

L'ORÉAL
INDONESIA

The
Essentiality
of Beauty

THE ESSENTIALITY OF BEAUTY



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Beauty is Essential in Society

The desire for beauty is a universal aspiration that transcends time, borders and cultures. Beauty, far more than appearance is a quest that shapes our identity individually and collectively. From Homo erectus to the metaverse, no human culture has existed without beauty.

Beauty rituals are integral part of individual self-care and play a role in social interaction. Everyday at the very start of our lives, is marked by a beauty cleansing ritual. Every important step in between, whether we are celebrating an individual or collective milestone such as births, entry into adolescence with the first shave or make up, birthdays, graduations, weddings, is also punctuated by beauty rituals. The human search for beauty is both an individual quest and a collective balm. Beauty connects us to ourselves and others.

This need for beauty is reflected in the strong socio-economic contribution of the beauty industry. Powered by science and tech innovation, the beauty industry creates millions of jobs worldwide in varying domains. These range from agriculture, material sourcing, manufacturing, marketing, advertising, packaging design and distribution to dedicated professions to beauty and health: hairdressers, dermatologists, pharmacists, beauticians, and beauty advisors.

Beauty and health care are closely linked. The beauty industry plays a key role in the prevention of skin diseases such as melanoma, and in the effective treatment of other skin pathologies like acne and eczema, which can affect well-being and mental health.

The purpose of this brochure is to share the socio-economic impact of the beauty industry as well as L'Oréal's impact and commitment towards the beauty industry in Indonesia.

L'ORÉAL'S SENSE OF PURPOSE:

CREATE THE BEAUTY THAT MOVES THE WORLD

For over a century, L'Oréal has stayed dedicated to one sole vocation: **Creating beauty.**

L'Oréal's sense of purpose is rooted in its mission: **Beauty for all and for each.**

Therefore, L'Oréal is committed to

- Protect the beauty of the planet by fighting climate change, respecting biodiversity, and preserving natural resources.
- Build a business with inclusivity at its heart by ensuring we are as diverse as the people we serve.
- Drive social innovation by offering the best working conditions, training, and social protection for our employees.
- Champion the cause of women and to strengthen the communities which we engage with.
- Shape the future of beauty by leveraging the best of science and technology, increasingly inspired by nature.
- Nurture lasting partnerships with our clients and suppliers based on mutual trust and collaboration.
- Create value for all our shareholders by sustaining a robust business model.

Create
the beauty
that moves
the world



OUR OVER 115 YEARS OF LEGACY TRANSCENDS INTO DIFFERENT ASPECTS IN BEAUTY:



Skin care



Hair care

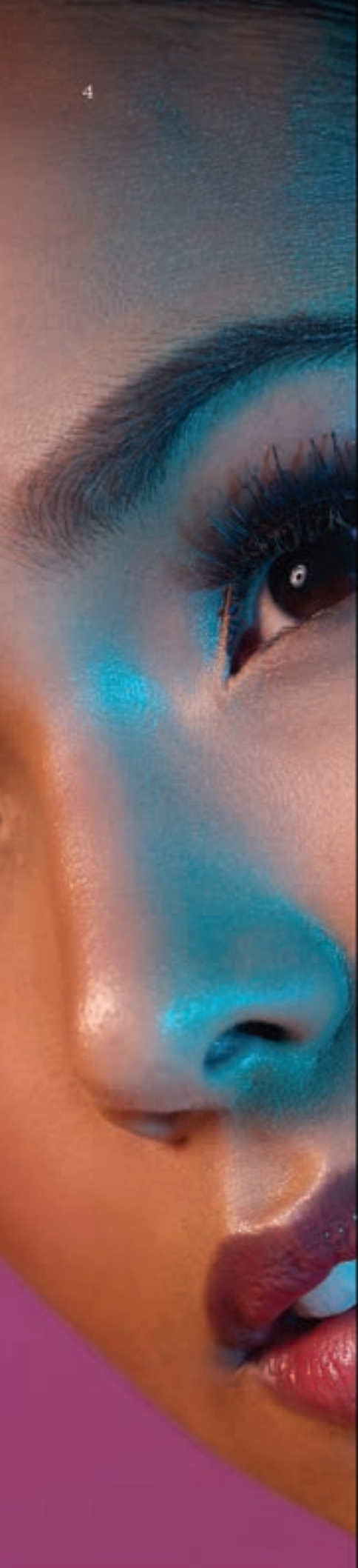


Make up



Fragrance





I.
**BEAUTY IS A
 STRATEGIC
 INDUSTRY,
 IT DRIVES
 ECONOMIC
 GROWTH**

THE BEAUTY INDUSTRY

€280 Bn

Global market value⁽¹⁾.

€76 Bn

US market value⁽¹⁾.

€10.8 Bn

Southeast Asia market value⁽¹⁾.

€64 Bn

Europe market value⁽¹⁾.

 **IDR
52 Tn**
 Indonesia
 market value⁽²⁾.

800 Mn

people will join the
 middle class worldwide
 by 2030⁽³⁾.

(1) 2023 L'Oréal estimates for total beauty market self-in, covering make-up, skincare, haircare and fragrance. (2) L'Oréal Indonesia data, 2023. L'Oréal Indonesia estimates for total beauty market self-in, covering make-up, skincare, haircare, fragrance excluding oral care, barsoap and others. (3) World Data Lab.

L'ORÉAL'S GLOBAL POSITION ⁽⁴⁾

>150 countries
countries international presence.



>90,000
employees worldwide
with 168 nationalities.

>4,000
researchers.

>8,000
experts in digital, tech, and data.



152
distribution centers
worldwide.

No. 1
in beauty worldwide ⁽⁵⁾.

€41.18 Bn
L'Oréal sales in 2023.

37
international brands.

€6.49 Bn
operating profit.

37
factories worldwide.

>7 Bn
units sold.

+11%
like-for-like growth ⁽⁶⁾.

€241 Bn
market capitalization.

4th
largest advertiser in the world.

(4) L'Oréal data, 2023. Universal Registration Document.
(5) Beauty's Top 100, WWD, April 2024, based on 2023 sales

L'ORÉAL IN INDONESIA ⁽⁶⁾

21 beauty brands
marketed.



Largest

L'Oréal factory worldwide, with
20 ha land and 66,000 sqm
building in Cikarang, West Java.

No. 1

Brand in Indonesia
with Garnier ⁽⁷⁾.
In professional
market ⁽⁸⁾.
In luxury market ⁽⁹⁾.
In dermocosmetic market ⁽¹⁰⁾.

39 years
of manufacturing in
Indonesia since 1986.

2,815
direct jobs ⁽¹¹⁾.

Haircare & Skincare
production hub for
SEA region.

1=27.8

One L'Oréal job generates 27.8
other jobs in Indonesian economy ⁽¹²⁾
5x the national average.

60%
of factory production
exported to 20 countries.

26,884

jobs full-time equivalents,
direct and indirect ⁽¹³⁾.

First factory certified by
LEED*
in 2012 ⁽¹⁴⁾, first factory using green
energy from State-Owned Power (PLN).

> 120,000

retails, salons, clinic, and pharmacies
partners distributing L'Oréal products.

Halal
certified factory ⁽¹⁵⁾.

Net Exporter business in Indonesia ⁽¹⁶⁾.

100% use of renewable energy in all
operational sites in Indonesia ⁽¹⁷⁾.

(6) L'Oréal Indonesia data, 2023. (7) Nielsen IQ, 2023. (8) Kline, 2023. (9) Beauté Research, 2024. Based in part on data reported by Beauté Research SAS in January 2025 through its "Indonesia - Quarterly Retail Sales Report - Q2 2024" in the Department Stores, Boutiques and E-commerce Prestige market. (Copyright ©2025 Beauté Research SAS). (10) L'Oréal Indonesia data YTD Nov 2024. Based on selected dermocosmetics brands in online and offline channels. (11) Statutory & non-statutory in 2023. (12) Asteris study for L'Oréal Indonesia, 2024. (13) US Green Building Council, 2024. *Leadership in Environmental & Energy Design. ⁽¹⁴⁾All production lines have been Halal-certified since 2017. ⁽¹⁵⁾Companies whose export value is greater than import value. ⁽¹⁶⁾Excluding safety and security installation.

