Businessexcellence

# L'ORÉALINDIA www.loreal.co.in



ew consumer brands are better known than those of the L'Oréal Group. The portfolio of 23 global brands including household names such as Maybelline, Garnier and Biotherm, as well as the L'Oréal Paris brand itself, are all at the forefront of their market,

whether it be for cosmetics, skin care, fragrance or hair care.

Headquartered in Paris, L'Oréal has over a hundred years' experience in bringing out the best in women of all ages and races. Today, the group has a presence in 130 countries and its 65,000 employees were behind sales of €17.5 billion last year.

The L'Oréal Group cares about more than making women beautiful. Vishal Sahgal, industrial director of the Pune manufacturing facility, talks to Jayne Alverca about the importance of promoting sustainable development



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revolutionary technology, which guickly caught the attention of major cosmetics producers. Today, global manufacturers demand global collaboration from their suppliers. Tetra Pak is uniquely suited to this task. Our on-the-spot sales and service organization provides customers in over 160 countries with quick response from knowledgeable, locally based staff. Tetra Pak Stainless Equipment is the business unit responsible for core technology in cosmetics production. Few industries are expanding as steadily as cosmetics and toiletries. With a unique product to match the industry's production needs, and an organizational profile that fits hand in glove with that of our customers, Tetra Pak has a long-term commitment to this industry.



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#### Tetra Pak strengths

- O In depth Knowledge to deliver Modular Skids
- O Proven track record of Project Execution from India since 2004.
- Strong presence in all 3 markets i.e. India, Indonesia and China.
- O Proven Technology and Engineering of TPSE
- O Customer relationship





L'Oréal's presence in India dates back to 1994. "L'Oréal has a strong belief in the value of manufacturing close to its markets," explains Vishal Sahgal, industrial director of the company's Pune manufacturing facility.

However, India did not begin a programme of liberalisation for foreign companies until the early 1990s, so at first, manufacturing was undertaken by a sub-contractor. "In 1998 we were finally able to move into direct production, driven by the belief that no one has more expertise than L'Oréal in the manufacture of the products that we are famous for," he adds.

Sales of L'Oréal products in India have been meteoric. "We not only give products that are Pune factory first prize in the Excellence in Energy better in terms of quality and safety, we have Management category in 2009 for its various also been instrumental in creating new markets. energy conservation projects." For example, hair colouration was revolutionised Within the L'Oréal Group, the Pune site has won a by L'Oréal when we introduced fashion shades number of accolades. "We won the internal award for which women had never used before. Our Colour the best environmental project in 2007 for a project Naturals brand is very accessible, costing close to that involved using 320 solar cells, rather than €2, and it offers an international guality standard expensive diesel oil, to heat water for washing in our that was never available before. Similarly, we processes. Two years latter, we again picked up first introduced Indian consumers to conditioners for prize for a project that uses vermin culture to convert the first time and they have guickly taken over chemical sludge into useful fertiliser. This led to the from traditional hair oils." he comments. proportion of waste being recovered from the site to Since 2004, manufacturing for hair care, hair increase from 95 per cent to 99 per cent," he says.

colour and skin care lines for L'Oréal's Consumer At corporate level, the company's Indian Products division and Professional Products headquarters in Mumbai has achieved a rare division has taken place at Pune. "We need to synergy between its core business, which is beauty attract and retain the best talent in order to grow; and good citizenship. A project aptly named and our first location was simply too remote," 'Beautiful Beginnings', which is implemented Sahgal explains. "Pune is where all our operations together with the French NGO Aide et Action, aims are now based and we have up to 600 people to help girls from marginalised communities who working for us at any one time." were unable to complete their normal education

Sahgal explains that promoting sustainable development is a fundamental tenet within all plants and distribution centres that operate under L'Oreal's umbrella. Environmental sustainability and corporate social responsibility (CSR) are the twin pillars that support this broader aim. Even within the vigorous framework that all L'Oréal manufacturing centres operate, Sahgal believes that the achievements of the manufacturing facility at Pune are something special. "Our Pune factory stands out within the group for its environmental achievements," he asserts. "The state government of Maharashtra where we are based awarded the







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#### Galaxy Surfactants Limited.

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to train as beauty therapists and achieve financial independence. "It is expensive and quite complex to organise so it is done centrally, but at present 'Beautiful Beginnings' is operating in Mumbai, Pune and Hyderabad and it represents wonderful opportunity for the girls involved," he says.

L'Oréal also believes that the world needs The Pune factory itself has recently picked up science and science needs women. The L'Oréal India For Young Women in Science scholarships World Award, for its approach to good citizenship programme, with the support of the Indian National within the community where it is based. "We do Commission for Cooperation with UNESCO, has not like one-off donations and look for long term helped young women passionate about science projects which will have a long term impact in the to achieve their dreams and aspirations of communities around Pune, where many of our

pursuing a career in science. Established in 2003, it reaches out to deserving female students from Maharashtra and scholarships worth Rs.250,000 each are given to five young girls to pursue graduate studies in any scientific field. Thirty-five scholarships have been awarded to date. another prize, this time the internal Citizen of the





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staff come from," he explains.

"'Project Care', which won us the first prize, is an integrated project that looks at safety, health and hygiene, the environment and child education, which we deal with in turn on a quarterly basis with the aim of raising standards and improving the local quality of life. We rely on a mix of professional trainers and our own employees from these villages who feel a huge pride in our work and whose voice is sometimes more acceptable to local communities than outsiders."

The project is ongoing and includes facets such as free medical check-ups for the elderly and a scheme to support schools with redundant laboratory and IT equipment that still has relevance in the classroom. The company is also involved in a partnership that will provide two new classrooms to a local school—at present the children have to study outside.

On the procurement side, L'Oréal extends its values by insisting on a very specific vetting process. "Suppliers must pass our stringent quality requirements and also a Safety and Social Audit. We use external consultants like Intertech who will monitor for unacceptable practices such as child labour, ensure that minimum wages are paid and that there is no requirement for excessive working hours. The government has labour laws, but not all companies comply. We only want to work with those that do."

Meanwhile, Sahgal believes that the factory's steady expansion creates a virtuous cycle in the local economy, as at least 50 per cent of staff are recruited from surrounding villages. "Last year we grew our capacity by 30 per cent and there is still enormous scope for L'Oréal in India. It is very important that as we grow, we give something back to the society that has contributed to our success," he concludes. www.loreal.co.in •







