

L'ORÉAL FOR THE FUTURE

BECAUSE OUR PLANET IS WORTH IT

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Global Brand President of L'Oréal Paris

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L'ORÉAL FOR THE FUTURE

BECAUSE OUR PLANET IS WORTH IT



Global warming and environmental changes may lead to the permanent degradation of human and natural habitats. With higher stakes must come stronger commitments. The “L'Oréal for the Future” program embodies the two complementary dimensions of what corporate responsibility means to us: transforming our company towards an increasingly sustainable business model, and contributing to solving social and environmental challenges.

Our commitments towards 2030 mark the beginning of a more radical transformation and embody the Group's view as to what a company's vision, purpose and responsibilities should be to meet the challenges facing the world.

As a major brand of the L'Oréal Group, L'Oréal Paris contributes directly to these achievements. Building on the Group's progress, we have established a new ten-year plan guided by ambitious goals, and underpinned by our belief in women's empowerment. In particular, we will reduce the carbon footprint of our products sold by half by 2030, while improving the environmental impact of our products, throughout their life cycle.

Because our planet is worth it, too.



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Editorial

OUR SUSTAINABLE SCIENCE FOR THE PLANET



DELPHINE VIGUIÉ-HOVASSE,
Global Brand President of L'Oréal Paris

“ L'ORÉAL PARIS IS
REDOUBLING ITS EFFORTS
TO FIND SCIENTIFIC
SOLUTIONS TO PROPOSE
PRODUCTS THAT ARE BOTH
SAFE AND EFFECTIVE AND
ALSO RESPONSIBLE AND
SUSTAINABLE. ”

L'Oréal Paris is born from science – from biology to chemistry, from biotechnology to optics, from biophysics to mathematics, it's the combination of all these expertise that has enabled the brand to remain constantly at the forefront of skin and hair knowledge, in order to offer the consumer the best beauty cares. L'Oréal's Research & Innovation is unique throughout the beauty industry, due to both its breadth and its inventive capacity. And the company continues to conduct pioneering works in multiple scientific domains, such as skin reconstruction.

In response to the climate and environmental emergency, L'Oréal Paris is redoubling its efforts to find scientific solutions that enable the company to propose products that are both safe and effective while also responsible and sustainable. In fact, we aim to reduce by half our CO₂ emissions per unit sold by 2030. We are transforming the product life cycle, with major scientific innovations in formulation and packaging, but also considerable efforts at our production and distribution sites, some of which have reached carbon neutrality, including in the EU, the United States and China.

In this way, we are going to revisit and reinvent our portfolio of raw materials and formulas, in order to move from petrochemicals to biotechnology, thanks to the progress and innovation of green sciences – such as natural sciences, agronomy, biotechnology, biofermentation, eco-extraction, green chemistry and physical chemistry. Just as many scientific territories as our scientists can draw on to develop products that respect the environment. L'Oréal Paris will also be able to count on the significant scientific knowledge accumulated by our Advanced Research teams and on robust measurement methods, now combined with artificial intelligence.

The circular economy is also a priority, and our packaging is now developed with a minimum of materials. We are working to make all our plastic packaging recycled, recyclable, reusable or refillable. L'Oréal Paris would like to share the environmental performance of its products with transparency, and is progressively putting in place a score that indicates the product's environmental impact. This is a way to help consumers to make responsible consumption choices.

Finally, faithful to its women's empowerment mission, L'Oréal Paris supports women with all its strength, through its Stand Up programme, to fight against street harassment, but also by investing 10 million euros in environmental projects, to protect and restore the biodiversity and support local communities – especially women.

We still have a long way to go, but we are empowering our teams to become sustainability experts, and integrating social and environmental considerations at the core of all our efforts, in order to achieve significant sustainability progress across all our products, reconciling safety, efficacy and sustainability. We want to raise the bar for the whole beauty industry, in order to offer the best of beauty, while respecting the planet. Because it's worth it. Because you're worth it.

Ambition AND ACHIEVEMENTS



Building on its achievements to date, L'Oréal Paris has set ambitious sustainability goals for 2025 and 2030, in line with L'Oréal Group sustainability program. These goals will guide our progress in making beauty sustainable, while striving towards our reduction of carbon emissions goal. With a longstanding involvement in women's empowerment, L'Oréal Paris is also going further, with its commitment against street harassment.

CLIMATE

L'Oréal Paris target is to reduce both our direct (SCOPES 1 and 2) and indirect (SCOPE 3) CO₂ emissions by 50% per product sold by 2030 compared to 2016. We will take action to reduce the carbon footprint of our ingredients and packaging, promote carbon reduction initiatives in our supply chain and operations, and help our consumers to generate fewer emissions in the use of our products.

WHAT ARE SCOPE 1, 2 AND 3 CO₂ EMISSIONS?

SCOPE 1

Direct emissions from sources owned or controlled by the reporting entity

SCOPE 2

Indirect emissions in connection with the consumption of electricity, heat or steam necessary for production of the product or the operations of the reporting entity

SCOPE 3

Other indirect emissions related to the supply chain ('upstream' emissions) and the use of products and services during their life cycle ('downstream' emissions).

IN 2021, WE LAUNCHED OUR SUSTAINABILITY PROGRAM : **L'ORÉAL FOR THE FUTURE, BECAUSE OUR PLANET IS WORTH IT.**

OUR CO₂ FOOTPRINT DIAGNOSIS MAIN ITEMS IN 2021 :



Our **haircare** products footprint (including formula, packaging, product usage and end-of-life of packaging) represents **58%** of our total footprint. That is why most of our efforts are concentrated on this category.

BY 2030

-50%



CO₂ EMISSIONS PER PRODUCT SOLD, COMPARED TO 2016

BY TAKING ACTION IN :

- Biodegradability and ingredient choice in Formulas
- Reduction of our plastic footprint and acceleration of the usage of recycled and recyclable material in our packaging
- Rinsability and non-rinse products in Product Use

PACKAGING

ZERO VIRGIN PLASTICS TARGET

BY 2025 **50%** OF PLASTIC WILL COME FROM RECYCLED PLASTIC (of which 100% recycled PET) or materials

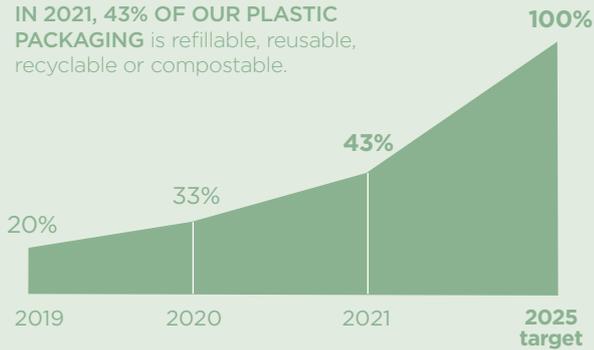
IN 2021, **77%** OF THE PET PLASTIC IS MADE OF RECYCLED PLASTIC

BY 2030 **100%** OF PLASTIC WILL COME FROM RECYCLED OR BIOBASED MATERIALS, eliminating the use of petrochemical virgin plastics



CIRCULAR ECONOMY

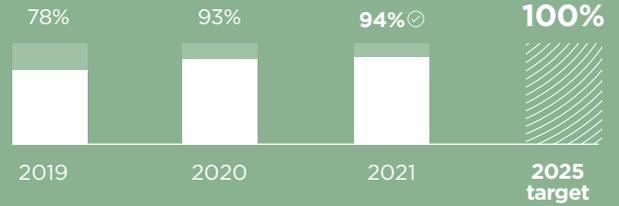
IN 2021, **43% OF OUR PLASTIC PACKAGING** is refillable, reusable, recyclable or compostable.