BEAUTY INDUSTRY IS GROWING STRONG IN INDONESIA

US\$ 9.24 Bn or
IDR 146 Tn

cosmetics and personal care estimated market value from 2021-2024 in Indonesia⁽¹⁴⁾.

48%

cosmetics and personal care estimated growth from 2021-2024 in Indonesia⁽¹⁵⁾.

>390,000

cosmetic product notification permits issued since 2020 - YTD Jan 2025⁽¹⁶⁾.

> 4,500

cosmetics notification applicants in Indonesia, YTD Nov 2024⁽¹⁷⁾.

69%

of cosmetic products notified are locally produced, YTD Nov 2024⁽¹⁷⁾.

Top 3

most selling categories in the marketplace with 145.4 million transaction volume⁽¹⁸⁾.

⁽¹⁴⁾ Statista, 2023, based on the beauty and personal care market which covers consumer goods for cosmetics and body care. ⁽¹⁵⁾ Indonesian Information Portal, 2024. ⁽¹⁶⁾ CekBPOM data, by January 2025. ⁽¹⁷⁾ BPOM presentation on 18 December 2024 on Notifikas System 3.0, data by November 2024. ⁽¹⁸⁾ Coordinating Ministry of Economics, 2024. Based on 2018 Data

CONTRIBUTION OF BEAUTY SEGMENTS IN INDONESIA ⁽²⁾

IDR 21 Tn
skincare* market value in Indonesia.

IDR 13 Tn
hair** market value in Indonesia.

IDR 7 Tn
make up market value in Indonesia.

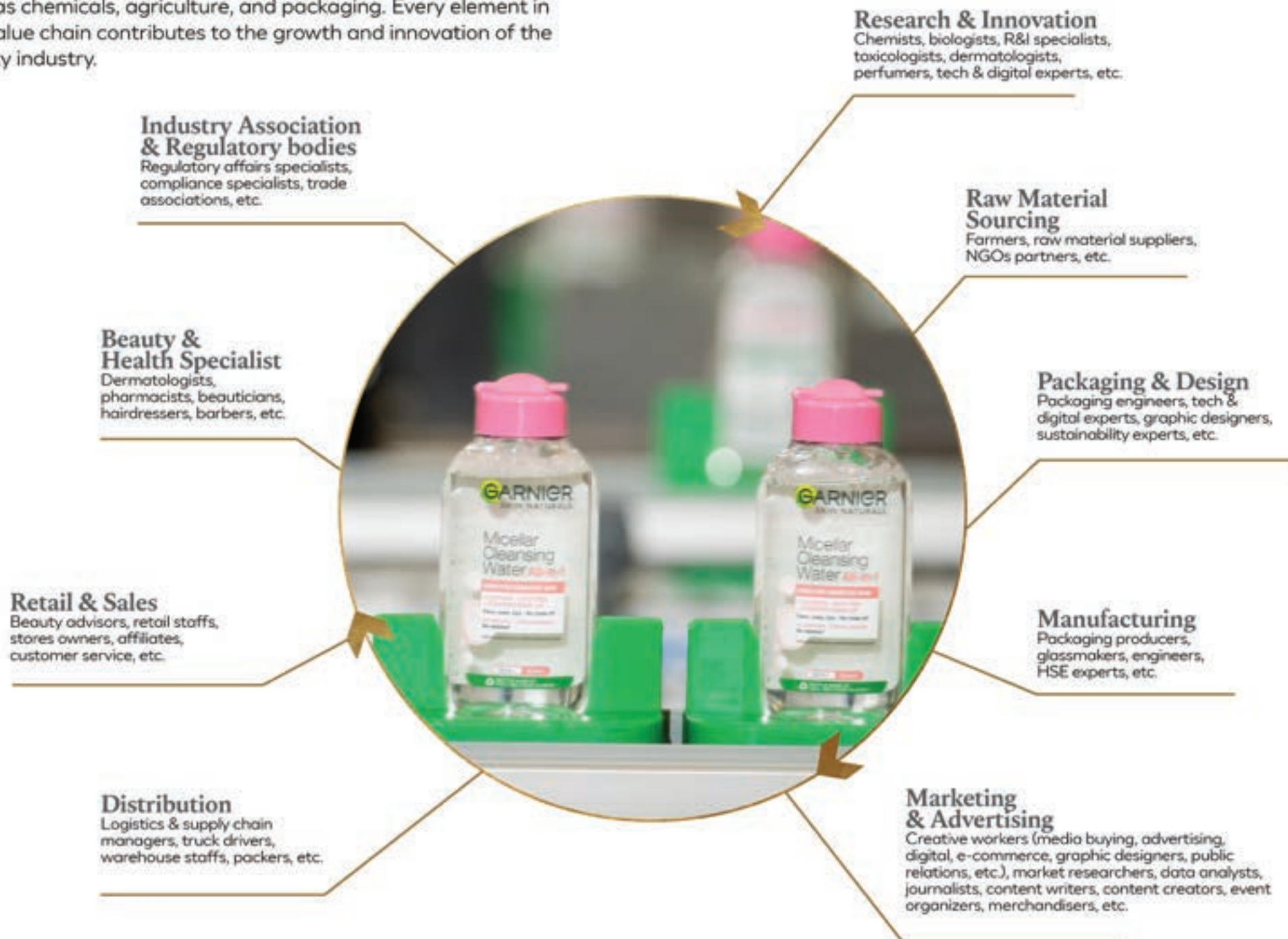
IDR 4 Tn
fragrance market value in Indonesia.

