Preserving the beauty of the planet also means preserving its biodiversity. Natural ecosystems are in danger: one million species are threatened with extinction, 75% of the Earth’s surface has been significantly altered and 85% of wetlands have disappeared*, with major consequences for lands and communities around the world, including in terms of their resilience to climate change. We are committed to protecting and preserving biodiversity, a unique bounty.

Most of L’Oréal’s raw materials are derived from renewable sources, and are largely of plant origin: we use 1,704 raw materials from over 328 botanical species. This is why we are committed to sourcing our ingredients in a sustainable and responsible manner.

Biodiversity is a vital factor in the design and performance of our products, and we invest sustainably not only to preserve but also to restore the biodiversity already lost.

Building on the Group’s longstanding commitment to the preservation and sustainable use of biodiversity, the L’Oréal for the Future programme reaffirms this commitment by making biodiversity an integral part of its goals.

**2030 TARGETS**

**BY 2030, 100%**

of the biobased ingredients for formulas and packaging materials will be traceable and will come from sustainable sources, none of them will be linked to deforestation.

**BY 2030, 95%**

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

<table>
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<th>92%** in 2022</th>
<th>61% in 2022</th>
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** Of the biobased ingredients for formulas
ENSURING THE SUSTAINABLE SOURCING OF OUR INGREDIENTS

By 2030, 95% of our ingredients in formula will be biobased, derived from abundant minerals or from circular processes. We are working with specialised external partners to define a robust, scientific methodology to classify the minerals used and to ensure that they are from abundant sources.

L’Oréal’s constant concern regarding the sourcing of our raw materials is to:

1. Guarantee the sustainability of resources
2. Consider their quality

In 2022, 61% of our ingredients in formula were biobased, derived from abundant minerals or from circular processes.

In 2022, 92% of the biobased ingredients for formulas were traceable and came from sustainable sources.

Change in land use is one of the major causes of biodiversity loss. That is why L’Oréal has committed to ensuring no increase of its footprint on biodiversity linked to the supply of bio-based raw materials, compared to 2019.

We encourage our suppliers to adopt regenerative, sustainable farming practices.

The Beeswax project in Togo is part of L’Oréal’s worldwide Inclusive Sourcing programme. In 2022, it counted 9,575 beneficiaries in eight West African countries. The project has three goals:

With its Beeswax Africa project, L’Oréal and its partners are committed to contributing to raising the production standards of the wax provided by West African honey producers, thereby creating a supply chain that meets the Group’s sustainability, traceability and quality criteria.

This fair-trade project empowers the local ecosystem around wax production. Indeed, by offering a minimum guaranteed price, we encourage the valorisation of wax, a by-product of honey production, and generate increased and diversified incomes from all wax sales for beekeepers and their communities.

In addition, the project has a positive impact on biodiversity, since it aims to protect the bees and their environment, including forests, while promoting sustainable beekeeping practices.

GREEN SCIENCES: A REVOLUTION IN RESEARCH

With Green Sciences, we are completely rethinking our approach to research by drawing inspiration from nature and harnessing its power to meet the Group’s goals in terms of protecting natural resources and biodiversity – all while providing consumers with products that are safer and more effective.

In 2022, among the raw materials newly referenced by the Group:

- 82% in number were renewable
- 24% in number respected Green Chemistry

THIS SCIENTIFIC REVOLUTION FOCUSES ON FOUR KEY AREAS:

- Sustainable cultivation, through which we are reinventing the way we obtain our raw materials.
- Green extraction, in a manner that respects the environment and requires no (bio)chemical transformation.
- Green chemistry, which prioritises the use of non-petroleum solvents and incorporates concepts such as environmental impact.
- Biotechnology, including cultivation of microorganisms and plant cells in bioreactors to protect natural resources.
PRESERVING FORESTS

In 2022, for the 7th consecutive year, L’Oréal was awarded an A rating by the global organization CDP for its actions in protecting forests.

THE L’ORÉAL FUND FOR NATURE REGENERATION

In 2020, as part of our efforts to protect biodiversity, we chose to look beyond our own value chain by creating the L’Oréal Fund for Nature Regeneration.

WHAT IS IMPACT INVESTING?

Impact investing is socially responsible investing with two inseparable goals:

- generate a positive environmental or social impact
- ensure a financial return

L’ORÉAL FUND FOR NATURE REGENERATION

Type: Impact fund
Endowment: 50 million euros
Vision: Combining financial performance with the creation of environmental and social value

2030 TARGETS

- Preserve or restore one million hectares of ecosystem
- Capture 15 to 20 million tonnes of CO₂
- Create hundreds of jobs

EXAMPLES OF SUPPORTED PROJECTS:
- Forest regeneration in Brazil
- Land rewinding in the UK
- Agricultural decarbonisation in Europe
- Carbon sequestration in tropical areas

IMPACT INVESTING

ACCELERATING THE LOW-CARBON AGRICULTURAL TRANSITION IN EUROPE

The L’Oréal Fund for Nature Regeneration has invested in tech startup Rize to make carbon financing easily accessible to all farms in France and across Europe.

Today, agriculture is responsible for more than 30% of global greenhouse gas emissions. Yet soils – particularly through sustainable agricultural practices – can sequester up to 25% of the CO₂ that can be captured by ecosystems. Rize aims to accelerate the low-carbon agricultural transition and has developed a complete and unique digital solution to support farmers, from the diagnostic phase of their farm to the marketing of carbon credits.

The investment in Rize is intended to consolidate and accelerate Rize’s potential to become a leading player in the regeneration of agricultural land in Europe through an innovative and cutting-edge approach.