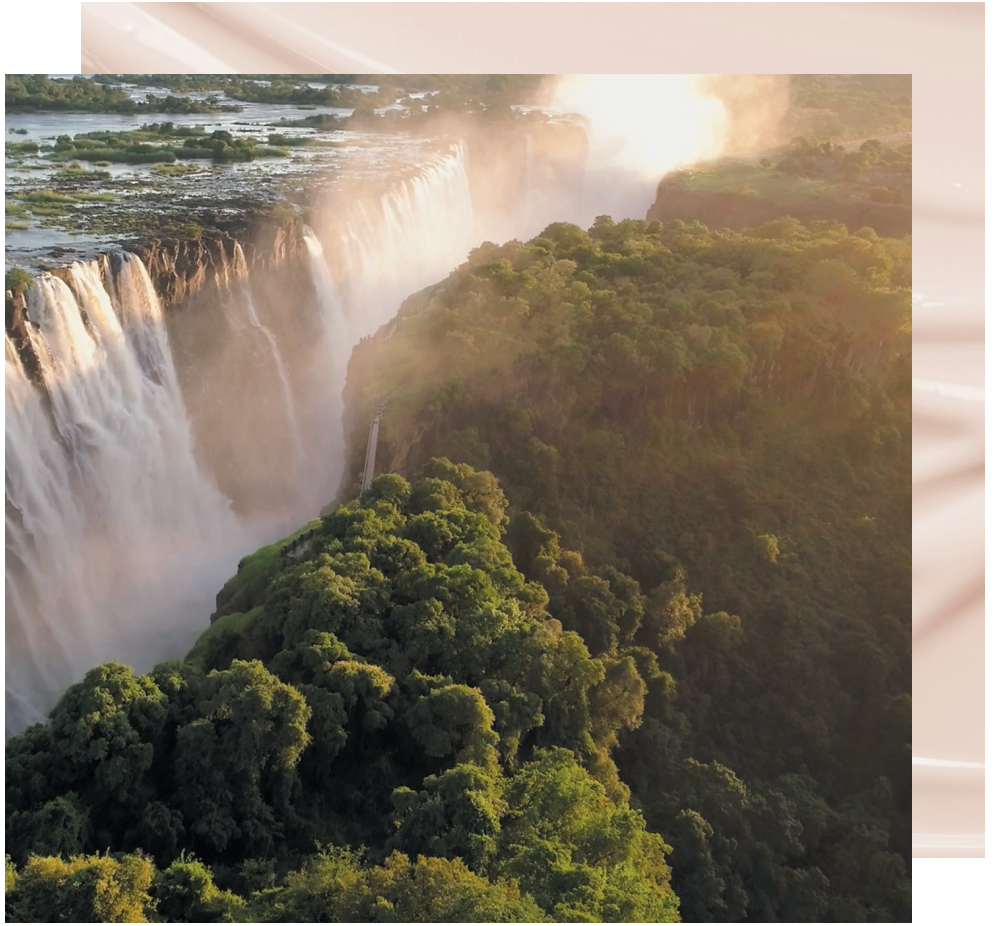


L'ORÉAL
PARIS



L'ORÉAL FOR THE FUTURE

**BECAUSE
OUR PLANET
IS WORTH IT**

2022 SUSTAINABILITY REPORT

BECAUSE OUR PLANET IS WORTH IT

WHAT'S AT STAKE?

Global warming and environmental changes may lead to the permanent degradation of human and natural habitats. Tackling these threats is our collective responsibility and big companies have their part to play. The L'Oréal for the Future programme embodies the two complementary dimensions of what corporate responsibility means to us: transforming our company towards an increasingly sustainable business model and contributing to solve social and environmental challenges.

At the 2015 UN Climate Change Conference (COP21) in Paris, we were among the first one hundred companies to join the Science-Based Targets initiative, which encourages businesses to align their path to decarbonisation with the goals of the Paris Agreement. Our overarching climate change objective is to align our greenhouse gas emissions with the efforts to limit warming to 1.5°C. As a major brand of the L'Oréal Group, L'Oréal Paris contributes directly to these achievements.

WHAT IS OUR ROLE AS A LEADING GLOBAL BRAND?

Building on the Group's strategy and objectives, we have established a ten-year plan (2020-2030) guided by ambitious goals and underpinned by our belief in women empowerment and the power of science. We strive to ensure a fair and sustainable transition that benefits everyone, with a focus on corporate, social and environmental issues. We act on the three pillars of sustainability:

- Economic: through our systematic eco-design approach, we continuously improve the environmental profile of our products throughout their life cycle
- Environmental: we aim to halve our CO₂ emissions per product sold by 2030 and we support women entrepreneurship dedicated to environmental projects
- Social: we empower all women through our against street harassment Stand Up campaign.



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ASSURANCE

L'Oréal Paris reports here the evolution of its sustainability performance and its achievements at the end of 2022. 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 .



DELPHINE VIGUIER-HOVASSE,
GLOBAL BRAND PRESIDENT OF L'ORÉAL PARIS

LET'S WORK TOGETHER TO BUILD THE FUTURE OF BEAUTY

We stand at a critical crossroads: now is the time to choose what we want for tomorrow. For the planet, for our consumers and communities, for our products and for the beauty industry. Soon, it will be too late.

As the world's number one beauty brand, L'Oréal Paris is determined to seize the moment and forge a new path to a more responsible future, to ensure a fair and sustainable transition across the beauty industry. This adventure and responsibility must be shared, and we are committed to doing our part while joining forces with our stakeholders.

Our "L'Oréal for the Future, Because our Planet is Worth it" programme is underpinned by a threefold ambition. Each component has its own collection of initiatives and concrete targets:

- We transform ourselves. By creating more sustainable products and helping consumers to shift to better sustainable consumption habits.
- We empower our stakeholders. By mobilising our entire ecosystem of suppliers, retailers and ambassadors to collectively improve our model and share growth with our communities.
- We contribute to solving the challenges of our time and especially those that affect

women. By supporting initiatives that are developing solutions to pressing social and environmental problems, like street harassment and the climate emergency.

To rise to the challenge, we can count on our pioneering science paired with the best of technology. We have the power to constantly innovate, with increasingly responsible formulas inspired by nature, thanks to the revolution in Green Sciences. We are transforming the product life cycle through major scientific innovations driven by the principles of the circular economy, backed by considerable improvements at our production and distribution sites. And that's not all. We aim to halve our CO₂ emissions per unit sold by 2030.

It's a long road ahead, but we are determined and committed. We are empowering our teams to become sustainability experts. Social and environmental considerations are at the core of our everyday efforts.

We aim to raise the bar for the whole beauty industry, to offer the best of beauty while undertaking our responsibility towards the planet.

Because it's worth it.
Because you're worth it.
Because our planet is worth it. ”






OUR AMBITION:

**BUILDING
THE FUTURE
OF BEAUTY
TOGETHER**

ACHIEVEMENTS AND AMBITION

Building on its achievements to date, L'Oréal Paris has set ambitious sustainability goals for 2025 and 2030, in line with the L'Oréal Group sustainability programme. These goals will guide our progress in making beauty more sustainable as we strive to reduce our carbon emissions.

