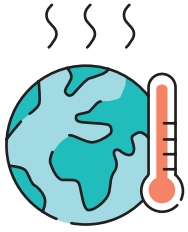


FIGHTING CLIMATE CHANGE



As the latest IPCC report confirmed in April 2022, “it is now or never” that we need to act to avoid the irreversible consequences of climate change.

At L'Oréal, we have been committed to tackling climate change for over 15 years. In 2020, with the L'Oréal For the Future programme, we set ourselves new targets to ensure our activities are respectful of the “planetary boundaries” defined by the scientific community. In 2015, we were among the first one hundred companies to join the Science-Based Targets initiative (SBTi), which encourages businesses to align their path to decarbonisation with the goals of

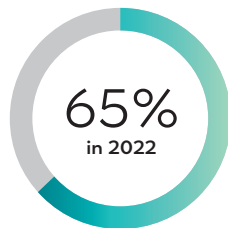
the Paris Agreement. Our overarching climate change objective is to align our greenhouse gas (GHG) emissions with a +1.5°C scenario, meaning we will reduce all GHG emissions by 50% per finished product for scopes 1, 2 and 3 by 2030, and achieve net zero by 2050.

By the end of 2022, we had already reduced the CO₂ emissions of our plants and distribution centres for scopes 1 and 2 by 91% in absolute terms, compared with 2005, while our production increased by 45% over the same period.

2030 TARGETS

BY 2025,
all our sites will achieve carbon neutrality (scopes 1 and 2)*
by improving energy efficiency and using

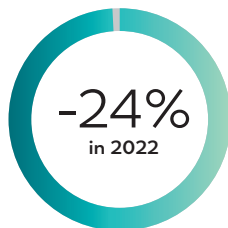
100%
renewable energy.



BY 2030,
we will innovate to enable our consumers to reduce the greenhouse gas emissions resulting from the use of our products by

25%

compared to 2016, on average and per finished product (tCO₂ eq/kg of formulas sold).



By 2030, we will reduce by 50% on average and per finished product the greenhouse gas emissions linked to the transport of our products, compared to 2016.



By 2030, our strategic suppliers will reduce their direct emissions (scopes 1 and 2) by 50% in absolute terms, compared to 2016.

THE FIGHT AGAINST
CLIMATE CHANGE
AT THE HEART OF

L'ORÉAL
FOR THE FUTURE

TRANSFORMING OURSELVES

- Reducing the footprint of the design, manufacturing, transport and use of our products

EMPOWERING OUR BUSINESS ECOSYSTEM

- Helping our suppliers and consumers to reduce their footprint (scope 3)



In 2022, L'Oréal was awarded an **A rating** for the 10th year in a row for leadership in tackling climate change by global environmental non-profit CDP.

* Intergovernmental Panel on Climate Change

** A site can claim “carbon neutral” status if it meets the following requirements: 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 CO₂ eq./year; and Indirect CO₂ Market Based (Scope 2) = 0. The renewable energy sources must be located on site or less than 500 kilometres from the site, and be connected to the same distribution network. The “carbon neutral” status, as defined above, is achieved without carbon offsetting.

FOCUS

WHAT ARE SCOPE 1, 2 AND 3 EMISSIONS?

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

SCOPE 1

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

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.



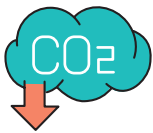
SCOPE 3

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

REDUCING THE FOOTPRINT OF OUR PRODUCT MANUFACTURING



We have adopted a two-pronged approach to curb our energy consumption and emissions:

- 1 We continuously improve our industrial processes and related facilities.
- 2 We optimise energy consumption at our industrial sites in areas such as building insulation, heating systems and lighting.

It is possible to combine economic growth with ambitious climate action.

89% of the needs of L'Oréal factories and distribution centres are now met by energy from renewable sources, thanks to ambitious projects leveraging solutions best suited to each site, in accordance to their location, such as:



Biomass



Biomethanisation



Solar panels



Purchase of renewable gas and electricity

ZOOM

ALL NORTH ASIA SITES ACHIEVE CARBON NEUTRALITY



On the 22nd of July 2022, the North Asia Zone announced that all Group sites in the region – distribution centres, offices and R&I facilities – had become carbon neutral. This was an important milestone for L'Oréal and for the Zone, which was the first to achieve the feat in the effort to fight climate change. The North Asia Zone (Mainland China, Japan, South Korea, Hong Kong and Taiwan) drew on a range of different measures and strategic initiatives such as the installation of on-site solar panels, combined solutions to produce sustainable energy (solar panels and CHP systems), hydropower, local partnerships, certification, power purchasing agreements, LED lighting, and more.

02

HELPING OUR SUPPLIERS AND CONSUMERS TO REDUCE THEIR FOOTPRINT (SCOPE 3)



UPSTREAM

We ensure our suppliers reduce their own emissions.

By 2030, our strategic suppliers will reduce their direct emissions (scopes 1 and 2) by 50% in absolute terms, compared to 2016.



DOWNSTREAM

We curb carbon emissions linked to the use of our products by our consumers.

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

STANDOUT SOLUTIONS



Offering products that require less or no water, such as no-rinse conditioners.



Scaling up innovative technologies such as the L'Oréal Water Saver, a showerhead developed with the startup Gjosa, which allows hair salons to significantly reduce water use.

DID YOU KNOW?

70% of a shampoo's carbon footprint is linked to its use, as a result of the water needed to rinse it off and the energy used to heat that water.



READ THE WATER FACTSHEET TO FIND OUT MORE