Its current status allows it to make an even greater impact; in 2008, the Foundation absorbed the Rheumatoid Arthritis Research Association (Association pour la Recherche sur la Polyarthrite or ARP) which had been co-founded by Jacques Courtin-Clarins and Denis Bloch in 1989. Rheumatoid arthritis mainly affects women and Mr. Courtin-Clarins wanted to improve these women’s feeling of well-being.

Under the leadership of Dr. Olivier Courtin-Clarins, the Courtin Arthritis Foundation has moved into a new era, open to multidisciplinary research taking place across Europe while maintaining its characteristic approach: give science a voice as well as those so afflicted.

The scientific board of the Foundation brings together leading European research scientists and rheumatologists. Its Board of Directors is made up founding members, qualified personnel, and representatives from patient organizations. The Foundation works with public health officials, specialized companies and patient groups. In 2014, 600,000€ were raised to help fund research efforts.

Among the many projects carried out to raise funds, 2014 was especially marked by special products supported by Jacques Courtin-Clarins’ grand-daughters. These four young women like to recall the words of their grandmother: “Beauty is the best way to combat illness. When a woman feels more beautiful, she feels better and suffers less.”
Following its founder’s footsteps, the family, our suppliers, brands, clients and retail outlets have been actively involved for a long time and show their support and unfailing commitment to the Foundation through various activities. The Clarins Group finances operational costs so that the Foundation can use 100% of donations for research. Over 600 projects have been completed and they all have the same goal: give hope to those affected by this serious illness.

Every year, the Clarins subsidiary in France promotes the Foundation and shows its support at sales sites. In 2014, in partnership with Hipanema, the now iconic bracelets were once again sold with proceeds going to the Foundation.

- **Etincelle Association**

From the very beginning, Clarins has supported the Etincelle Association financially. This organization offers well-being workshops to women fighting cancer. It is active in the Paris region and the Languedoc-Roussillon region of France. Trained in the Clarins Method, its estheticians have received specific information on socio-aesthetics.

- **Belle et Bien**

Clarins is a founding member of ‘Belle et bien’ (formerly ‘La Vie de Plus Belle’). Since 2011, it has organized skin care and make-up workshops for women undergoing cancer treatment in 25 hospitals in France. In 2014, 2,300 women benefited from 285 workshops organized by estheticians who donate their personal time. The goal is to teach women who to care for themselves after treatment and regain self-esteem. When the workshops are finished, a collection of products is offered to attendees so that they can prolong the benefits of the workshop at home.

“Belle et bien” is the French name of the international “Look Good Feel Better” organization that is present in 30 other countries, especially in the United Kingdom, the United States- with strong support from Clarins USA- and Canada, but also in South Africa and Italy where our subsidiary loyally supports "La Forsa et il Sorriso.” The organization is also present in Switzerland where a part of the proceeds from sun care sales is given to the local chapter every year.

- **Dynamic women: a caring and continuously growing community**

Since 1997, first in France and now in 13 countries, Clarins’ ‘Dynamic Woman’ award supports women who devote their energy to improving the lives of disadvantaged children. These women offer hope and dignity to the children they serve. 75 Dynamic Women have already been recognized throughout the world and they make up a formidable community within Clarins.

The ‘Dynamic Woman’ award continues to support the associations involved in the years that follow an award. This ongoing support is valued by the associations for the security it provides for their projects. After the initial donation is made by Clarins, internal initiatives contribute additional financial support. In France, employees and their works councils raised 200,000€ for these organizations.
For 17 years, the ‘Dynamic Woman’ award has supported women who are working to improve the lives of disadvantaged children.

The impact of such action is not lost on Clarins’ subsidiaries. They also faithfully take care of "their" dynamic women, with or without an official award: South Africa, Germany, Korea (Sister Gerardine, 2008 winner, received 22,500 € in 2014 for her learning center for youths with handicaps), in Malaysia (Clarins We Care continues its educational program with the Malaysia Nature Society and its access to learning program for underprivileged children, in Taiwan (as of 2014, 750 scholarships were financed by Clarins), in Spain (Aldeas Infantis), Great Britain, Switzerland, etc.