	TODAY	TOMORROW
CLIMATE	In 2022, the global L'Oréal Paris carbon footprint is 3,328 KtCO₂ Eq (scopes 1, 2 and 3) and represents 30% of the Group's global footprint.	By 2030, -50% CO ₂ emissions per product sold compared to 2016.
	<p>Our CO₂ footprint diagnosis main items in 2022:</p> <p> Formula: 10%  Packaging: 16%</p> <p> Product usage: 45%</p>	
	In 2022, 65% of our industrial sites (factories and distribution centers) are powered by renewable energy.	By 2025, 100% of our industrial sites (factories and distribution centres) will be powered by renewable energy.
ENVIRONMENTAL IMPACT OF OUR PRODUCTS	In 2022, 95% of our new and renovated products are improved based on life cycle methodology ⁽¹⁾ .	By 2025, 100% of our new or renovated products will be improved based on life cycle methodology ⁽¹⁾ .
PACKAGING	In 2022, 36% of plastics come from recycled or biobased materials.	By 2025, 50% of plastics will come from recycled or biobased materials, eliminating the use of petrochemical virgin plastics. By 2030, we will reach 100% .
	In 2022, 85% of the PET plastic used by L'Oréal Paris is made of recycled plastic.	By 2030, 100% of the PET plastic used by L'Oréal Paris will be made of recycled plastic.
	In 2022, 47% of our plastic packaging is refillable, reusable, recyclable or compostable.	By 2025, 100% of our plastic packaging will be refillable, recyclable, reusable or compostable.
	In 2022, we have reduced by 9.46% in intensity the quantity of packaging used for our products, compared to 2019.	By 2030, we will reduce by 20% in intensity the quantity of packaging used for our products, compared to 2019.

(1) Improved products include 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** (Sustainable Product Optimisation Tool) methodology, based on criteria such as green chemistry, renewability, biodegradability, ecotoxicity, recycled material and end-of-life, contribution to communities, information display and accessibility.

TODAY

TOMORROW

FORMULAS

In 2022, **65%** of our ingredients are of biobased origin or derived from abundant minerals or circular processes.

By 2030, **95%** of our ingredients will be of biobased origin, derived from abundant minerals or circular processes.

In 2022, we reach **83%** of biodegradability of our formulas (except makeup).

By 2030, we aim to reach **95%** of biodegradability in our formulas.

FACTORIES

In 2022, **21%** of our factories are waterloop factories. This represents **5** of the 24 L'Oréal Paris factories.

By 2030, **100%** of factories will be waterloop factories.

In 2022, **50%** of our factories are powered by renewable energy. This represents **12** of the **24** L'Oréal Paris factories.

By 2025, **100%** of factories will be powered by renewable energy.

SOLIDARITY SOURCING

In 2022, L'Oréal Paris helped more than **9,800** people through the Solidarity Sourcing programme, more than a third of whom were women.

WHAT ARE SCOPE 1, 2 AND 3 CARBON EMISSIONS?

The L'Oréal Group calculates and monitors greenhouse gas emissions (GHG) related to all of its activities according to the GHG Protocol. These emissions are defined as follows:

- **Scope 1 emissions:** direct GHG emissions linked to the consumption of gas and fuel oil at all sites operated by the Group: factories, distribution centres, administrative sites and research centres. This includes GHG emissions associated with potential refrigerant gas leaks.

- **Scope 2 emissions:** indirect GHG emissions linked to electricity, heating, cooling and steam purchased at all sites operated by the Group: factories, distribution centres, administrative sites and research centres.

- **Scope 3 emissions:** other indirect GHG emissions linked in particular to the product supply chain (upstream emissions) and the use of products and services during their life cycle (downstream emissions).

01 //

OFFERING MORE SUSTAINABLE CONSUMPTION SOLUTIONS THROUGH OUR PRODUCTS

OUR AMBITION

ACTIVELY PROMOTING SUSTAINABLE CONSUMPTION...

L'Oréal Paris participates in the Group's general effort to offer consumers solutions to adopt more responsible consumption choices. The brand is taking action to improve the environmental and social footprint of every new and renovated product.

...BY PIONEERING SCIENCE

Each of these improvements is enabled by the brand's powerful pioneering science. L'Oréal Paris explores new scientific ground and deploys its expertise in all beauty categories to develop safe and effective formulas that are more respectful of the environment and biodiversity, using less water and more sustainable ingredients. L'Oréal Paris Product Development and Packaging teams also design smaller or lighter packaging, integrating more recycled materials. L'Oréal Paris draws on its longstanding scientific expertise to go further in reducing its environmental impact.



OUR AMBITION

REINVENTING OUR FORMULAS

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.

LISTEN TO THE EXPERT



GREEN SCIENCES, THE FORMULA REVOLUTION

HOW DO YOU REINVENT THE FORMULAS TO MAKE THEM MORE SUSTAINABLE?

“With L'Oréal originally founded by a scientist, scientific endeavor has always guided the L'Oréal Group's thinking and expertise. **Developing new ingredients and drawing on innovations from hi-tech sciences, biotech and agronomy based on green chemistry, biomimicry, bio fermentation or eco-extraction, 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 also the principle of circularity to drive future innovations. Each formula gets an environmental score, based on the sourcing, the biodegradability and impact on environment of the full formula.

WHAT ARE YOUR MAIN AREAS OF WORK IN TERMS OF REINVENTING THE FORMULAS? NOW AND FOR TOMORROW?

Right now, L'Oréal Paris Research & Innovation focuses on improving the environmental profile of product formulas in three main ways:

- 01' Moving from petrochemicals to biotechnology.** We continuously develop new ingredients and technologies inspired by biomolecules, derived from Green Sciences. This allows us to discover new cosmetic benefits without compromising quality or safety, while reducing our environmental impact.
- 02' Improving the biodegradability of formulas.** Our goal is that, in 2030, we reach 95% formula biodegradability. In 2022, our formulas have reached 83% biodegradability. Some products still contain non-biodegradable ingredients: we are working to reduce their use and ensure that, where we have no alternatives, these non-biodegradable ingredients have the least possible impact on the aquatic environment.
- 03' Reducing the formulas' water footprint.** Some L'Oréal Paris products are directly linked to water use: our shampoos, conditioners, hair color products and face wash, all require rinsing. To help our consumers reduce their water consumption, we are working to develop innovative waterless formulas such as non-rinse haircare. Since 2020, the weight of our no-rinse products has doubled in the Elvive range reaching 6.4% in volume and 12.5% in value.

ELISABETH BOUHADANA,
Scientific Director, L'Oréal Paris

WHAT ARE WE TALKING ABOUT?

BIODEGRADABILITY⁽¹⁾

The capacity for ingredients to undergo biological degradation by living organisms such as bacteria and fungi, into basic and safe substances such as CO₂, water and minerals, in a limited period of time (from 10 days to 6 months).

BIOBASED INGREDIENTS

Issued from natural ingredients or abundant minerals.

BEST PRACTICES

BIODEGRADABILITY⁽¹⁾

To limit the impact on ecosystems, **L'Oréal Paris is improving the biodegradability of its formulas** to reduce their environmental impact. **The brand's new Elvive Bond Repair with Citric Acid was developed using Green Sciences.** It ensures first-class performance in restoring damaged hair while limiting its impact on the environment.

