

L'ORÉAL

L'Oréal unveils its next generation of bold sustainability targets for 2030

Clichy, 25th June 2020 - L'Oréal launches today its new sustainability program "L'Oréal for the Future", laying down the Group's latest set of ambitions for 2030. In the context of growing environmental and social challenges, L'Oréal is accelerating its transformation towards a model respecting planetary boundaries and reinforcing its commitments to both sustainability and inclusion:

- **Transforming L'Oréal's business to respect the planet's limits:**
 - *By 2025, all of L'Oréal's sites will have achieved carbon neutrality by improving energy efficiency and using 100% renewable energy;*
 - *By 2030, 100% of the plastics used in L'Oréal's products' packaging will be either from recycled or bio-based sources;*
 - *By 2030, L'Oréal will reduce by 50% per finished product, compared to 2016, its entire greenhouse gas emissions.*
- **Contributing to solving the world's challenges by supporting urgent social and environmental needs, through an unprecedented plan launched in May 2020:**
 - *L'Oréal is allocating €150 million to address urgent social and environmental issues.*

In order to empower its consumers to make more sustainable choices, L'Oréal has developed a Product Environmental & Social Impact Labelling system, scaling from A to E, endorsed by independent scientific experts and verified by an independent auditor, which will be progressively deployed for all brands and categories.

"L'Oréal's sustainable revolution is entering a new era. The challenges the planet is facing are unprecedented, and it is essential to accelerate our efforts to preserve a safe operating space for humanity. We do so in our own business operations and in our contribution to the society at large. We know that the biggest challenges remain to come and L'Oréal will stay faithful to its ambition: operate within the limits of the planet", said **Jean-Paul Agon, Chairman and CEO of L'Oréal.**

Transforming L'Oréal's business to respect "planetary boundaries"

"Planetary boundaries" are limits, which, if crossed, will compromise the Earth's capacity as a habitat for human development. Respecting a safe operating space for humanity must be a priority in the decades to come, as scientists unanimously agree¹, which is why L'Oréal aims to transition to a way of operating its entire business within the limits of the planet.

Therefore, the Group has defined new quantifiable targets for 2030, to fight climate change as supported by the "Science Based Targets" initiative², but is also going one-step further by addressing three other major environmental issues: preservation of biodiversity, sustainable water management and circular use of resources. To ensure its business is respectful of a resource-limited planet, and fair for the communities it works with, L'Oréal will not only continue to reduce its direct environmental impacts, but also reduce the impacts of its entire activity including those of its suppliers and consumers.

"Over the past decade, we have profoundly transformed our company, putting sustainability at the very core of our business model. With our new commitments, we are entering a new phase of acceleration of that transformation: going beyond our direct environmental impact, helping consumers to make more sustainable choices, as well as generating positive social and environmental contribution. As an industry leader, we consider that it is our role to contribute to building an inclusive and sustainable society", said **Alexandra Palt, L'Oréal Chief Corporate Responsibility Officer.**

¹ The concept of "planetary boundaries" was defined in 2009 by a group of Earth system and environmental scientists, led by the Stockholm Resilience Centre and the Australian National University.

² The "Science Based Targets initiative" is a partnership between CDP, UN Global Compact, WRI and WWF. It seeks to encourage businesses to commit to a voluntary transition towards a low carbon economy, in line with the +1.5°C trajectory recommended by international climate experts.

A concrete example of what L'Oréal wants to achieve: by 2025, all of the Group's manufacturing, administrative and research sites will reach carbon neutrality by improving energy efficiency and using 100% renewable energy. Through this commitment, L'Oréal wishes to contribute to the energy transition in countries where it operates.

Empowering L'Oréal's consumers for sustainable consumption choices

L'Oréal considers that embarking its business ecosystem (clients, suppliers and consumers) is part of its responsibility.

To help its 1.5 billion consumers make more sustainable choices, L'Oréal has developed a Product Environmental & Social Impact Labelling system. The labelling will include a score on a scale from A to E, with an "A" product considered as "best in class" in terms of environmental impacts. The method was endorsed by independent scientific experts and data have been verified by *Bureau Veritas Certification*, an independent auditor. The labels and scores will be accessible on products' web pages. The first brand to implement the new methodology as of 2020 is Garnier for its hair care products, third beauty brand worldwide and leader of the market in France. This labelling will progressively be extended to other countries, L'Oréal's brands and product categories.

