

Jean-Paul Agon is Chairman and CEO of L'Oréal, the world's leading beauty company. Mr. Agon has spent his entire career with L'Oréal and is largely responsible for L'Oréal's key success in the growing international markets in Asia and the United States.

PILIER D'OR 2016 JEAN-PAUL AGON

Chairman & Chief Executive Officer, L'Oréal

JEAN-PAUL AGON THE BEAUTY EXPLORER

By Jean-Christian Agid

L'Oréal is present in 140 countries, which means diverse cultures and ways of life. Is cultural exchange a necessity to adapt to and understand your different markets?

Beauty has been part of the history of mankind for hundreds of years. Research shows that men and women started to paint their faces a long time ago. Beauty is part of people's culture and lives. It is therefore the desire of beauty that differs from one country to another, according to its history and heritage. Understanding this has been a key element of L'Oréal's success.

So a brand should adapt to all kinds of beauties?

A very good example of this is L'Oréal Paris, the number one beauty brand in the world: whether it is in America,



China or France, the equity and the vision of the brand ("Because I'm Worth It") remain the same but its content—the formula and the definition—changes according to each country and the specific needs of the consumers.

How has the Franco-American cultural exchange been a part of your journey as a person and as a corporate leader?

As a company, L'Oréal is very strong in the USA. Globally, we do as much business in the U.S. as we do in the Eurozone (roughly 25% of L'Oréal's total sales worldwide).

One of the reasons for the success of L'Oréal in the U.S. (number one in the market) has been our capacity to blend our portfolio between European and American brands. In fact, half of the brands that we market in the U.S. are American brands that were acquired such as Maybelline, Kiehl's, Urban Decay, Redken and NYX Professional Makeup. The success of L'Oréal in America is the success of these cultural blends. Personally, it is a bit the same. I've always been very attracted to the U.S. I worked here when I was a student, then I came back in 2001 as CEO of L'Oréal USA and stayed for five years.

As always when you arrive in a country, there is a big crisis.

I have to say that you're right. I started on September 15th, 2001.

What are your memories from your time in New York?

Great personal memories. We were very happy here with my family. Two of my

children then decided to attend American universities: my daughter went to Tufts and my son went to Johns Hopkins—they really became Americans.

I also had a great time discovering this country. Sometimes we forget that the U.S. isn't just New York but that it's a beautiful country with a huge variety of landscapes and people. You could spend your entire life touring it and discovering it.

Professionally, those were five very exciting years in a competitive but huge market.

New York, which you left to become CEO!

It was the only reason good enough to convince me to leave New York. I couldn't refuse it, but had it not been for that opportunity, I don't think that anything else could have convinced me to leave New York.

In November 2014, French Prime Minister Manuel Valls paid tribute to the French excellence represented by L'Oréal, which contributes to the promotion of France's image abroad. Does L'Oréal represent the French culture and how?

L'Oréal embodies different French virtues—not that we are promoting the French vision of beauty around the world, on the contrary, as I explained.

At the same time, L'Oréal embodies French skills: the passion for beauty, excellence, and quality. L'Oréal also tries to promote a "universality" of beauty. My predecessor used to say that we are a little United Nations of beauty. I think this is also part of the French heritage. We are proud to have French roots while definitely being a global company. France represents 8% of our business, and L'Oréal brands are present on every continent in more than 100 countries.

Since the late 1990s, L'Oréal Paris has placed executives from mixed cultural backgrounds in an important activity: new-product development.

What is the role of these multicultural exchanges within your company?

Indeed we have created a global network of R & D made of seven poles of research



and innovation: in France, New Jersey, Rio de Janeiro, Tokyo, Shanghai, Mumbai, and in Johannesburg. This is a typical networking way of collaborating and formulating new products; this is the epitome of a multicultural system, and it works very well. The diversity of the people is adding a lot to the quality of the results.

L'Oréal USA was even the first company in the U.S. to receive the Economic Dividends for Gender Equality certification, which recognizes companies for promoting gender equality in the workplace. Why is it important to have more women in leadership and what is the role of the top management to create gender diversity?

The role of top management is very important, at least in the beginning, to push and fuel the process. After that, things come naturally. The initial push we gave ten years ago has produced results: Women at L'Oréal make up 69% of the workplace, 41% of the senior management, and 47% of the Board of Directors.

Today the process of nominating new people for management committees, heads of brands and heads of countries is completely based on talent, regardless of gender.