BY 2025 **100%** OF OUR PLASTIC PACKAGING will be refillable, recyclable, reusable or compostable.

BY 2030 WE WILL REDUCE BY **20%** IN INTENSITY THE QUANTITY OF PACKAGING used for our products, compared to 2019

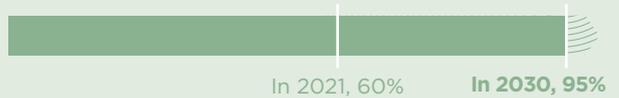
ECO-DESIGNED PRODUCTS



BY 2025 **100% OF OUR NEW AND RENOVATED PRODUCTS** will be improved based on life cycle methodology⁽¹⁾.

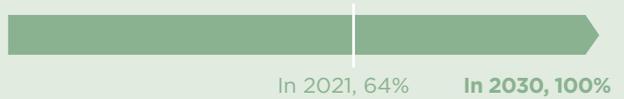
FORMULA

NATURAL ORIGIN INGREDIENTS



BY 2030 **95%** OF OUR INGREDIENTS WILL BE OF RENEWABLE ORIGIN OR DERIVED FROM ABUNDANT MINERALS

SUSTAINABLE SOURCING



BY 2030 **100%** OF OUR RENEWABLE AND MINERAL RAW MATERIALS WILL BE SUSTAINABLY SOURCED

FACTORIES

BY 2025 **100%** OF OUR SITES WILL BE CARBON NEUTRAL⁽²⁾

BY 2030 **100%** OF OUR FACTORIES WILL BE "WATERLOOP FACTORIES"⁽³⁾

IN 2021, **24%** OF OUR FACTORIES ARE WATERLOOP FACTORIES

IN 2021, **60%** OF OUR FACTORIES ARE CARBON NEUTRAL

ASSURANCE

L'Oréal Paris reports here the evolution of its sustainability performance and its achievements at the end of 2021.

The figures and activities related to this performance are shared in detail in the pages of this report. Deloitte has expressed a limited assurance on the indicators identified by this tickmark symbol (✔).

Please refer to the 2021 Assurance Report published in the "Publications" available at:

- loreal.com/en/commitments-and-responsibilities/for-the-planet/ressources/
- loreal-finance.com/eng/universal-registration-document

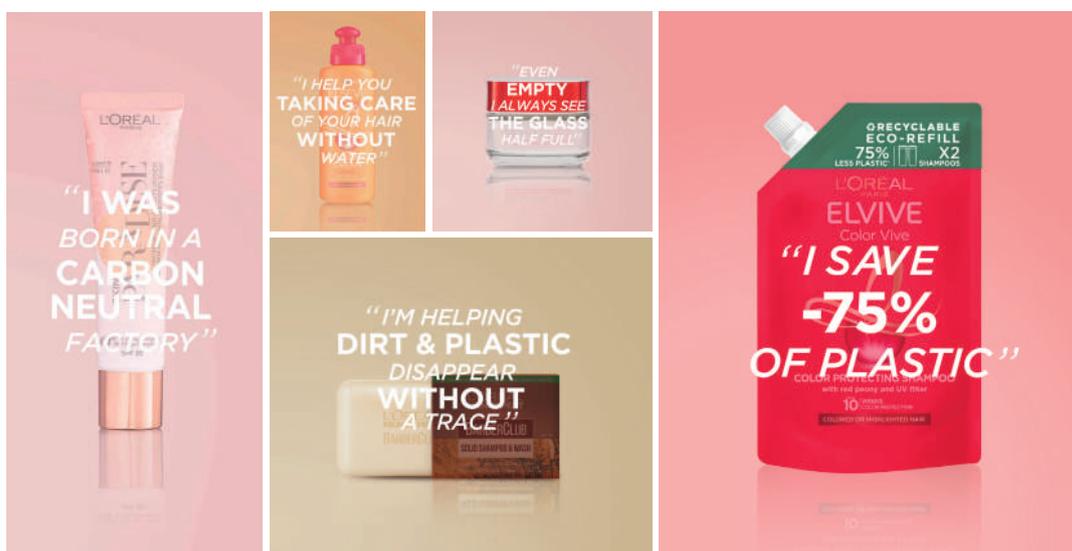
(1) Improved products include the products with a new or renovated formula and/or packaging (excluding subcontracting and regulatory developments) and that improve their environmental or social impact according to the SPOT methodology, based on criteria such as green chemistry, renewability, biodegradability, ecotoxicity, recycled material and end-of-life, contribution to communities, information display or accessibility.

(2) Direct CO₂ (SCOPE 1) = 0 with the exception of the gas used for catering, the fuel oil used for sprinkler tests, fossil energy consumptions during maintenance of on-site renewable facilities, cooling gas leaks if they are lower than 130 tonnes CO₂eq./year, and indirect CO₂ Market Based (SCOPE 2) = 0

(3) The "Waterloop Factory" concept consists of using fresh water only for employee's water needs and for the high-quality water production used in our cosmetic formula; all the water needs for industrial process are covered by water that is reused or recycled in a loop on the site.

Improving ALL OUR PRODUCTS

L'Oréal Paris is taking action to improve the environmental and social footprint of every new and renovated product. Each of these improvements is enabled by the brand's powerful pioneering science. In this way, it explores new scientific ground and deploys all its expertise in skincare and haircare to develop safe and effective formulas that are more respectful of the environment and biodiversity, using less water and more sustainable ingredients. The L'Oréal Paris Product Development and Packaging teams also design smaller or lighter packaging, integrating more recycled materials. Science is at the origin of every advance, and L'Oréal Paris draws on its longstanding scientific expertise to go further in improving its environmental impact.



FORMULA, FROM PETROCHEMICALS TO BIOTECHNOLOGY

In order to improve the sustainability of our formulas, L'Oréal Research & Innovation laboratories continuously develop new ingredients and technologies inspired by biomolecules derived from green sciences. They continue to offer superior performance and safety for our consumers, while reducing environmental impact. Through developing new ingredients and drawing on innovations from natural sciences such as eco-extraction, biofermentation, biotechnology and agronomy, we have opened the door to a whole new chapter in green sciences. It has enabled us to revisit and reinvent our portfolio of raw materials and formulations, harnessing the principle of circularity to drive future innovation.

HOW DO WE TEST ?