- **83%** biodegradability⁽¹⁾ for the pre-shampoo formula
- **96%** biodegradability⁽¹⁾ for the shampoo formula
- **84%** biodegradability⁽¹⁾ for the conditioner formula



NATURALITY

The science behind hair colour relies on chemical reactions and the choice of ingredients is the key to a reliable result. **Casting Natural Gloss uses pioneering science for a more sustainable formula.** Ammonia-free, silicone-free and **made with 90% ingredients of natural origin**, this nourishing colour with a honey-enriched complex does not compromise on performance. An ultra-glossy result, softened and moisturised hair thanks to an innovative formula that people can trust, which is also less harmful to the environment.

NO ANIMAL TESTING

As a trailblazer in the fight against animal testing, **L'Oréal banned the practice in its labs in 1989, 14 years before European regulations came into force.**

Developed more than 30 years ago, **Episkin, 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, enabling performance comparisons well before it has even been clinically tested.

BIODEGRADABILITY⁽¹⁾ & RENEWABILITY

Co-created with barbers, **BarberClub** is all about an emotional experience that also considers its environmental impact. **L'Oréal Men Expert has developed highly effective new renewable and biodegradable formulas.**

BarberClub Beard Oil

- **89%** biodegradability⁽¹⁾
- **88%** biobased ingredients

BarberClub Beard Shampoo

- **96%** biodegradability⁽¹⁾
- **87%** biobased ingredients

BarberClub Nourishing Beard Cream

- **90%** biodegradability⁽¹⁾
- **86%** biobased ingredients



EACH YEAR, L'ORÉAL'S PREDICTIVE EVALUATION CENTRE IN FRANCE PRODUCES AROUND

150,000 UNITS
OF RECONSTRUCTED TISSUE.

ZERO
ANIMAL
TESTING

3 EPISKIN CENTRES
AROUND THE WORLD:

- Gerland, France
- Pudong, China (since 2014)
- Rio des Janeiro, Brazil (since 2018)

(1) The biodegradability of a formula is calculated from the ingredients that constitute it. We are therefore talking about % biodegradability of a formula, which corresponds to the % of biodegradable ingredients (by weight) compared to all the organic ingredients (i.e. containing carbon from living organisms) of the formula.

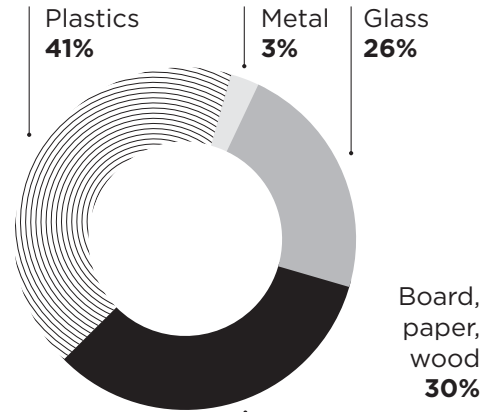
OPTIMISING OUR PACKAGING

L'Oréal Paris is accelerating its transition to the circular economy by optimising its packaging. The priority is to reduce the overall amount of packaging and then replace any materials used with better alternatives. Examples include introducing innovative new formats to cut back on plastic and replacing virgin plastic with recycled or biobased materials.

MATERIALS

131,472 TONNES ✓

In 2022, we used **131,472 tonnes** of materials (primary, secondary and tertiary), including **54,121 tonnes** of plastics.



IN 2022

36% of plastics came from recycled or biobased materials.

2025 TARGET

By 2025, **50%** of plastics will come from recycled or biobased materials.

2030 TARGET

BY 2030, WE WILL REACH **100%** eliminating the use of petrochemical virgin plastics.

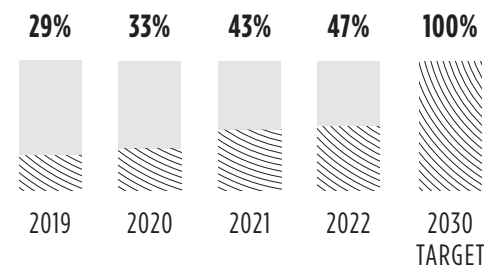
IN 2022

47% OF OUR PLASTIC PACKAGING

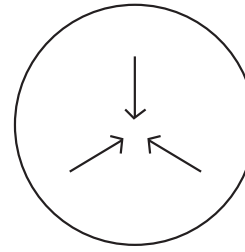
is refillable, reusable, recyclable or compostable.

2030 TARGET

By 2030 **100%** of our plastic packaging will be reusable, recyclable, or compostable.

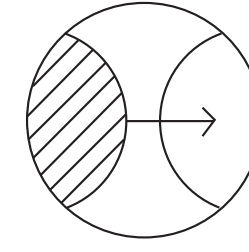


OUR ECO-PACKAGING STRATEGY



REDUCE

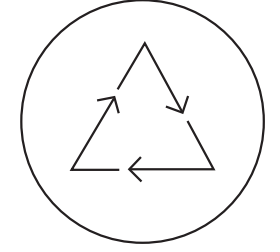
We reduce the weight and size of packaging, or remove it. L'Oréal Paris is seeking alternatives to single-use packaging and proposing not only rechargeable or refillable systems but also reusable packaging. We also promote multi-doses to replace single-doses.



REPLACE

We replace some materials with less impactful alternatives by:

- promoting a circular economy, using post-consumption recycled (PCR) materials,
- using renewable materials such as bio-sourced plastics.



RECYCLE

We act to improve the recyclability of our packaging, to reduce the raw materials required to make it, and prevent it from becoming waste. We are also innovating to ensure every aspect of our packaging can be recycled at waste sorting facilities and we encourage consumers to recycle.

MEN EXPERT, DEVELOPING NEW SOLUTIONS FOR MORE SUSTAINABLE MASCULINE BEAUTY

L'Oréal Paris' Men Expert franchise is continuing its efforts to develop more responsible packaging for all of its products.

IN 2022

- Shower gel bottles were made of recycled plastic⁽³⁾, saving more than 930T of virgin plastic⁽⁴⁾.



- The compressed spray deodorant used 30% less aluminium than the non compressed formats, the equivalent of 3.4T of aluminum avoided in one year⁽⁵⁾, enabling a 50% reduction in gas compared with the standard format.



- We shaved 14.5g off the weight of the Barber Club jar, which uses at least 20% recycled and recyclable glass.



(3) Except caps, colorant and additives.

(4) In 2022, 100% of the plastic (PET) used for Men Expert Shower Gels worldwide was recycled. By using recycled plastics in Men Expert Shower Gel packaging, the brand saved the equivalent of 930 tonnes of virgin plastic.

(5) Compared with non-compressed packaging, based on 2021 quantities of Carbon Protect and Shirt Protect.

LISTEN TO THE EXPERT



REDUCE, REPLACE, RECYCLE: THE CIRCULAR ECONOMY CUTS BACK ON PLASTIC

IN TERMS OF PACKAGING, WHAT IS THE CONTRIBUTION OF L'ORÉAL PARIS TO THE L'ORÉAL GROUP'S ACHIEVEMENTS? WHAT ARE THE GROUP'S OVERALL AMBITIONS IN THIS AREA?