The legislation for quotas of women on boards in France has also instigated movement in the right direction. Once you are on the right track, you don't stop. While the legislation requires that women

make up 40% of a board, L'Oréal's board is at 47%, and we may go even further.

Since 1998, L'Oréal has promoted the inclusion of women in science through its program in partnership with UNESCO, L'Oréal-UNESCO For Women in Science. Why is this a strategic part of L'Oréal's development and image?

Women and science are obviously two important pillars of L'Oréal. Women, because not only are they our clients that we are very dedicated to, but also because they represent the majority of our workforce. Science, because among all beauty companies, L'Oréal really believes that beauty is about science, that cosmetics are about science. Some think beauty is light and futile, but on the contrary, it is about science and technology.

When Béatrice Dautresme had the great idea of awarding a prize to the best female scientists in the world, L'Oréal found it to be a very natural fit.

At the same time, it corresponded to the real need to bring more women to the science sector. It still remains more difficult for a woman to advance in the science sector and there is a low percentage (less than 5%) of women Nobel prize laureates in science, including two who received the L'Oréal-UNESCO For Women in Science award. L'Oréal has been very persistent and dedicated since the launch of this initiative, which has become very respected in the scientific community. It definitely helps

the cause of female scientists to pursue their career.

L'Oréal is also promoting economic empowerment for women and, more specifically, women entrepreneurship?

We started a program in the U.S. five years ago called "Women In Digital." It fosters a great community of female entrepreneurs who are either launching companies or leading companies in the digital space with a consumer target that's very close to ours. We also provide them with pilot projects within our company, with their brands, so that they get access to an incredible business case and we can test their technologies and platforms early on.

In 2009, to celebrate its 100-year anniversary, you preferred to launch a large social responsibility initiative instead of a large social party. Is the future of multinational companies to associate commerce with social causes?

In 2009, I had just come back from the U.S. and I was wondering what we could do to celebrate our anniversary. We asked each of our subsidiaries throughout the world to create a program to help local communities that needed our help. When you want to celebrate a century of success and get ready for the next one, the best way to celebrate is to share this success and prosperity with others. Each subsidiary created a program, and when we realized how great it was, we decided the year after to dedicate one day per year, 'Citizen Day,' to allow each team to dedicate their time to help their community.

It has created a great sense of being useful, helpful, and of purpose.

You are personally passionate about traveling, and therefore about the planet. So you also have a strong strategy to protect it and to make sure that the products we use for beauty respect the environment as much as possible.

I think it is one of the major changes in the 21st century. We are now conscious about how fragile our planet is, and how everyone needs to do something about it. It always seems obvious to me that the

leader of the beauty industry has to set an example in terms of contributing to make the world a beautiful place.

So we decided five years ago to commit to probably one of the most ambitious programs of all consumer goods companies: "Sharing Beauty with All."

We are committed to:

- Making sure that 100% of our products will have a positive environmental or social benefit by 2020.
- Producing sustainability and reducing gas emission, water consumption, and waste production by 60%.
- Helping consumers choose among all our products by giving them transparent information about the sustainability of all of our products.
- Associating our suppliers.
- Providing employment opportunities to 100,000 people who are not currently in our workforce in communities that have economic needs.

Your entire career has been at L'Oréal. Yet you said that you cherish your freedom above all. What did you find at L'Oréal that inspired you to pursue an entire career at the company?

For one thing, I found a profession that I love. Creating beauty products, making people feel more beautiful and sharing beauty with everyone around the world is a real passion.

Number two, I always dreamed of traveling around the world. When I was a kid, my bedroom was filled with maps of all countries throughout the world. I see my job as a beauty explorer, and that is exactly what I wanted to do from the very beginning.

Third, L'Oréal gave me total freedom. Sometimes when I say this, people look at me strangely. During my time at L'Oréal, I always did what I wanted. I always had the freedom to do what I thought was right.

Is this why *The Odyssey* is one of your favorite books?

On top of everything else, I love Greece. I had this amazing opportunity to become L'Oréal Manager in Greece when I was 25 years old. I went there, I loved the

country, the language, and I still love it.

Tonight, you are being honored by FIAF alongside Jeff Koons.

It is both a great honor and a privilege to receive this recognition. I'm also very happy to share this award with my friend Jeff Koons, for whom I have great admiration. He is also someone who loves freedom and adventure. He has a different field of adventure, but he is also an explorer. I love sharing this moment with him.



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