Non animal-testing since 1989

As a trailblazer in the fight against animal testing, L'Oréal banned the practice in its labs since 1989, 14 years before European regulations came into force. Even in China, where we have been sharing our alternative methods, testing protocols and technology, L'Oréal Paris does not test its products on animals. Episkin is one clear example of how the group systematically goes above and beyond regulatory requirements. Developed more than 30 years ago by our experts in cellular biology, L'Oréal's pioneering proprietary reconstructed skin technology provides a reliable and viable alternative to animal testing. By reproducing the structure of human skin and replicating the conditions for product application, in just a few hours the technology can predict the safety of an ingredient or formula, and allows performance comparisons well before it has even been clinically tested.

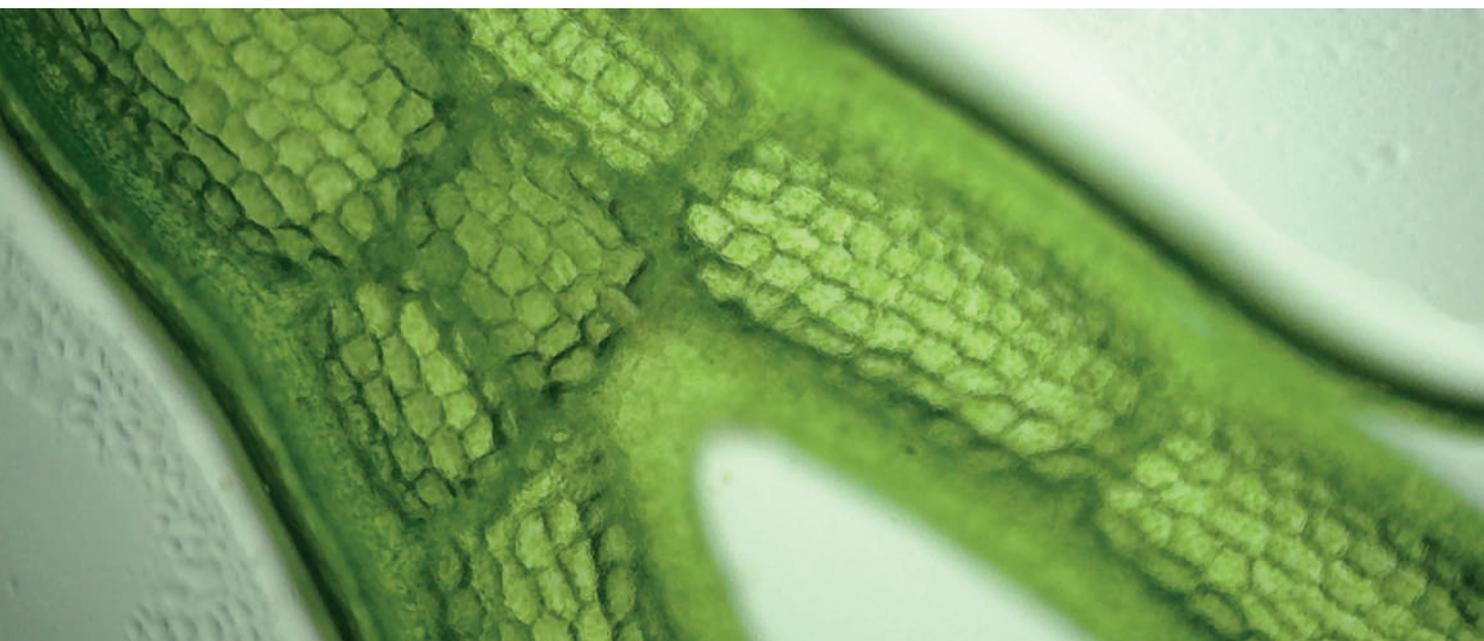
Each year, L'Oréal's Predictive Evaluation Center in Gerland, France, produces around 150,000 units of reconstructed tissue. An Episkin subsidiary was created in Pudong, China, in 2014, and a Brazilian Episkin center was opened in Rio de Janeiro in 2018.

ZERO ANIMAL-TESTING



WHAT ARE GREEN SCIENCES?

Green sciences mean all scientific knowledge ranging from innovative biomass production techniques to the formulation of high-performance ingredients of natural origin, using environmental-friendly processes for transformation, extraction or fermentation. Through its commitment to the potential of green sciences, L'Oréal Paris focuses on the development of the knowledge base of life sciences to unleash the power of nature in high performance, sustainable, safe products that are recognized as such.



GREEN SCIENCES

Pioneering science with new ingredients

L'Oréal Research & Innovation develop new active ingredients, new environmentally friendly molecules. For example, in 2005, Pro-Xylane® was the first eco-designed active ingredient in the cosmetics industry, a major green chemistry anti-ageing ingredient developed by our scientists.

Pro-Xylane® is a molecule based on the combination of two ingredients: Xylose, a natural sugar extracted from birch and beech trees sustainably sourced and 1,2-Propanediol, extracted from rapeseed oil, 100% renewable. An example of how chemistry may be powerful when inspired by nature.

Hyaluronic acid, the miracle moisturizing ingredient from green sciences

Hyaluronic acid is a molecule naturally present in our bodies capable of retaining a thousand times its weight in water. The skin's ability to retain moisture declines once we reach our 30s, and it becomes necessary to provide the skin with the hyaluronic acid it lacks. Hyaluronic Acid found in our Revitalift Pure HA Serum has been sustainably produced. Lactic bacteria work as 'mini fermentation factories'. We feed them with locally sourced cereals before extracting them through a green process, obtaining two molecular weights: macro- and micro-fragmented hyaluronic acids. These are highly efficient in order to improve the penetration of moisture.



NATURAL ORIGIN INGREDIENTS

Volume Million Lashes Balm Noir, 99 % natural origin ingredients

Where most mascaras generally have around 40 ingredients, the new balm-in-mascara Volume Million Lashes Balm Noir uses pioneering science for a concentrated formula using just 15 essential ingredients. The balmy texture contains a blend of natural origin oils from renewable sources selected to hydrate and care: rapeseed boosts volume whilst pulullan – a new bioprocessed sugar polymer obtained from biotransformation of potato and tapioca – provides long-lasting wear and easy removal.



+1% STABILIZING AGENT



the science BEHIND THE FORMULA

"It was a challenge to formulate a mascara with 99% natural origin ingredients. We didn't work to replace each ingredient from our classical recipes. Instead, we crafted a totally reinvented caring balm based on a creamy concentrate, with a new natural origin polymer issued from biotechnology, for long-lasting wear."

Elisabeth Bouhadana,

Global Scientific Director L'Oréal Paris International

SOURCING

IN 2021,
64% OF OUR BIOBASED INGREDIENTS are sustainably sourced

100% OF PALM OIL AND ITS DERIVATIVES, used in our products, are sustainably certified.

BY 2025 ALL OUR NATURAL INGREDIENTS will be sustainably sourced.



INGREDIENTS

BY 2030 **95%** OF OUR INGREDIENTS will be of renewable origin, derived from abundant minerals or circular processes.