“ L'Oréal Paris is the iconic brand of the L'Oréal Group, with such a significant weight and legacy! Being responsible for a third of the packaging produced at L'Oréal, the actions of L'Oréal Paris obviously have a significant impact on global progress and actively participate in its success. At Group level, we have set clear objectives to meet three key challenges:

01' The first is to reduce packaging intensity: **by 2030, we are committed to reduce the intensity of our packaging by 20% compared to 2019**; today, we have already achieved -3%. L'Oréal Paris has already reduced its packaging intensity by 9.46%.

02' A second goal is that **we are doing everything we can to move away from virgin fossil-based plastics, with the ambition of achieving 50% by 2025 and 100% by 2030, using recycled or biobased sources**. In 2022, this was already the case for 26% of our plastic portfolio by weight. L'Oréal Paris has already reached 36% of its portfolio and therefore actively contributes to the Group's results.

03' Finally, **by 2030, 100% of our plastic packaging will be reusable, recyclable, or compostable**. In 2022, the ratio is 38% of our plastic packaging by weight for the Group and 47% for L'Oréal Paris. Already a step ahead, the brand has decided to set the ambitious goal of making 100% of plastic packaging reusable, recyclable, or compostable by 2025 instead.

BRICE ANDRÉ,
Global Director of Sustainable Packaging, L'Oréal

WHAT IS BEING DONE TODAY TO MEET THESE OBJECTIVES?

To achieve our goal of reducing packaging intensity, beyond the conventional lightweighting efforts, we are introducing re-use models. This is a very powerful lever for intensity reduction, and we intend to deploy it at scale. We are also working on our choice of materials by developing less impactful ones within our portfolio of solutions and for instance replacing (depending on the possibilities and uses), plastic with cardboard, virgin plastic with recycled plastic, etc. The circularity of our packaging is also at the heart of our concerns. To this end, we support Extended Producer Responsibility (EPR) programmes to participate in the development of recyclability channels.

Last but not least, we are committed to developing the eco-desirability of our products. To this end, we develop sustainable solutions that are attractive to consumers: in addition to low-impact materials, we pay much attention to design and aim to disseminate transparent information that supports and promotes eco-design choices.”

ELVIVE, PIONEERING MORE SUSTAINABLE HAIRCARE



A NEW ECO-REFILL PACKAGING

Elvive has introduced the new Elvive Eco-Refill Pouch: the best of haircare in a refillable format - the 500ml mono material (PE) recyclable pouch.

-75% PLASTIC THAN THE EQUIVALENT OF TWO ELVIVE SHAMPOO BOTTLES ⁽²⁾

-60%
CARBON
EMISSIONS ⁽³⁾

AVAILABLE SINCE 2021 IN THE UK, AND SINCE 2022 IN FRANCE, GERMANY, SPAIN, ITALY, BENELUX, GREECE AND THE NORDICS

The haircare category represents almost 50% of sales volume for L'Oréal Paris, and 57% its carbon emissions ⁽¹⁾. Elvive is understandably a top priority for the global brand to achieve its ambitions and targets. The Elvive franchise is a circular economy pioneer within our business, thanks to innovative and strategic initiatives that are revolutionising the product and distribution ecosystem, together with consumption habits.

IN 2022

• In 2022, **92%** OF THE PET PLASTIC USED FOR ELVIVE SHAMPOO AND CONDITIONER BOTTLES is made of recycled plastic globally, reducing virgin plastics by 13,000 tonnes ⁽⁴⁾.

Since 2020, 100% of our Elvive shampoo and conditioner bottles in Europe have been made from recycled PET. By using recycled plastics in Elvive packaging in Europe, the brand saved the equivalent of 6,900 tonnes ⁽⁵⁾ of virgin plastics.

• Worldwide, **48%** of our haircare and styling packaging is made of recycled plastic.

• In 2022, **99%** of the plastic (PET) used for Elvive shampoo and conditioner bottles in Europe was recycled. ⁽⁶⁾

WHAT'S NEXT?

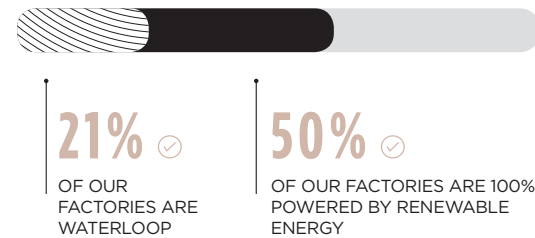
We still have to update 50% of our Elvive haircare plastic packaging, especially the polyethylene (PE) and polypropylene (PP) in our lids and jars to reach our goal of making 100% of plastic recycled or biobased by 2030.

(1) Product scope only (formula, packaging, end-of-life and use phase) - 2021 data
(2) Compared to 2x 250ml Elvive shampoo bottles.
(3) For one year (1,750ml, one 250ml bottle + 3 refill pouches) of using Elvive plastic bottle + eco-refills compared to one year of 250ml Elvive's plastic bottles for the average European consumer, based on the full life cycle of the packaging, except retailer storage. This excludes the formula and use phase.

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.

AMONG OUR 24 L'ORÉAL PARIS FACTORIES ALL OVER THE WORLD,

5 ARE WATERLOOP FACTORIES
12 ARE 100% POWERED BY RENEWABLE ENERGY



AMONG OUR 28 L'ORÉAL PARIS DISTRIBUTION CENTRES ALL OVER THE WORLD,

22 ARE 100% POWERED BY RENEWABLE ENERGY

2025 TARGET

100% OF FACTORIES WILL BE 100% POWERED BY RENEWABLE ENERGY

2030 TARGET

100% OF FACTORIES WILL BE WATERLOOP FACTORIES

OUR FACTORIES ACROSS THE WORLD



● WATERLOOP FACTORIES

● FACTORIES 100% POWERED BY RENEWABLE ENERGY

○ OTHER FACTORIES



L'ORÉAL PARIS, A GAME-CHANGER IN THE L'ORÉAL GROUP PRODUCTION ECOSYSTEM

WHAT IS, IN TERMS OF SUSTAINABLE TRANSFORMATION, THE CONTRIBUTION OF L'ORÉAL PARIS TO THE L'ORÉAL GROUP ACHIEVEMENTS?

“L'Oréal Paris operates in 24 factories around the world and is resolutely committed to a sustainable transformation of its production tools to offer consumers more responsible products, throughout its value chain.

01' We focus on developing local production. Today, 90% of L'Oréal Paris units are made in the geographical area where they are sold, thus reducing transport and CO₂ emissions. With 2 billion units produced per year, it really makes a difference.

02' We focus on reducing energy and water consumption in our factories. With a brand like Elvive, L'Oréal Paris plays a major role in our haircare plants, but also has a significant impact on the Division's skincare plants. To reduce their environmental impact, we developed green energy solutions, self-production of energy (in Mexico and Belgium, for example) and collaborations with local authorities and external companies enabling us to have access to local green energy production.

