L’Oréal – Overview

Meeting with the European Commission

April 16, 2021
A pure player in beauty

Created in 1909

#1 beauty company worldwide
MISSION AND STRATEGY

Beauty for All
Offering all women and men worldwide the best of cosmetics innovation in terms of quality, efficacy and safety to satisfy all their desires and all their beauty needs in their infinite diversity.

Universalisation
L’Oréal has chosen a unique strategy: Universalisation. It means globalisation that captures, understands and respects differences. Differences in desires, needs and traditions. To offer tailor-made beauty, and meet the aspirations of consumers in every part of the world. L’Oréal is driven by this vision of the world.
**A WORLDWIDE LEADER**
**CHAMPION OF BEAUTY**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>BILLION EUROS OF SALES</td>
<td>27.99</td>
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<tr>
<td>BILLION EUROS IN OPERATING PROFITS</td>
<td>5.20</td>
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<tr>
<td>BILLION FINISHED PRODUCTS SOLD</td>
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<tr>
<td>BRANDS</td>
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<tr>
<td>RESEARCH CENTERS</td>
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<tr>
<td>COUNTRIES</td>
<td>150</td>
</tr>
<tr>
<td>LIKE-FOR-LIKE GROWTH</td>
<td>-4.1%</td>
</tr>
<tr>
<td>PLANTS</td>
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</tbody>
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BILLION EUROS IN OPERATING PROFITS
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BRANDS
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LIKE-FOR-LIKE GROWTH
PLANTS
A COMPANY RECOGNIZED FOR ITS ETHICAL, SOCIAL & ENVIRONMENTAL COMMITMENTS

1

The only company in the world ranked 3 ‘A’ by CDP 5 years in a row

11th

Year ‘One of the most Ethical Companies in the World’

#1

L’Oréal ranked Top gender-balanced Company in Europe
A UNIQUE FOOTPRINT ACROSS ALL CHANNELS, ALL CATEGORIES, ALL PRICES
40 MANUFACTURING PLANTS

- NORTH AMERICA: 6
- LATIN AMERICA: 4
- EUROPE (INCL. FRANCE): 20
- AFRICA MIDDLE EAST: 3
- ASIA PACIFIC: 7

Legend:
- CONSUMER PRODUCTS & MULTI-DIVISIONS
- PROFESSIONAL PRODUCTS
- LUXURY PRODUCTS
- ACTIVE COSMETICS
- RAW MATERIALS
- DEVICES
OUR COVID 19 RESPONSE PLAN

L’ORÉAL
EUROPEAN SOLIDARITY PLAN

SUPPORTING CAREGIVERS
- 15 million units of hand sanitizers donated in 40 countries
- >4 million of hand creams donated
- 70% of our factories mobilized

SUPPORTING OUR PARTNERS
- Freeze receivables from more than 100,000 small professional clients and perfumeries.
- Shortening lead-time of payments to 9,000 most vulnerable suppliers

SUPPORTING CHARITIES
- A €50 million charitable endowment fund to support non-profits
- In efforts to fight poverty, provide emergency assistance and prevent violence.
SCIENCE AT THE CORE

4,044
PEOPLE

500
REGISTERED PATENTS

964
MILLIONS EUROS

3
GLOBAL RESEARCH CENTRES (EUROPE)

13
EVALUATION CENTRES

21
RESEARCH CENTRES
RESEARCH & INNOVATION: A WORLDWIDE PRESENCE

- 3 GLOBAL RESEARCH CENTRES
- 6 REGIONAL HUBS
- 21 RESEARCH CENTRES
- 16 EVALUATION CENTRES

Map showing locations for Europe, USA, China, Brazil, India, Japan, South Africa, and the USA.
DIGITALLY SAVVY