IN 2021, THEY REPRESENT 64% OF OUR INGREDIENTS.

ZERO DEFORESTATION

BIODEGRADABILITY



Going further in biodegradability

L'Oréal Paris is improving the biodegradability of formulas, i.e. their ability to be broken down by natural micro-organisms, to reduce its environmental impact, as the Elvive Full Resist Mask, reaching 97% of biodegradability.

BIODEGRADABILITY

In 2021
83 % OF BIODEGRADABILITY in our formulas (except make up)

81% in haircare
87% in haircolor
79% in skincare

WATER

Non-rinse, the revolution in haircare

We consciously address the water-use phase with certain formulas that require less water to rinse and new beauty routines that require less rinsing steps, such as two-in-one products or non-rinse hair care treatments.

"I help you take care of your long hair, without water." This is what the Elvive Dream Lengths No Haircut Cream could say. This formula is designed to take care of long hair, without needing to rinse.



PACKAGING, ONE MORE STEP TOWARDS THE CIRCULAR ECONOMY

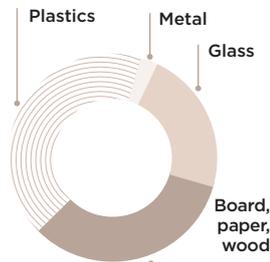


L'Oréal Paris is accelerating its transition to the circular economy by optimizing its packaging. The priority is to reduce plastic use, and the company has committed to using recycled materials to eliminate the use of virgin plastic in its packaging by 2030. Further to this, by 2025, it will strive to ensure that all its packaging is recyclable, reusable, refillable or compostable. In this way, the brand is innovating with new packaging formats and reducing the weight of its contents, in order to reduce its use of materials and optimize transport.

MATERIALS

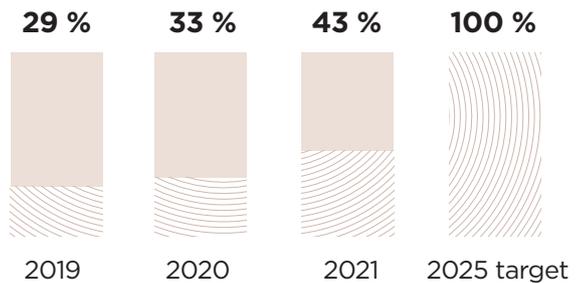
124,635 TONS ✓

In 2021, we use **124,635 TONS** of materials (primary, secondary and tertiary), including **51,259 TONS** ✓ of plastics.



In 2021

43 % ✓ OF OUR PLASTIC PACKAGING is refillable, reusable, recyclable or compostable.



2025 TARGET

In 2025, **100%** of the PET and **50%** of the total plastic we use for our products packaging will be made of recycled sources.

2030 TARGET

TOWARDS THE END OF VIRGIN PLASTIC
WE AIM TO ELIMINATE THE USE OF VIRGIN PLASTIC IN OUR PACKAGING BY 2030.

REDUCE, REFILL, RECYCLE : THE CIRCULAR ECONOMY FOR LESS PLASTICS

ELVIVE, TAKING CARE OF YOUR HAIR AND THE PLANET

L'ORÉAL PARIS IS TAKING STEPS TO REDUCE ITS CONSUMPTION OF VIRGIN PLASTIC AND ENABLE IT TO BE RECYCLED, FROM SOURCING TO THE PRODUCT'S END OF LIFE. THE ELVIVE FRANCHISE IS A CIRCULAR ECONOMY PIONEER WITHIN OUR BUSINESS, THANKS TO INNOVATIVE AND STRATEGIC INITIATIVES THAT ARE REVOLUTIONIZING THE PRODUCT AND DISTRIBUTION ECOSYSTEM, TOGETHER WITH CONSUMPTION HABITS.



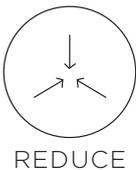


100 % RECYCLED PLASTICS

Having helped women feel great about their hair every day, Elvive is now making sure they feel good about the brand's commitment to the environment too. Since 2020, all our 250 million Elvive shampoo and conditioner bottles in Europe have been made from 100% recycled PET.

BY USING RECYCLED PLASTICS IN ELVIVE PACKAGING, THE BRAND SAVED THE EQUIVALENT OF

10,400 TONS OF VIRGIN PLASTIC.



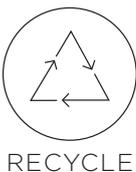
A NEW ECO-REFILLING PACKAGING

It's what's inside that counts. But when it comes to environmental responsibility, the outside is just as important. That is why Elvive invents the new Elvive Eco-Refill Pouch: the best of haircare in a refillable format that cares for the planet too.

The new 500ml mono material (PE) recyclable pouch uses **75% less plastic** than the equivalent Elvive shampoo bottles⁽¹⁾, significantly reducing its environmental footprint. A premium reusable Elvive aluminium bottle is offered as a gift with purchase when buying the Eco-Refill Pouch⁽²⁾.

The new Elvive Eco-Refill Pouch, which stands out with its striking green band, is available in the UK for each of the three Elvive shampoos - Elvive's Dream Lengths Restoring Shampoo; Extraordinary Oil Nourishing Shampoo; and Colour Protect Colour Protecting shampoo - and has debuted in the rest of Europe from December 2021. It is only the beginning, the road is long to change our habits and consumer's habits, but we have an iron will to make our packaging more sustainable, from sourcing to the use phase and waste.

LOOP, A PARTNERSHIP TO REUSE PACKAGING



To help reduce packaging and the raw materials required to make it, as well as prevent it from becoming waste, L'Oréal Paris is seeking alternatives to single use packaging and proposing not only refill but also reuse systems for packaging.

For example, in 2021, L'Oréal Paris joined Terracycle's LOOP initiative, and took part in a project to trial new types of packaging with the retailers Tesco in the UK and Carrefour in France. We designed new durable, desirable packaging for shampoo and conditioner, which is sold with a deposit, on the retailer's website. After using these products, consumers can return the packaging to the agreed delivery retailer that will collect and return the packaging to us for cleaning and refilling, ready for another round. As the initiative progresses, we aim to improve the carbon footprint related to the logistics, in order to optimize the environmental impact of this new way of consuming beauty products.

In 2018,

6%

OF THE PLASTIC USED FOR ELVIVE PACKAGING WORLDWIDE WAS RECYCLED PET.

In 2021,

85%

IS RECYCLED PET



In 2021, **100%** of the plastic used for Elvive shampoo and conditioner bottles in Europe is recycled.



A pioneering RANGE IN SUSTAINABILITY

"In 2021, the use phase⁽³⁾ of our product represents more than half of our carbon emissions, and 66% of those emissions come from our shampoo and conditioners⁽⁴⁾. Therefore, focusing on our ELVIVE ranges was a logical matter of priority for the brand. With all our partners of the value chain, we have been able to set a solid example of an end-to-end approach to sustainability at product level. All the elements of an eco-designed value chain are in place: a production in a carbon neutral factory, the improved biodegradability of our formula with less impact on our eco-systems, and the use of 100% of recycled plastic for the packaging of our bottle whilst ensuring a fully recyclable and refillable bottle with an eco-designed label. Our ambition is to continue to improve all our launches within the same frame of virtuous dynamic."