03' To meet the packaging reduction ambition that L'Oréal Paris has set itself, **we had to adapt our industrial facilities, involve our suppliers in finding solutions, rethink packaging and transport.** As the brand accounts for 50% of the packaging produced by L'Oréal's Consumer Products Division, these innovations have a global accelerating effect on our sustainable transformation.

These initiatives support our suppliers and teams, who can then develop them at scale for other products, other brands, other sectors... Finally, as L'Oréal Paris is constantly reinventing its formulas to make them more sustainable, **production tools must also be adapted to guarantee products that combine sustainability, quality, and safety.**

HOW HAS L'ORÉAL PARIS DRAWN A NEW LINE IN TERMS OF SUSTAINABILITY FOR THE GROUP?

In addition to creating positive momentum on sustainability issues, L'Oréal Paris has managed to change its production processes without impacting on customer desirability. L'Oréal Paris products meet the ambitious sustainability goals set by the brand while maintaining its aesthetic appeal: **the brand offers more sustainable consumption choices that remain true to the brand's identity.** To achieve this, we must constantly reinvent ourselves, and think of new ways of producing and developing solutions that can then be used by other brands and products.”

DANIEL SEH,

SVP Global Operations L'Oréal Consumer Products Division

02 //

EMPOWERING OUR BUSINESS ECOSYSTEM

FOR A MORE SUSTAINABLE TRANSITION

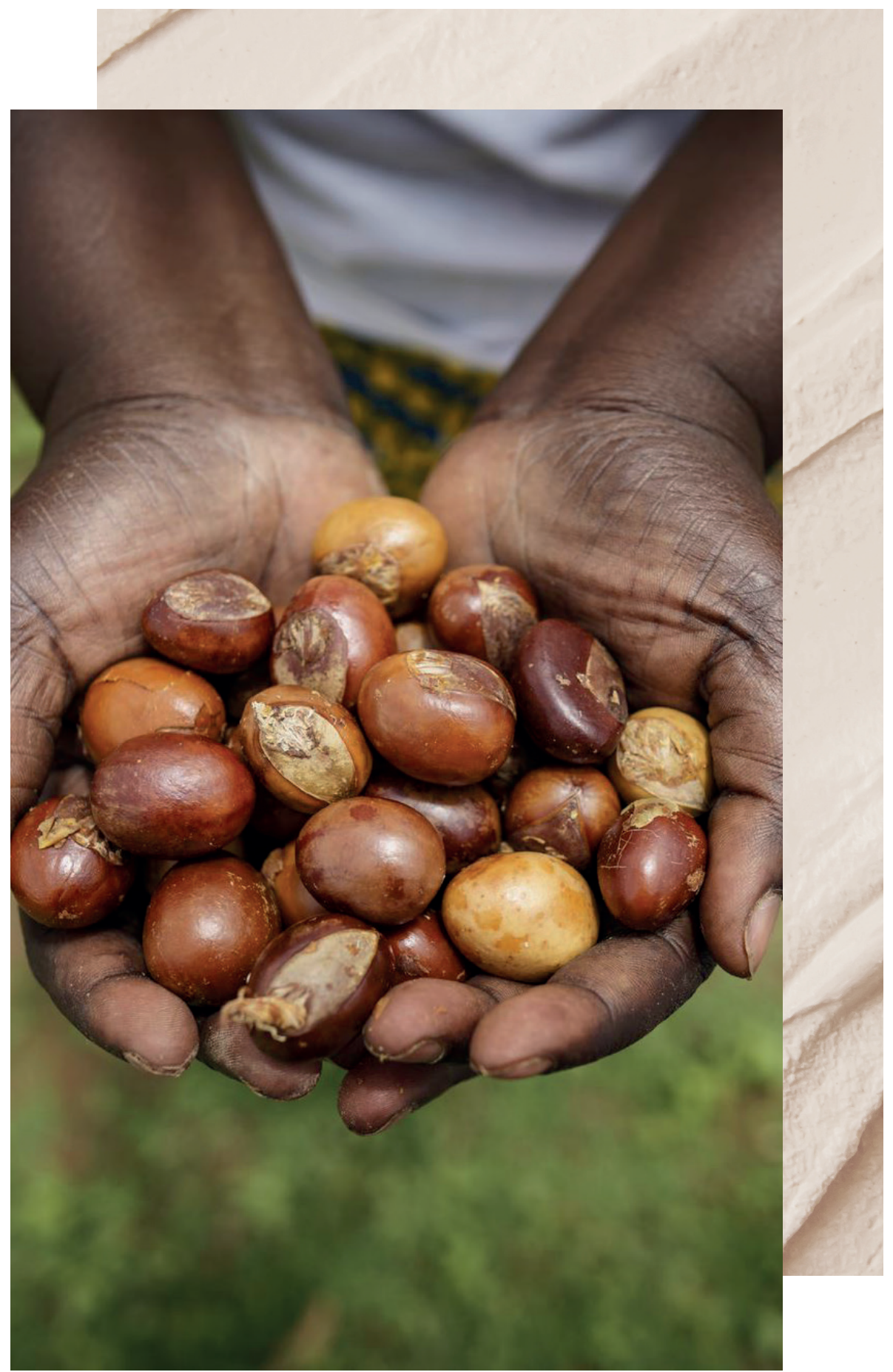
OUR AMBITION

MOBILISING OUR STAKEHOLDERS...

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 decisive 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.

... FOR A MORE INCLUSIVE AND SUSTAINABLE INDUSTRY

We support our entire supply chain in adopting more responsible practices across the board. **That means working with everyone from suppliers through to retailers.** Promoting agroecology. Developing sustainable agriculture. Ensuring a living wage for employees worldwide. Empowering disadvantaged people to find work. Supporting women in their entrepreneurship and fights. Building a circular economy. Optimising transport and waste management. Reusing sales resources. These are our building blocks as we galvanise our ecosystem to shape a more sustainable beauty industry.



OUR AMBITION

We work hand in hand with our suppliers to create a fairer and more inclusive society and ensure our growth benefits local communities. We also urge suppliers to make significant commitments to sustainability and come together to build a beauty industry that fosters a more virtuous cycle throughout the value chain.

SOLIDARITY SOURCING, A GLOBAL PURCHASING PROGRAMME

WHAT IS SOLIDARITY SOURCING?

Created in 2010, Solidarity Sourcing is L'Oréal's global inclusive purchasing programme. This programme aims to use the Group's purchasing power to serve social inclusion by teaming up with suppliers to give people who are generally excluded from the labour market access to work and a sustainable income.

At L'Oréal Paris, we work and are involved in the Group's global strategy as part of its Solidarity Sourcing programme, with projects all over the world. This inclusive sourcing programme seeks to make purchases from suppliers who hire people from underprivileged backgrounds and people who are socially marginalised, including disabled people, ethnic minorities, and the long-term unemployed. **We develop and implement diverse programmes tailored to local needs.**

IN 2022, L'ORÉAL PARIS BENEFICIARIES AMOUNTED TO MORE THAN **9,800** PEOPLE, MORE THAN A THIRD OF WHOM WERE WOMEN.