Below are the new ‘Dynamic Women’ recognized around the world in 2014:

**Germany**

2014 marked the 10th anniversary of the award in Germany. The new recipient of the Courage Award-Dynamic Woman is Auma Obama. She founded the organization Sauti Kuu to help children living in shanty towns in Nairobi and Kenya by giving them professional training opportunities. The Group’s slogan is ‘Strong voices for a strong youth.’

To help ensure the ongoing success of these organizations, the German subsidiary decided to follow in Paris’ footsteps and offers the winner 20,000€, and those from the last three years receive 5000 € each and all of the others 2000€.
At Clarins, we are convinced that by supporting the actions of these Dynamic Women, we are helping to create a better society for the future.

Spain

Since 1998, Clarins-Spain has supported the organization “Aldeas Infantiles SOS” that offers abused children a place to live within a family-like structure.

Every year, 40,000€ is raised through sales of Clarins sun products and given to the organization. The ‘Dynamic Woman’ award is given to one of the very deserving mothers of these houses. In 2014, Carmen Calabeiro Martínez received this recognition in the presence of Julio Quiróga, Managing Director of Clarins Spain and Pedro Puig, President of the association.

France

The new link in Clarins’ ‘heart chain’ is Tina Kieffer. She was the proud recipient of the ‘Dynamic Woman’ award for 2014, for the 17th year in France. Her organization (Toutes à l’école) works to give young girls living a poverty in Cambodia a good education. The hope is that this action would then create a snowball effect. When women are not educated, poverty, child labor and prostitution continue to wreak havoc. Tina is convinced; “A girl who receives an education is a potentially future mother who will then pass on the values of an education. By saving her, we are also saving future generations.” Since the opening of the pilot school in 2006, 100 young girls have joined the school every year. In 2014, there were 1000 students.

United Kingdom

The 2014 Dynamic Woman in the United Kingdom is Bianca Efferney. She was recognized for her work with the Momentum organization and received the award itself and a check for 30,000€ from Dr. Olivier Courtin-Clarins and Debbie Lewis, Managing Director for Clarins UK. Momentum’s mission is to brighten the hospital’s setting for severely ill children and their families. Pleasant surroundings can have a positive impact on children and the road to healing. “We want to offer as much joy and comfort as possible to children during the difficult chemotherapy period.” Bianca Efferney.

At Clarins, we are convinced that by supporting the actions of these Dynamic Women, we are helping to create a better society for the future.
The company’s values make its employees proud.

We are proud…

Proud to satisfy our clients’ needs,

Proud to show that profit isn’t our only motivator,

Proud to borrow the best from nature without having a negative impact,

Proud to preserve biodiversity and eco-systems,

Proud to help local populations,

Proud to innovate in eco-development,

Proud to help beauty evolve,

Proud to reveal our very best,

Proud to accomplish our mission with passion and enthusiasm,

And proud to put all of our heart into all that we do.

On behalf of the Group’s employees and the Courtin-Clarins family.
Corporate Social Responsibility Indicators

Our methodology

Except if otherwise indicated, this information covers the consolidated perimeter of the Clarins Group, meaning, its industrial and business activities in France and in its 24 subsidiaries worldwide.

For social information, numbers taken into account are directly linked to the Group by work contracts signed before December 31, 2014.

For environmental information, the perimeter covers all industrial sites used by Clarins (either owned or leased) and the Group’s significant impacts (energy use, water, raw materials, waste, transportation). Sales sites are not included.

To date, communicated quantified data comes from a reporting process each country does, except for waste data for which reporting is being implemented across the Group. A coherence check is carried out every other year on other declared data and the process will be reinforced to ensure reliability by 2016. To do so, a special committee was set up.