Barbara Bressand-Sussfeld,
CSR and Sustainability Director
for L'Oréal Paris.

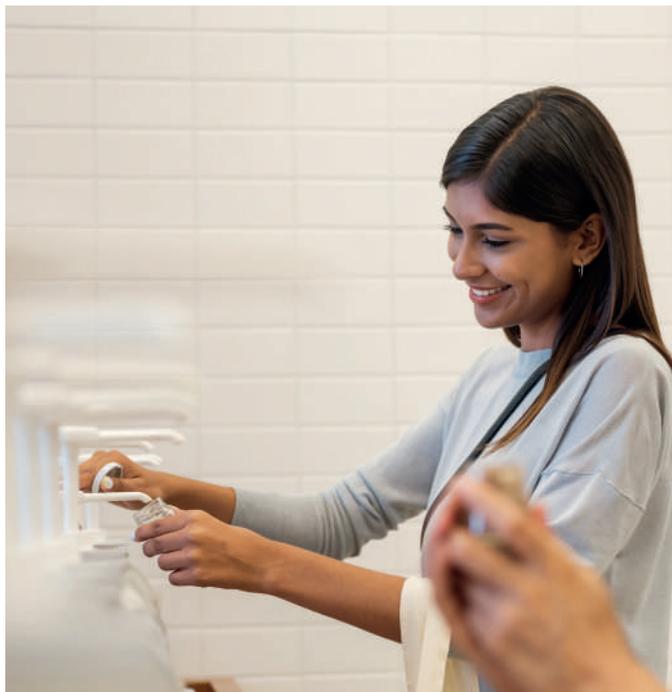
(1) Compared to 2x 250ml Elvive shampoo bottles. (2) Available only in certain markets.

(3) Water heating for the rinsing of sold products and aerosols

(4) Source: 2021 Green House Gas Balance L'Oréal Paris - based on GHG Protocol scopes 1 2 3 (all 3 scopes annually audited by statutory auditors)

All along OUR VALUE CHAIN

To improve our environmental and social footprint and reduce our carbon emissions, we are working throughout our value chain, from raw materials sourcing to manufacturing, distribution and retail, inspiring our teams to deliver change. We have begun a definitive journey with our consumers, working every day towards more sustainable and responsible consumption. We're working hand in hand with our stakeholders at each stage of our products' lifecycle.



INDUSTRY, AN IN-DEPTH TRANSFORMATION

Our Operations teams are leading a profound transformation throughout their value chains, including everything from the carbon impact of our suppliers and our own production sites to water and waste management and transport and logistics. It's a huge challenge to transform our production into a virtuous and responsible system.

CLIMATE

100% of our sites in the US are carbon neutral

In 2021, the L'Oréal Group reached an important milestone in the fight against climate change, as all the 25 US sites reached carbon neutrality at all 25 of its sites across 12 states. L'Oréal USA's manufacturing facilities have implemented measures to reduce energy consumption, ranging from a switch to LED lighting to more specialized equipment such as high-efficiency air compressors and vacuum pumps. 4 factories in the US manufacture L'Oréal Paris products.



PRODUCTION

CO₂ EMISSIONS AND WATER

IN 2021

65% ✓

OF THE INDUSTRIAL SITES INVOLVED IN L'ORÉAL PARIS PRODUCTION WERE CARBON NEUTRAL

AMONG THE 25 L'ORÉAL PARIS FACTORIES ALL OVER THE WORLD,

15 ARE CARBON NEUTRAL

6 ARE WATERLOOP FACTORIES.

IN 2021

100%

OF THE INDUSTRIAL SITES IN THE US INVOLVED IN L'ORÉAL PARIS PRODUCTION WERE CARBON NEUTRAL.

100% OF THE INDUSTRIAL SITES IN CHINA INVOLVED IN L'ORÉAL PARIS PRODUCTION WERE CARBON NEUTRAL.



24% ✓
WATERLOOP

60% ✓
CARBON NEUTRAL



2025 TARGET 100% OF FACTORIES WILL BE CARBON NEUTRAL

2030 TARGET 100% OF FACTORIES WILL BE WATERLOOP FACTORIES

THE YICHANG FACTORY, A BEST-IN-CLASS PLANT IN ASIA

L'Oréal's largest make-up production center in Asia-Pacific

Yichang Tianmei Plant is specialized in make-up production and is the largest site dedicated to this category in Asia, since its expansion in 2011.

It has been recognized as the best example of government-enterprise cooperation in the sino-French Economic and Climate Summit and L'Oréal has received the visit of the Chinese government delegation in its exhibition stand in Paris during the COP21. In 2012, L'Oréal signed an agreement with local government to access to 100% renewable energy on its Yichang site.



Since 2018, L'Oréal's first carbon neutral plant in Asia Pacific

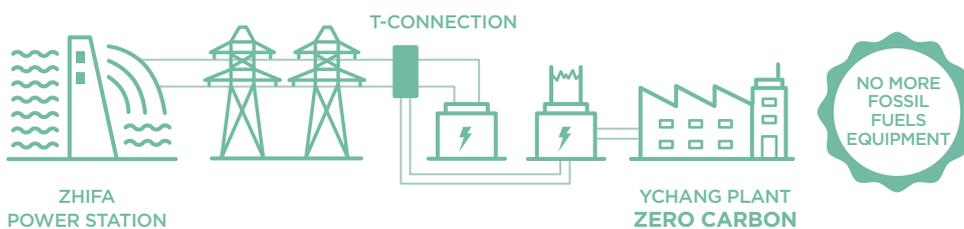
The Yichang plant has reached carbon neutrality thanks to 2 levers:

1 ENERGY-SAVINGS EQUIPMENTS :

- LEED Building;
- LED Lighting;
- Solar Heating Water;
- Heat Recovery;
- Frequency conversion equipment;
- Real time monitoring of energy consumption.

These equipments allow sustainable production and energy-saving buildings.

2 100% RENEWABLE ENERGY, THANKS TO THE CONNECTION WITH ZHIFA POWER STATION, AN HYDROELECTRIC POWER STATION.

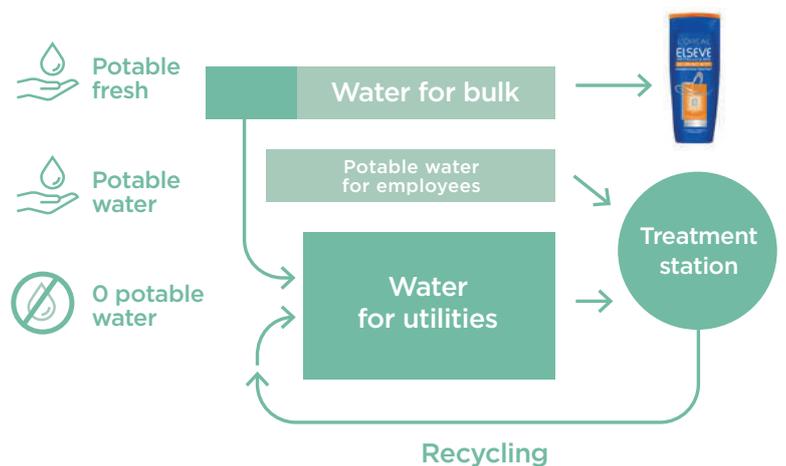




Since 2021, L'Oréal's first waterloop plant in Asia Pacific

The Yichang plant became waterloop factory in 2021. The "Waterloop Factory" concept consists of using fresh water only for employee's water needs and for the high-quality water production used in our cosmetic formula; all the water needs for industrial process are covered by water that is reused or recycled in a loop on the site.