OUR SOLIDARITY SOURCING PROJECTS ACROSS THE WORLD



A SPECIAL FOCUS ON PROJECTS THAT SUPPORT WOMEN

In line with our DNA, we pay a special focus to projects that support women. We have mainly focused on 3 types of projects:

- Fair Sourcing projects (86.2%)
- Women empowerment projects (10.9%)
- Women owned-business projects (2.9%)

OUR WOMEN FOCUSED PROJECTS ACROSS THE WORLD



As part of our sales and marketing efforts, we design and produce point of sale display stands and promotional items. We are determined not to compromise on the desirability of products and experiences or the sustainability of furnishings and materials. Our efforts are ongoing to reduce their impact and craft more responsible retail experiences in line with clear goals for 2030.

THE ECO-DESIGNED MAKEUP WALL

We designed the new L'Oréal Paris makeup wall unit to reduce plastic use and energy consumption as the most important sources of environmental impact are the raw materials and the use phase. The results are very encouraging:

1M MAKEUP WALL:

-33%

ENERGY CONSUMPTION

+53%

RECYCLED MATERIALS

VS the previous 1m makeup wall ⁽¹⁾



2M MAKEUP WALL:

-46%

ENERGY CONSUMPTION

+61%

RECYCLED MATERIALS

VS the previous 2m makeup wall ⁽¹⁾



WHAT'S NEXT?

We are working to make even more progress, especially on weight and carbon emissions: we have already achieved a 21% reduction in our CO₂ emissions with the 2m wall, but only 6% with the 1m wall, which can be improved.

(1) Source : Life cycle assessment 2022 of L'Oréal makeup design and signature units by DIAM



COMBINING DESIRABILITY AND SUSTAINABILITY IN RETAIL

WHAT IS THE CYCLE OF ECO-DESIGN IN MERCHANDISING? WHY IS IT IMPORTANT FOR L'ORÉAL PARIS?

“As retail designers, our mission is to bring product campaigns to life in a physical sense and find a way to combine the needs of the marketing teams with sustainability. When we look at our environmental impact, the manufacture and raw materials used have the biggest impact. Then the ‘use phase’ during its lifetime has the next biggest impact, meaning electricity, updates, and end of life. These are the main areas we focus on and we are making it part of the everyday design process.”

WHAT ARE THE MAIN ACHIEVEMENTS OF THE BRAND IN TERMS OF SUSTAINABILITY IN RETAIL?

We have already done a lot on the electricity usage. Since 2016, we have developed new ways to reduce our electricity in shelves by nearly 40% by using more efficient LEDs, but also thanks to the reduction of their number and the use of smart lighting. Also, we looked a lot into how to get better on the sustainability impact of our events. **For this, we have produced, manufactured, and tested our own reusable system for events called “Podium for the future”, which can be reconfigured and used for several different events.** With this, we are aiming to drastically reduce our materials use. On a global level, we are creating guidelines with simple key information about how activations can be done more sustainably at every single step of the process to scale our progress.

WHAT ARE NOW THE MAIN CHALLENGES AND GOALS ON THE ISSUE?

WE ARE FOCUSING OUR ROAD MAP ON FIVE CRUCIAL TARGETS IN TERMS OF SUSTAINABILITY:

- 01' 100% of our cardboard and wood sourced from sustainable forests, which we are already doing.
- 02' Increase the percentage of recycled plastic in our permanent merchandising to reach 30% by 2030.
- 03' Optimise the weight of our structures and the amount of materials we use to reach a reduction of 30% globally by 2030.
- 04' Reduce electricity use by 30% worldwide by 2025. We have already set the pace in Europe and reached 33% to 47%, depending on the size of our contents. We now need to scale it worldwide.
- 05' Focus on making sure materials can be taken apart and recycled at the end of their life, which means using less glue and materials that cannot be recycled.”

CHARLES CARRINGTON,

Senior Global Design Engineer, L'Oréal Paris

03

HELPING OUR CONSUMERS TO MAKE MORE RESPONSIBLE CHOICES

OUR AMBITION

BECOMING A LEADER IN SUSTAINABILITY ADVOCACY...

In a context of climate urgency and strong consumer expectations, L'Oréal Paris aims to empower all consumers to make sustainable consumption choices. An important part of achieving sustainability is accurately assessing the impact of products and acting to reduce that impact. **We commit to improving the environmental and social profile of our new or renovated products every year and to share that information with our consumers.**

THANKS TO DEDICATED TOOLS

L'Oréal Paris is introducing tools designed to help and inform its stakeholders, particularly consumers, to encourage them in their efforts. **The Product Environmental Score is one of our most significant steps in giving consumers transparent information,** based on a robust methodology. And we aim to bring the whole industry on board.

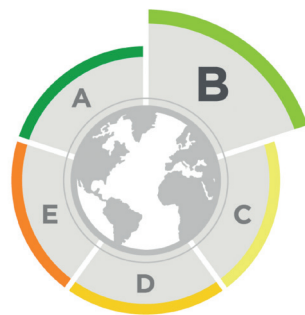
OUR AMBITION

THE PRODUCT ENVIRONMENTAL SCORE

The Product Environmental Score is based on a L'Oréal Group scoring system. It gives an accurate picture of the environmental impact of a product by taking into account 14 environmental impact factors at every stage of the product life cycle. Each assessment considers everything from sourcing, production and transport to consumer use and end-of-life packaging.

This labelling is based on a methodology L'Oréal has developed together with 11 independent scientific experts, and aligned with European Commission guidelines to scientifically evaluate a product's environmental impact. The application of our methodology and data calculation have been verified by an independent auditor, Bureau Veritas.

Overall environmental impact



Carbon footprint



94g⁽¹⁾ per usage dose
89g per 10ml

Water footprint

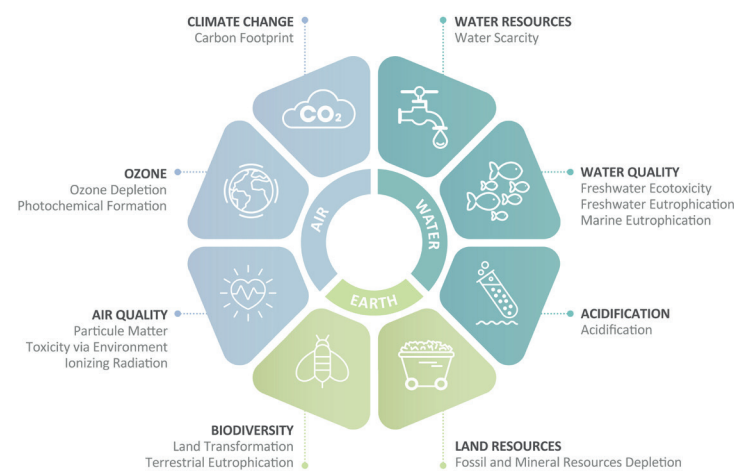


6,9⁽²⁾ per usage dose
6,6 per 10ml

Consumers have transparent access to this information via the haircare production information provided on brand websites in 24 European countries. This Product Environmental Score will be extended in 2023 to other markets around the world and to L'Oréal Paris skincare and Men Expert products.