<table>
<thead>
<tr>
<th>ENVIRONMENTAL INDICATORS</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of surfaces used by sites (owned or rented)</td>
<td>m²</td>
<td>211 028</td>
</tr>
<tr>
<td>Useful surfaces of administrative sites</td>
<td>m²</td>
<td>45 443</td>
</tr>
<tr>
<td>Useful surfaces of industrial and logistic sites</td>
<td>m²</td>
<td>165 583</td>
</tr>
<tr>
<td>Total consumption of energy</td>
<td>MWh</td>
<td>39 330</td>
</tr>
<tr>
<td>Consumption of energy on the French sites</td>
<td>MWh</td>
<td>27 187</td>
</tr>
<tr>
<td>Average consumption of energy on the French sites per sales-unit</td>
<td>kWh/ un</td>
<td>0,26</td>
</tr>
<tr>
<td>Split of the energy consumption (MWh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>%</td>
<td>53%</td>
</tr>
<tr>
<td>Gaz</td>
<td>%</td>
<td>46%</td>
</tr>
<tr>
<td>Fuel oil</td>
<td>%</td>
<td>1%</td>
</tr>
<tr>
<td>Total consumption of water</td>
<td>m³</td>
<td>116 742</td>
</tr>
<tr>
<td>Consumption of water on the French sites</td>
<td>m³</td>
<td>69 109</td>
</tr>
<tr>
<td>Average consumption of water on the French sites per sales-unit</td>
<td>L/ un</td>
<td>0,7</td>
</tr>
<tr>
<td>Waste France *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total production of waste</td>
<td>T</td>
<td>2 936</td>
</tr>
<tr>
<td>Production of waste on the French sites</td>
<td>T</td>
<td>99%</td>
</tr>
<tr>
<td>% valorized waste on the French sites</td>
<td>%</td>
<td>99%</td>
</tr>
<tr>
<td>% of valorized through recycling on the French sites</td>
<td>%</td>
<td>76%</td>
</tr>
<tr>
<td>Recyclable packagings (% of weight)</td>
<td>%</td>
<td>67%</td>
</tr>
<tr>
<td>Average weight of packagings per sales-product</td>
<td>Kg/un</td>
<td>0,146</td>
</tr>
<tr>
<td>Professional trips</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Float of vehicles</td>
<td>UN</td>
<td>551</td>
</tr>
<tr>
<td>Distances driven in cars</td>
<td>Km</td>
<td>16 232 513</td>
</tr>
<tr>
<td>Distances flown by airplanes</td>
<td>Km</td>
<td>35 746 100</td>
</tr>
<tr>
<td>Freight of merchandises ex Amiens - France *</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes of freight shipped ex Amiens</td>
<td>T</td>
<td>23 572</td>
</tr>
<tr>
<td>Split of tonnages per mode of transport:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% road</td>
<td>%</td>
<td>61%</td>
</tr>
<tr>
<td>% maritime</td>
<td>%</td>
<td>32%</td>
</tr>
<tr>
<td>% multi-modal (train)</td>
<td>%</td>
<td>5%</td>
</tr>
<tr>
<td>% air</td>
<td>%</td>
<td>2%</td>
</tr>
<tr>
<td>Emissions of GHG due to freight ex Amiens</td>
<td>T eq CO₂</td>
<td>14008 (1)</td>
</tr>
</tbody>
</table>

(1) Erratum in 2013 initial figures.

<table>
<thead>
<tr>
<th>SOCIAL INDICATORS</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct workforce</td>
<td>UN</td>
<td>7 968</td>
</tr>
<tr>
<td>France workforce</td>
<td>UN</td>
<td>1 593</td>
</tr>
<tr>
<td>Group’s significant impacts (energy use, water, raw materials, waste, transportation)</td>
<td>UN</td>
<td>6 375</td>
</tr>
<tr>
<td>Average age of staff</td>
<td>année</td>
<td>38</td>
</tr>
<tr>
<td>Seniority</td>
<td>année</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diversity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of women in total workforce</td>
<td>UN</td>
<td>6 978</td>
</tr>
<tr>
<td>% women in total workforce</td>
<td>%</td>
<td>87%</td>
</tr>
<tr>
<td>% executive women in the executive category</td>
<td>%</td>
<td>ND</td>
</tr>
</tbody>
</table>
Table of concordance (Grenelle II – art.225-105)

With reference to the provisions of the article L. 225-102-1 of the French Commercial Code, Clarins is reporting in its document "Responsible Beauty 2014", in a volunteer approach, the actions conducted by the company to take into account the social and environmental consequences of its activities and to fulfil its societal commitments. The concordance between the information provided in this document and those regulatorily requested (as mentioned in the article R 225-105-1 of French Commercial Code) is shown below. Methodological explanations are mentioned in the corpus of the document.