The factory thus saves 16 million liters of water each year, i.e. the equivalent to the combined annual consumption of 93 households.



ENGAGING OUR CONSUMERS, FOR A MORE SUSTAINABLE BEAUTY



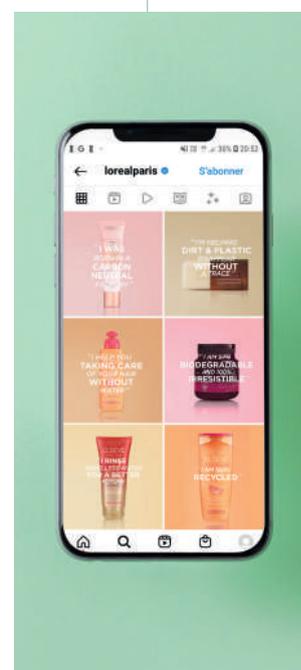
As part of the L'Oréal for the Future program, L'Oréal Paris has committed to both transform its value chain and mobilize its whole ecosystem to reduce the impact of its products. We are therefore calling on our teams, suppliers, retailers, and also consumers to transform their practices to make progress together towards a beauty industry that's more respectful of the planet. L'Oréal Paris is introducing tools designed to help and inform its stakeholders, particularly consumers, in order to encourage them in their efforts.

RAISING AWARENESS

Raising awareness among consumers of the brand's efforts

Our products took the floor on social media in 2021 to communicate about the improvement of their environmental impact - including optimized packaging, biodegradable or natural origin formulas, reduced water use, and production in carbon neutral sites. There is so much progress that we would like to share with consumers. Now, each new launch involves a 'product voice', which explains the efforts of L'Oréal Paris and encourages the brand to go ever further in its commitments for more responsible consumption.

This information is also available on every website of the brand all over the world, to inform all the consumers about the efforts of L'Oréal Paris.



*carbon, water scarcity, freshwater ecotoxicity, freshwater eutrophication, marine eutrophication, water acidification, fossil and mineral resources depletion, land transformation, terrestrial eutrophication, particulate matter, toxicity via environment, ionizing radiation, ozone depletion, and photochemical formation

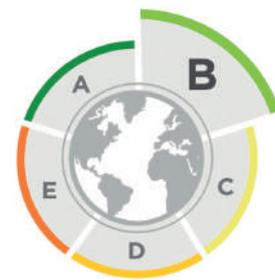
PRODUCT IMPACT LABELLING

Informing consumers to support sustainable consumption choices

The “Overall Environmental Impact” score based on a L’Oréal Group scoring methodology gives an accurate vision of the impact of a product by taking into account 14 planetary impact factors, at every stage of a product’s life cycle and calculated by looking both at sourcing, production and transportation, and also consumer use and packaging recyclability. The method used to calculate the score of each product is approved by 11 independent scientific experts and the data is verified by Bureau Veritas, an independent auditor.

The labelling gives each product a score, from A to E. Products with an “A” score have the lowest Overall Environmental Impact compared to E-scored products which have the highest Overall Environmental Impact. The Product Impact Label is, for now, presented on the product information webpage of all L’Oréal Paris rinsed haircare.

It has been deployed in France, and Germany, and the roll-out is planned in the rest of Europe, in the US and in China before the end of 2022 for haircare.



Empreinte carbone



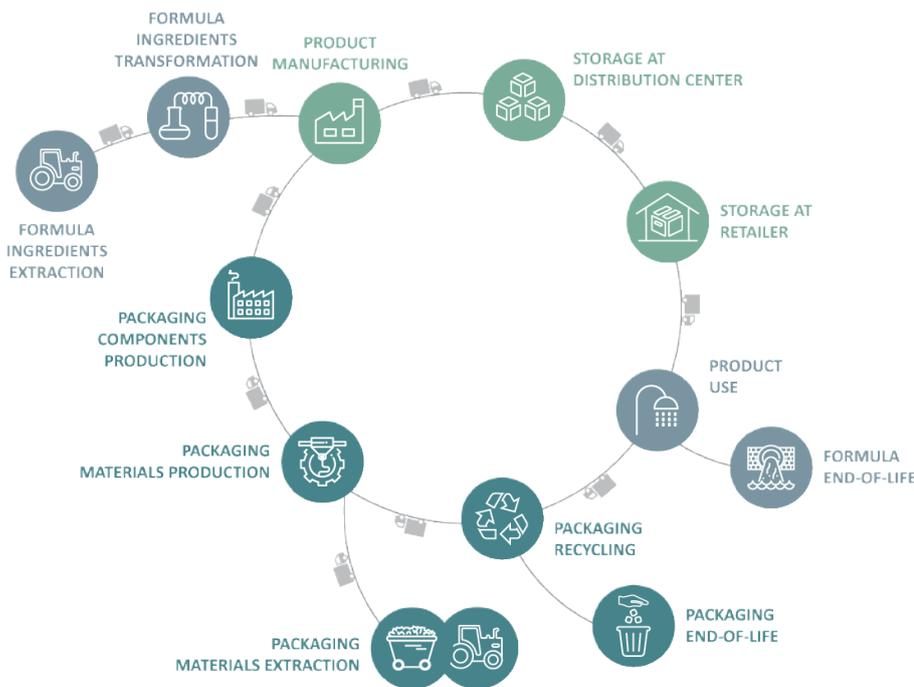
93 g⁽¹⁾ par utilisation
89 g pour 10ml

Empreinte eau



10⁽²⁾ par utilisation
9,8 pour 10ml

Overall Environmental impact of an Elvive shampoo on L’Oréal Paris France website.



14 planetary impact factors to determine the Overall Environmental Impact :

- Carbon
- Water scarcity
- Freshwater ecotoxicity
- Freshwater eutrophication
- Marine eutrophication
- Water acidification
- Fossil and mineral resources depletion
- Land transformation
- Terrestrial eutrophication
- Particulate matter
- Toxicity for environment
- Ionizing radiation
- Ozone depletion
- Photochemical formation

A consortium to initiate a collaboration with all the beauty industry

L’Oréal shares its forces with Henkel, LVMH, Natura &Co, and Unilever to co-develop an industry-wide environmental impact assessment and scoring system for cosmetics products. The aim is to co-design an approach that is brand-agnostic, and which provides consumers with clear, transparent and comparable environmental impact information, based on a common science-based methodology. They are inviting other cosmetics companies to join them in this pursuit.