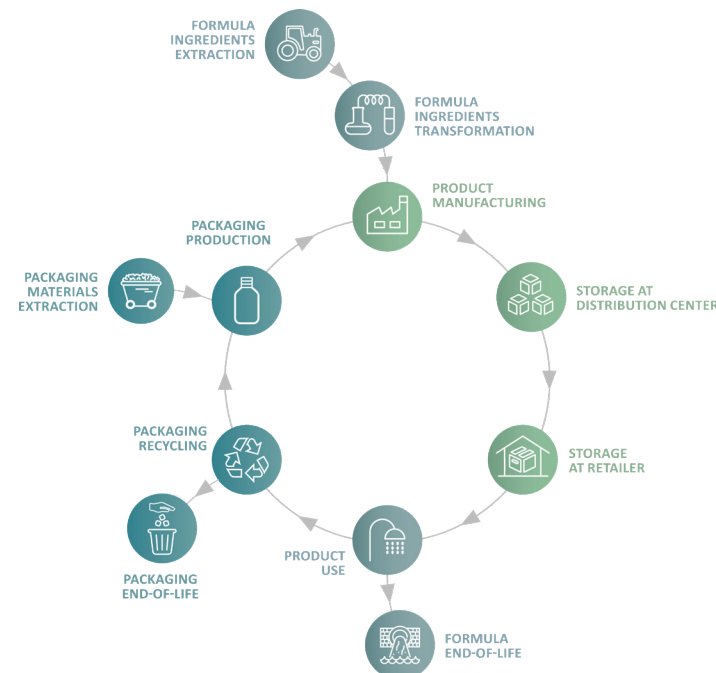
THE PLANETARY IMPACT FACTORS

14 PLANETARY IMPACT FACTORS ARE TAKEN INTO ACCOUNT.



THE PRODUCT LIFE CYCLE

Those impacts are measured at every stage of a product's life cycle by looking not only at sourcing, production and transportation, but also consumer usage and packaging end-of-life.



LISTEN TO THE EXPERT



HELPING OUR CONSUMERS IN THEIR CHOICES

WHAT IS THE PURPOSE OF THE PRODUCT ENVIRONMENTAL SCORE?

“At L'Oréal Paris, we are committed to both transforming our value chain and mobilising our whole ecosystem to reduce the impact of our 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. In a context of climate urgency and strong consumer expectations, **our Product Environmental Score is more relevant than ever and is precisely designed to empower consumers to make informed choices.** This environmental score also allows us to assess our portfolio on a permanent basis and constantly improve our products with as much transparency as possible for our different stakeholders. **Almost 80% of our products have A or B scores, only 5% have a D or E score** and we are currently working on action plans to improve these latest scores.

WHAT ARE THE NEXT STEPS?

In Europe, eco-labelling is accelerating for instance in the food industry and housing. Consumers want to have clearer indications to make more informed choices. At L'Oréal Paris, our goal is to progressively launch our Product Environmental Score at scale so that all our categories and products showcase their environmental impact with transparency. We have already launched the environmental score across Europe on our haircare products in 2022 and we will continue with other geographies and categories of products in 2023.

With our Product Environmental Score, we encourage our consumers to partner with us in acting towards more sustainable beauty habits.”

BARBARA BRESSAND-SUSSELD,

Global CSR & Sustainability Director, L'Oréal Paris

THE ECOBEAUTYSCORE CONSORTIUM

We have also committed to sharing the learnings of our Environmental labelling initiative with the members of the EcoBeautyScore Consortium.



GOAL

To develop an industry-wide environmental impact assessment and scoring system for cosmetics products to empower consumers to make sustainable consumption choices.

MEMBERS

The EcoBeautyScore Consortium brings together more than 60 small and large cosmetics and personal care companies and associations across four continents. It remains open to any other beauty company interested in joining.

TO LEARN MORE

Visit the Consortium website: <https://www.ecobeautyscore.com>

Pending availability of the new labelling scheme, L'Oréal will continue to display the impact of its products using the current system.



OUR MISSION:

**EMPOWERING
WOMEN
AROUND
THE WORLD**

BECAUSE YOU'RE WORTH IT

Our environmental commitment took a new turn in 2020 with our ambitious programme “L’Oréal for the Future, Because our planet is worth it”. However, our vision of a fairer, more sustainable society is not new. We have worked side by side with women for many years. We are fighting so that all women, whatever their backgrounds, beliefs or lifestyles can achieve the projects that are close to their hearts and fulfil their potential as individuals.

OUR RALLYING CRY

L’Oréal Paris is more than a beauty brand; it is a brand that gives power to women. With these four words, “Because I’m worth it”, L’Oréal launched the first advertising message ever to highlight self-confidence. It emerged in 1971 as a rallying cry uniting consumers around the brand. This signature phrase has since become a symbol that empowers women of all ages and backgrounds to believe in their beauty and sense of worth.

Women empowerment is at the core of L’Oréal Paris’s mission. The brand supports every woman on their journey to fulfil themselves according to their own rules and aspirations. For L’Oréal Paris, self-worth is a journey, and beauty is its catalyst.

WOMEN TO WOMEN

L’Oréal Paris is empowering all women to feel stronger and more confident, encouraging each woman to express their own vision of femininity while supporting other women to assert who they are.

We believe that there is no ‘one size fits all’ vision; beauty is universally unique. The famous L’Oréal Paris “Dream Team” is made up of ambassadors from all origins and backgrounds, including icons from the film, fashion and music industries. These exceptional women are the brand’s international spokespeople, reflecting the diversity of our customers – whatever their age, whatever their origin. Each in her unique way upholds and empowers a particular female strength, inspiring others to fulfil their talents every day through their commitment to causes that echo our values of feminism, inclusivity, equal rights and sustainability.



As a brand we are determined that our firm belief in female empowerment goes beyond words. True to our empowered signature, “Because I am worth it”, we want to transform these famous words into strident actions, by eliminating those obstacles that prevent women from achieving their full potential, and instead bolster female self-esteem.”

Delphine Viguier-Hovasse, Global Brand President of L’Oréal Paris



STAND UP

L’Oréal Paris is proud to commit collectively to ending street harassment for good. In early 2020 we launched **Stand Up Against Street Harassment**, an international training and awareness programme created in partnership with the NGO Right To Be to fight the issue.

This programme is based on the 5D methodology, an expert-approved set of real-world tools to intervene in the case of street harassment, whether people are victims or just the witness.

MORE THAN

1.5 MILLION ✓

PEOPLE TRAINED IN THE 5D METHOD AGAINST STREET HARASSMENT SINCE 2020 AROUND THE WORLD

TARGET

2 MILLION

PEOPLE TRAINED BY THE END OF 2023

4,800 ✓

EMPLOYEES TRAINED IN 2022

IN 2022

42 COUNTRIES ✓

IMPLEMENTED THE STAND UP TRAINING PROGRAMME LOCALLY

WOMEN OF EARTH

We’re now going deeper in our environmental commitment by supporting women who develop solutions to act against climate change.

That is why we are working with our partners to give to women entrepreneurs developping environmental projects the resources they need to accelerate their efforts as agents of change.