7,4
BILLION EUROS OF SALES IN E-COMMERCE

+ 62%
GROWTH LIKE-FOR-LIKE

27%
SHARE OF E-COMMERCE IN CONSOLIDATED SALES

1,25
BILLION VISITS TO OUR WEBSITES

40 000
PEOPLE TRAINED THROUGH THE DIGITAL UPSKILLING PROGRAM
L’OCCITANE FOR THE FUTURE
OUR 2030 SUSTAINABILITY AMBITION

TRANSFORMING OURSELVES

EMPOWERING OUR BUSINESS ECOSYSTEM

CONTRIBUTING TO SOLVING THE CHALLENGES OF THE WORLD

L’OCCITANE FOR THE FUTURE
KEY TARGETS CLIMATE

100 %
By 2025, achieve carbon neutrality in all sites by improving energy efficiency and using 100% renewable energy.

-25 %
By 2030, reduce greenhouse gas emissions resulting from the use of our products by 25% compared to 2016, on average and per finished product.

100 %
100% of the water used in our industrial processes will be recycled and reused in a loop in 2030.

95 %
95% of our ingredients in formula will be biobased, derived from abundant minerals or from circular processes by 2030.

100 %
of the plastic used in our packaging will be either from recycled or biobased sources in 2030 (we will reach 50% by 2025).
59 % FROM RENEWABLE SOURCES
OUR 2030 AMBITION

95% From RENEWABLE SOURCES, ABUNDANT MINERALS & CIRCULAR TECHNOLOGIES

100% WATER RESPECTING FORMULAS
COSMETIC PRODUCTS without MICROPLASTICS

2017 MICROBEADS

2020 RINSE OFF products

INCI names

Onboarding of our ecosystem
MAKEUP PRODUCTS and MICROPLASTICS

FOUNDATION

MASCARA

LIPSTICK

TEXTURES
LONG WEAR
INCI NAMES
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L’Oreal EU Green Consumption Pledge

Monday 25th January 2021

Since 2013, L’Oréal has undergone an in-depth transformation to reduce our impact across our entire value chain. We have completely redefined the way we design and make our products, systematically integrating sustainability. Today, all the products we put on the market have an improved environmental or social footprint. We have proven that it is possible to decouple growth from our environmental footprint.

However, as environmental and social concerns grow, we know that this is no longer enough. We need to step up and implement a radical transformation in line with the only possible scenario for humanity: respecting planetary boundaries across the entire lifecycle of our products.

We believe it is our responsibility to take into account more than just our direct impact. We must help our 1.5 billion consumers limit their impact when using our products and encourage them to make more sustainable consumption choices. We want to keep raising our suppliers and clients in the sustainability transition, co-creating disruptive solutions that benefit consumers and have a more limited impact on the planet. Only together can we achieve real impact.

Today, we share with the European Commission and make the following commitments:

1. L’Oréal commits to achieve carbon neutrality for all its operated sites worldwide by 2025. This covers L’Oreal’s 1 & 2 - factories, distribution centers, administrative sites and research centers, that will be achieved through energy efficiency and 100% renewable energy supply, promoting first the production and consumption onsite (e.g. rooftop solar PV panels), the implementation of local Power Purchase Agreements, and by sourcing renewable energy certificates from assets located in the same country and less than 500km from the sites. We set intermediate milestones at 80% in 2021 and 90% in 2023.

2. We pledge to continue the efforts started in 2013, reducing the environmental footprint of new and renovated products compared to a 2019 baseline. We will start with the shampoo category in 2021 and will make progress on an annual basis. We will use the EU PEP methodology as the basis for our methodology.

3. We pledge to expand the scope of the footprint reduction commitments of our new products by one category at least every year.

4. We pledge to show the environmental impact of our products on our website. An example can be found on garnier.fr. Every year and until 2030, more brands will show informative content allowing consumers to better understand how they can make sustainable consumption choices and use products in a more sustainable manner.

5. Finally, we commit to reporting on our progress in our yearly L’Oréal for the Future report available on loral.com.

Jean-Paul Agon
Chairman and Chief Executive Officer of L’Oréal