The convening five⁽¹⁾ companies will pool their experience

and knowledge in developing common methodologies, inspired by the existing tools, such as the environmental and social labelling system developed by L’Oréal. All companies will benefit from this pre-existing work and are invited to contribute their own experience. The consortium will also be consulting with external experts, including scientists, academics and NGOs to ensure the ongoing integrity of the approach, and works with sustainability consultancy Quantis to ensure a robust and scientific methodology.

(1) In February 2022, 36 cosmetics and personal care companies as well as professional associations have joined the EcoBeautyScore Consortium.

Environmental AND INCLUSIVE COMMITMENTS

Our vision of a fairer, more sustainable society is not new. We have worked side by side with women for many years and we continue to encourage generations of women to realize their self-worth.

In 2021, our environmental commitment took a further step forward with our ambition 'L'Oréal for the Future, Because our planet is worth it. We're now going deeper in our environmental commitment by investing €10 million by 2025 in environmental projects to fight against deforestation, restore and protect biodiversity, natural ecosystems and soils and capture carbon emissions, while improving quality of life among local communities, and women in particular.



OUR ENVIRONMENTAL PROJECTS

L'Oréal Paris is investing €10 million by 2025 in environmental projects. In 2021, we selected six environmental projects, all of which contributing to protecting biodiversity, while supporting livelihood of local communities.



ENVIRONMENT

6 ENVIRONMENTAL PROJECTS

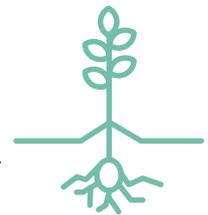
10 MILLION

€ INVESTED IN ENVIRONMENTAL PROJECTS BY 2025

BY PURCHASING

26,667 TONS ✓

OF CO₂ EQ IN THE KARIBA PROJECT, L'Oréal contributed to protect 6,700 ha of critical biodiversity habitat during an equivalent of one year



BY PURCHASING

12,000 TONS ✓

OF CO₂ EQ IN THE QIANBEI AFFORESTATION PROJECT, L'Oréal contributed to afforest and maintain 2,462 ha of land during an equivalent of one year, creating or maintaining 202 jobs, expressed as number of full time employees, including 141 women.



SMALL FORESTS BIG POTENTIAL USA

Strengthening the livelihood of family forest owners through carbon sequestration

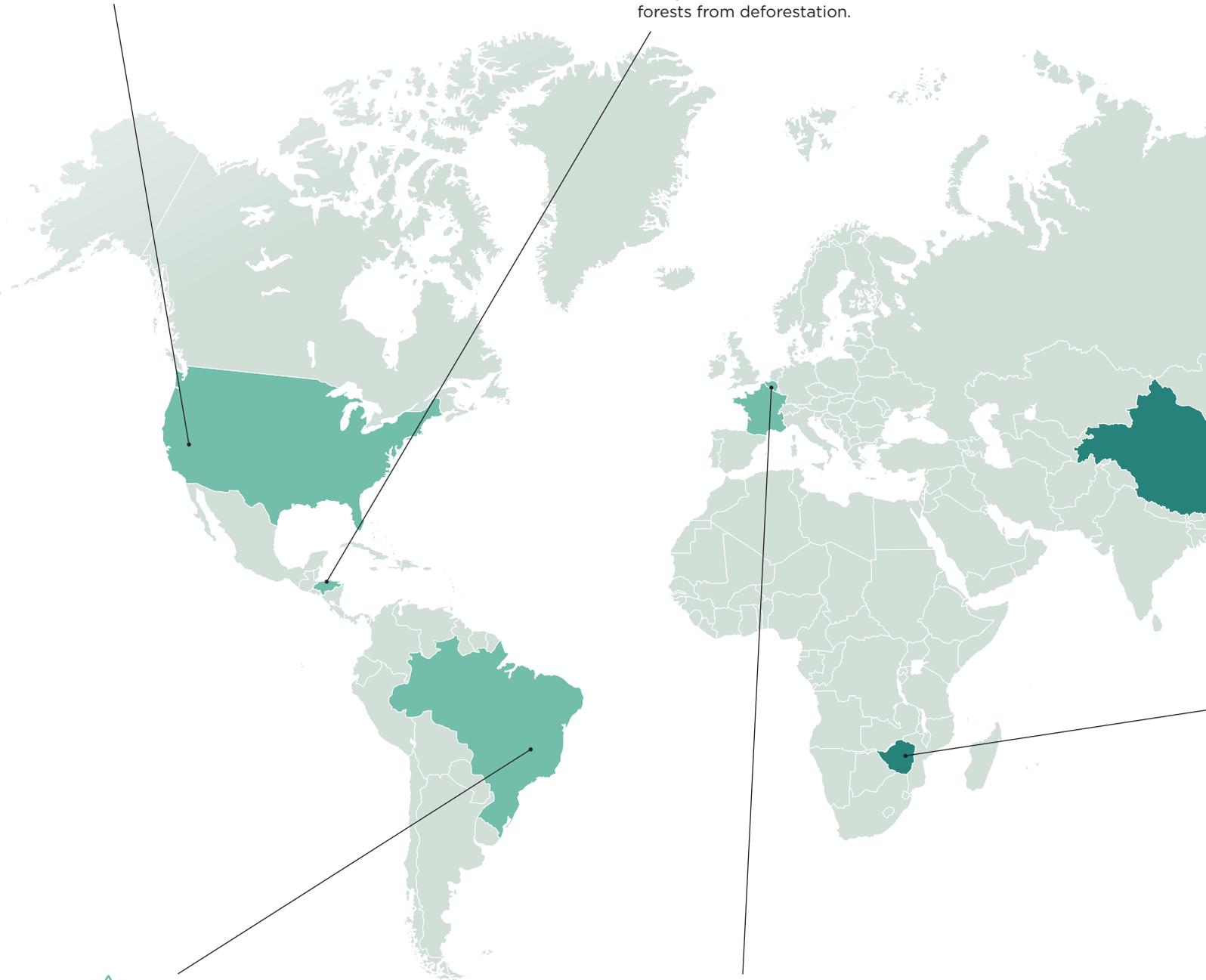
This pioneering project supports smallholding forests owners, who previously did not have access to the tools, information and funding to manage their woodlands sustainably. Landowners are now empowered to implement sustainable practices on their parcel of land, lowering their carbon footprint at the landscape level by tapping into the full potential of carbon sequestration on their land.



MUSKITIA BLUE CARBON HONDURAS

Protecting unique mangrove forests and empowering local Indigenous communities

Straddling the interface between land and water, mangroves are superhero ecosystems: they act as buffer to coastal storms, provide nursery grounds for aquatic wildlife and, by area, mangroves can store up to four times more carbon than terrestrial forests. However, 30-50% of the world's mangroves are already gone. As the first of its kind in Honduras, this pioneering blue carbon project protects nearly 5,000 ha of mangroves and over 280,000 ha of coniferous and broadleaf forests from deforestation.