BY 2023, L’ORÉAL PARIS WILL BE INVESTING

€10 MILLION IN ENVIRONMENTAL PROJECTS

TARGETS

GRASSROOT ENTREPRENEURSHIP WITH WEA

1,200

WOMEN ENTREPRENEURS

720,000

PEOPLE IN COMMUNITIES BENEFITTING FROM THEIR PROJECTS

SOCIAL ENTREPRENEURSHIP WITH ASHOKA REVERSE MENTORING

COUNTRIES

6 COUNTRIES

IN 2023 INCLUDING USA, MEXICO, UGANDA, KENYA, INDONESIA AND FRANCE. WE TARGET WORLDWIDE REACH THROUGHOUT PARTNERSHIP DEVELOPMENT.

L'Oréal Paris has encouraged generations of women to realise their self-worth. Street harassment is the number one issue⁽¹⁾ faced by women and girls around the world. The brand has joined forces with the non-profit Right To Be, 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.

80%

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

ONLY 25%

OF VICTIMS SAY SOMEONE HELPED, AND 86% OF US DO NOT KNOW WHAT TO DO WHEN WE WITNESS IT HAPPENING.

Our mission is to empower people to fight against this kind of violence wherever possible. All L'Oréal Paris employees have also been trained.

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 standupinternational.com.



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

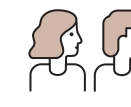
THE 5D METHODOLOGY

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.



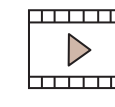
DISTRACT

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



DELEGATE

Find someone in a position of authority (e.g. teacher, bartender or a bus driver) and ask them to intervene.



DOCUMENT

Watch and witness, write down or film the harassment, provide the footage to the victim and never post it online or use it without their permission.



DIRECT

Speak up and call the harasser out, then turn your attention to the person being harassed. If they respond, ignore them; don't escalate. Only use direct as a last resort to prevent violence. Your safety and that of the person being harassed come first.



DELAY

Comfort the harassed person after the incident and acknowledge that the behaviour was wrong. Be a friend.



Women are particularly well placed to fight climate change and come up with the solutions needed to adapt. As the first victims of climate change, they are also the first contributors to social and environmental actions. That is why L'Oréal Paris, true to its roots, has set out to support women entrepreneurs developping environmental projects as they lead initiatives as agents of social and climate action. By 2030, L'Oréal Paris will be investing €10 million in these environmental projects spearheaded by women.

A SINGLE OBJECTIVE

Empowering women

A TWO-PRONGED STRATEGY

- Fighting climate change
- Supporting women entrepreneurship

A WIDE RANGE OF INITIATIVES

Accelerating climate protection, building more inclusive and equitable communities, and enhancing the circular economy are a few of the main issues L'Oréal Paris has committed to support to help women entrepreneurs.

ASHOKA SOCIAL ENTREPRENEURSHIP



ACTION

Supporting women social entrepreneurship through reverse mentoring and financing.

AMBITION

A REVERSE MENTORING PARTNERSHIP through which L'Oréal Paris and the companies it supports share their innovations, skills and expertise with one another to grow stronger together.

FIRST-YEAR COUNTRIES

France & Mexico.

LISTEN TO THE EXPERT



SHAPING THE FUTURE OF BEAUTY THROUGH SOCIAL INNOVATION, LED BY WOMEN

WHAT IS THE GOAL OF YOUR PARTNERSHIP WITH L'ORÉAL PARIS?

“We want to showcase the unique ways in which women successfully lead and impact the biggest global social challenges.

The ambition of our partnership is to shape the future of beauty through social innovation, with a three-pronged approach:

- Build a community of Social Entrepreneurs with new solutions in gender equality and climate change,
- Unleash a culture of changemaking inside L'Oréal Paris linked to sustainability and social impact,
- Contribute to change society's narrative of beauty to make everyone feel powerful.”

ARNAUD MOURROT, Co-director Ashoka Europe

WOMEN'S EARTH ALLIANCE

GRASSROOTS ENTREPRENEURSHIP

ACTION

Investing in environmental projects led by women entrepreneurs, through training and financing.

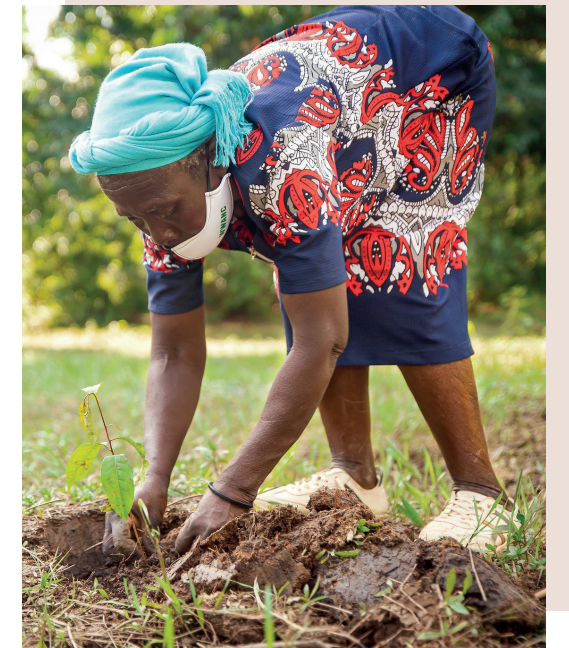
FIRST-YEAR COUNTRIES

- Africa: Kenya & Uganda
- Asia: Indonesia
- Americas: Mexico and USA

AMBITION

INVEST IN THE PROJECTS OF 1,200 WOMEN

ENTREPRENEURS OVER THREE YEARS, SUPPORTING 720,000 PEOPLE IN COMMUNITIES BENEFITTING FROM THEIR SOLUTIONS.



LISTEN TO THE EXPERT



WE HELP FEMININE CHANGE-MAKERS TO MAXIMISE THEIR POTENTIAL ON CLIMATE ACTION

WHY IS EMPOWERING WOMEN ON SUSTAINABLE, SOCIAL AND ENVIRONMENTAL ENTREPRENEURSHIP SO IMPORTANT?

“Women are not only disproportionately impacted by the climate emergency and ecosystem destruction, but they are also uniquely poised to address it. Yet deep structural inequities and underinvestment rob half the global population of their potential to shape our future on this planet. Now, more than ever, grassroots women leaders need the tools, best practices, mentorship, financial investment, and alliances required to realize the potential of their solutions to our compounding global crises.

WHAT IS THE GOAL OF YOUR PARTNERSHIP WITH L'ORÉAL PARIS?

With the partnership of L'Oréal Paris, we can bridge this critical resource gap. L'Oréal Paris and Women's Earth Alliance will work together to equip women leaders around the world with the skills, tools, financing, and alliances they need to address the climate crisis. **Our programme will accelerate women-led climate projects** that are poised to scale—generating economic prosperity, accelerating climate protection, and building healthy, safe, and equitable communities. By working together in climate-threatened ecosystems around the world, we can amplify the power of grassroots women's climate leadership to protect our Earth.”

MELINDA KRAMER,

Founder, Co-Executive Director Women's Earth Alliance

L'ORÉAL

PARIS

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with a registered capital
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632 012 100 R.C.S. Paris

Headquarters:
41, rue Martre
92117 Clichy Cedex
France
Tel: +33 (0)1 47 56 70 00

Registered office:
14, rue Royale
75008 Paris
France

www.loreal-paris.co.uk