| Social and environmental information listed by article L.225-102-1 of French Commercial Code for non-rated companies. | Presence in the document "Responsible Beauty 2014"
---|---|
| 1° Social information: | |
| a) Employment: | |
| a.1- World headcount, and repartition per sex, age, geographical repartition | pages 5, 46 |
| a.2- Recruitments and redundancies | page 47 |
| a.3- Remuneration and evolution | |
| b) Organization of work: | |
| b.1- Organization of working time | |
| c) Social relations: | |
| c.1- Organization of social dialogue, information process, consultation of staff and negotiation | pages 43-44, 53-54 |
| c.2- Report on collective agreements | page 53 |
| d) Health and safety: | |
| d.1- Health and safety conditions at work | pages 13, 44, 51-52 |
| d.2- Report on agreement signed with social representatives in terms of health and safety at work | page 51 |
| e) Personal development and training: | |
| e.1- personal development and training policies | pages 10, 38, 43-46, 48-49 |
| e.2- Total hours spent on training & personal development | pages 48-49 |
| f) Equity of treatments: | |
| f.1- measures taken to promote equity between men and women: | pages 47, 49-50 |
| f.2- measures taken to promote employment and insertion of handicapped persons | pages 52-53 |
| f.3- policy against discriminations | pages 49-50 |
| 2° Environmental information: | |
| a) general environmental policy: | |
| a.1- organization of the company to take into account environmental issues and, when needed, evaluation or certification steps | pages 7-11, 13-14, 17, 25-35 |
| a.2- actions to train and inform the staff on environmental issues and protection | pages 10, 25, 36-38 |
| a.3- means allocated to the prevention of environmental risks and of pollutions | pages 25-35 |
| b) Pollution and waste management: | |
| b.1- measures of prevention, of reduction or of reparation of matters released in the air, in the waters or in the soil that are harmful to the environment | pages 11, 25-36 |
| b.2- measures of prevention, of recycling and elimination of wastes | pages 17, 25-27, 33-34 |
| b.3- the taking into account of any noise nuisance or any other sort of pollution specific to an activity | pages 35 |
| c) Sustainable use of resources: | |
| 2c.1- consumption of water, supply in water adapted to local constraints | pages 25-27, 31-32 |
| 2c.2- consumption of raw materials and measures taken to improve the efficacy when using them | pages 6, 9, 14-27, 36 |
| 2c.3- consumption of energy, measures taken to improve the energetic efficacy and the use of renewable energies | pages 25-27, 30-31 |
| d) Climate change: | |
| 2d.1- the emissions of greenhouse gases | pages 10-11, 25-27, 29-31, 34-35 |
| e) Protection of biodiversity | |
| 2e.1- Measures taken to preserve or develop biodiversity | pages 9, 11, 14, 16-24, 30, 35 |

3° Information on societal commitments towards sustainable development: |

| 3a. Territorial, economic and social impact of the activity of the company: | |
| 3a.1- in respect of local employment and development: | pages 5-6 |
| 3a.2- on neighbouring or local populations: | pages 5-6, 14-24 |
| b) Relationships with persons or organizations interested in the activities of the society, including integration associations, educational institutions, environmental protection associations, consumer associations and local residents | |
| b.1- the conditions for dialogue with these people or organizations: | pages 36-41 |
| b.2- the actions of sponsorships or partnerships: | pages 10-11, 17-24, 40, 55-58 |
| c) Subcontracting and suppliers: | |
| 3c.1- The inclusion in the purchasing policy of social and environmental issues: | pages 14-15, 36, 38 |
Attestation regarding the completeness of CSR information

The consolidated environmental, labour and social information of Groupe Clarins are presented in the Corporate Social Responsibility report « Responsible Beauty 2014 » following Clarins S.A.’s voluntary approach in reference to the provisions of the Article L.225-102-1 of the French Commercial Code (Code de Commerce). The presence of the information was audited by a Statutory Auditor, PricewaterhouseCoopers Audit, who could deliver the attestation of completeness. This attestation is available upon request from the Direction of Responsible Development of Groupe Clarins.
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CLARINS
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Fiscal year runs from January 1st to December 31st