Contributing to solving the world's challenges by supporting urgent social and environmental needs, through an unprecedented plan launched in May 2020:

L'Oréal announced in May 2020 that it will allocate €150 million to address urgent social and environmental issues:

- L'Oréal is engaging €100 million into impact investing, in order to act upon key environmental challenges. €50 million will be used to finance damaged natural marine and forest ecosystems restoration projects through a fund called the L'Oréal Fund for Nature Regeneration, to be operated by Mirova, an affiliate of Natixis Investment Managers, dedicated to impact investing.³ Another €50 million will be directed to financing projects linked to the circular economy.
- To help vulnerable women, L'Oréal is also creating a €50 million charitable endowment fund. It will support field organizations and local charities in their efforts to fight poverty, help women achieve social and professional integration, provide emergency assistance to refugee and disabled women, prevent violence against women, and support victims.

About L'Oréal's sustainability commitments: we are not starting from scratch

Very early on, L'Oréal became aware of the need to respond to environmental challenges. As an industrial company, it decided that tackling the environmental impact of its plants and distribution centers was the most obvious first step, and a necessary one, to begin its transformation process. This first phase is nearly completed.

- *Since 2005, the Group has reduced the CO₂ emissions of its plants and distribution centers by 78% in absolute terms, exceeding its initial target of 60% by 2020, while production volume increased by 37% over the same period.*
- *At the end of 2019, L'Oréal had 51 carbon neutral sites (meaning they use 100% renewable energy), including 14 factories.*

*In 2013, L'Oréal decided to address the core of its activity: the development of beauty products, its global sustainability programme *Sharing Beauty With All*, announcing tangible sustainability goals towards 2020. At its core laid an innovative tool known as SPOT (for Sustainable Product Optimization Tool), made to assess and improve the environmental and social performance of products across all brands. Sustainability is now fully integrated into the design process of the Group's new products, from the earliest stages.*

- *85% of products created or renovated in 2019 had an improved environmental and social profile.*
- *By end of 2019, L'Oréal has helped 90,635 people from disadvantaged communities find employment through the solidarity purchasing and inclusion programs.*
- *L'Oréal is the only company in the world to have achieved an "A" score in all three CDP rankings - climate protection, water management, forest preservation - for 4 years in a row.*

To learn more about L'Oréal's sustainability commitments: [link](#)

³ The "L'Oréal Fund for Nature Regeneration" will be an "Other Alternative Investment Fund" within the meaning of article L. 214-24 III of the French Monetary and Financial Code and will be established in the form of a simplified joint-stock company with variable capital. The "L'Oréal Fund for Nature Regeneration" will be exclusively dedicated to L'Oréal and its affiliates and will not be marketed to third-parties nor subscribed by third parties. Further, this document does not constitute an "offer of securities to the public" within the meaning of EU Regulation 2017/1129 ("Prospectus Regulation").

About L'Oréal

L'Oréal has devoted itself to beauty for over 100 years. With its unique international portfolio of 36 diverse and complementary brands, the Group generated sales amounting to 29.87 billion euros in 2019 and employs 88,000 people worldwide. As the world's leading beauty company, L'Oréal is present across all distribution networks: mass market, department stores, pharmacies and drugstores, hair salons, travel retail, branded retail and e-commerce.

Research and innovation, and a dedicated research team of 4,100 people, are at the core of L'Oréal's strategy, working to meet beauty aspirations all over the world. L'Oréal sets out ambitious sustainable development goals across the Group for 2030 and aims to empower its ecosystem for a more inclusive and sustainable society.

More information: <https://mediaroom.loreal.com/>

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This press release may contain forecast information. While the Company believes that these statements are based on reasonable assumptions as of the date of publication of this press release, they are by nature subject to risks and uncertainties which may lead to a discrepancy between the actual figures and those indicated or suggested in these statements."

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