AGROCORTX SOUTH AMAZON FOREST PROTECTION BRAZIL

Protecting the abundantly biodiverse Amazon from deforestation

This REDD+ (Reducing Emissions from Deforestation and forest Degradation) project protects over 185,000 ha of Brazil's South-Western Amazon Rainforest from deforestation, caused historically by cattle ranching, and logging – legal and otherwise. In addition to reducing emissions by preserving forest carbon stocks, the project creates benefits for surrounding communities and promotes ecosystem biodiversity.



NEXT-GENERATION FARMING BELGIUM AND FRANCE

Healthy soils, rich biodiversity, profitable farms

This project is transforming farming practices across Belgium and France through an innovative partnership of farmers and agronomists. Thanks to new regenerative techniques, more than 1,600 farmers are producing nutritious food, preserving air quality and abundant biodiversity while improving farm profitability – thanks to healthy, nutrient rich soil.



QIANBEI AFFORESTATION CHINA

Planting native tree species to transform wasteland into a thriving forest

This project is located in Zunyi City, Guizhou Province of China and aims to plant native species, such as China fir, Cypresses, *Pinus yunnanensis* and Masson pine, on barren lands. More than 50,000 ha of the forest was planted on barren lands in Zunyi City, which used to be poor sustainable ecological environment and karst rocky desertification.

The project aims to:

- Sequester greenhouse gas and mitigate climate change;
- Enhance biodiversity conservation by increasing the connectivity of forests and habitats;
- Improve the local environment by creating healthier, more fertile soils thanks to stabilising tree roots that prevent erosion and mudslides and, crucially, fight against the rocky desertification creeping across the region
- Generate income and job opportunities for local communities.

The implementation of the project activity has provided more than 16,000 jobs for local villagers, among which 70% are women.

70% OF FULL TIME EMPLOYEES
ARE **WOMEN**



KARIBA FOREST PROTECTION ZIMBABWE

Saving forests, protecting wildlife and changing lives

Launched in 2011, this ambitious African project is located in Zimbabwe, at the crossroads of three national parks, including the UNESCO heritage Mana Pools, and eight reserves.

The project aims to:

- Protect biodiversity in these exceptional areas to form a vast wildlife corridor that is vibrant with life;
- Avoid the emission of more than 3.5 million tons of CO₂ into the atmosphere each year, by preventing deforestation and land degradation on nearly 785,000 ha;
- Empower women, who are at the forefront of the project's agricultural activities, taking leadership roles in conservation farming and managing nutritional gardens;
- Promoting the independence of the communities in the long-term, thanks to a dedicated fund, used to improve health and education in the project area.

As one of 70 projects to be verified under the Additional Climate, Community and Biodiversity Standards, Kariba supports local people by providing access to health, education and training programs.

Special attention is given to the situation of women. Since 2011, 50,000 women have improved their livelihoods, 53,000 have benefited from access to better health services and 13,000 women have entered the education program. Efforts will continue in the coming years to enable more women to join the initiative.

OVER 50,000 WOMEN

HAVE SEEN IMPROVEMENTS IN THEIR LIVELIHOODS THANKS TO THE PROJECT SINCE ITS START IN 2011. L'ORÉAL PARIS IS INVOLVED IN THIS PROJECT SINCE 2021.



STAND UP, OUR COMMITMENT AGAINST STREET HARASSMENT

L'Oréal Paris has encouraged generations of women to realize their self-worth. Street harassment is the #1 issue⁽¹⁾ faced by women and girls around the world. The brand has joined forces with the non-profit Right To Be, ex-Hollaback!, to train everyone on how to safely intervene when they witness or experience street harassment.

OUR CAUSE

Street harassment is one of the most common forms of gender-based violence experienced by women around the world. It is an attack on dignity, an attack on integrity. Our mission is to empower 100 % of L'Oréal Paris employees and over 1.5 million people to fight against this kind of violence. Together with our international partner Right To Be and our local charity partners, we are offering training sessions in public places and online, on our dedicated standup-international.com.

5 ACTIONS TO SAFELY INTERVENE AGAINST STREET HARASSMENT

The 5Ds represent a proven methodology to intervene in the case of street harassment, whether people are victims or just the witness. Its aim is to end the situation of harassment, without endangering anyone who intervenes to help.

DISTRACT

Pretend to be friends, ask for the time, cause a distraction, be creative.

DELEGATE

Find someone in a position of authority or another bystander and ask them to intervene.

DOCUMENT

Either film or write down what is happening, where you are and the date and time. Give this to the person being harassed.

DELAY

Check in with the person being harassed. Acknowledge that what happened was not ok. It is definitely not their fault.

DIRECT

Speak up and call the harasser out. Only use Direct as a last resort to prevent violence. Your safety and the safety of the person being harassed comes first.

(1) International study conducted in 2021 by L'Oréal Paris with IPSOS with data gathered in 8 countries with over 15,000 participants.

PARTNER OF EXPO 2020 DUBAI

L'Oréal Paris was proud to stand as a true partner for the universal exhibition Expo 2020 Dubai, taking place in the UAE from October 2021 to March 2022. It was an occasion for L'Oréal Paris to showcase its commitment to Stand Up to visitors.

October saw the launch of the largest live Stand Up training event ever undertaken since the launch of the program in 2020. Hosted by L'Oréal Paris and its international ambassadors : Aja Naomi King, Aishwarya Rai, Aseel Omran and Mona Zaki.

In September 2021, L'Oréal Paris dazzled spectators of the Burj Khalifa, the tallest building in the world, with a showstopping projection to illuminate the issue of street harassment and invite media and influencers to Stand Up against it.

80%

OF WOMEN HAVE EXPERIENCED SEXUAL HARASSMENT IN PUBLIC SPACES⁽¹⁾

2020

LAUNCH OF THE STAND UP PROGRAMME, TO TRAIN PEOPLE IN CASE OF STREET HARASSMENT

MORE THAN

700,000

PEOPLE TRAINED TO THE 5D METHOD AGAINST STREET HARASSMENT SINCE 2020

2022 TARGET 1.5 MILLION PEOPLE TRAINED TO THE 5D METHOD

100%

OF OUR EMPLOYEES TRAINED IN 2021

97%

OF WITNESSES OF STREET HARASSMENT ARE EMPOWERED TO INTERVENE AFTER TAKING THE STAND UP TRAINING

90%

OF STAND UP TRAINEES SAY THEY NOW CAN ACT TO COMBAT STREET HARASSMENT IF THEY WITNESS IT

33

COUNTRIES HAVE IMPLEMENTED THE STAND UP TRAINING LOCALLY IN PARTNERSHIP WITH A LOCAL CHARITY EXPERT IN GENDER-BASED VIOLENCE

STAND UP

against street harassment



Get trained at
standup-international.com

Source: International social impact survey on the Stand Up Against Street Harassment training, conducted by L'Oréal Paris with Ipsos, with data gathered in 4 countries, March 2022

L'ORÉAL PARIS

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