⁽²⁾ L'Oréal Indonesia data, 2023. L'Oréal Indonesia estimates for total beauty market sell-in, covering make-up, skincare, haircare, fragrance excluding oral care, barsoap and others.
*Inclusion: Skin Face & Body categories.
**Inclusion: Hair Care, Hair Color, Hair Styling, & Hair Texture categories.



THE INDONESIAN BEAUTY INDUSTRY VALUE CHAIN

The beauty industry in Indonesia represents a strong and diverse ecosystem: from hairdressers and beauticians, to pharmacist and farmers, with a diverse value chain composed of thousands of Micro, Small, and Medium Enterprises (MSMEs), in industries such as chemicals, agriculture, and packaging. Every element in this value chain contributes to the growth and innovation of the beauty industry.



59,886 estimated direct jobs created by the beauty industry in Indonesia⁽¹⁵⁾.

3.97 Mn estimated retail units distributing beauty and personal care products in Indonesia⁽¹⁹⁾.

100,400 salons and 5.000 barbershops in Indonesia⁽⁶⁾.

(15) Indonesia Information Portal, 2024. (19) Euromonitor, 2023. (6) Kline, 2023. (6) L'Oréal Indonesia data, 2023.

L'OREAL'S GLOBAL RESEARCH & INNOVATION⁽⁴⁾

€1.2 Bn
invested to research and innovation (more than 3% of sales).

+100
quality controls for each cosmetics products.

>4,000
scientists worldwide.

> 17,000
product evaluation tests.

>3,400
new formulas launched on the market in 2023.

610
patents filed in 2023.

21 research centers and **7** regional hubs worldwide, including

 **1 Evaluation Intelligence Lab** in Indonesia established since 2013.

L'ORÉAL'S NEW ERA OF INNOVATION POWERED BY GREEN SCIENCES⁽⁴⁾

L'Oréal Research & Innovation is committed to developing formulas that respect nature and biodiversity, reduce impact on climate change, and take a step back from petrochemicals. To rise to these challenges, L'Oréal is partnering with top experts in the field, including universities, startups and research institutes on topics such as sustainable cultivation, green extraction, biotechnology, and green chemistry. Within this dynamic ecosystem, L'Oréal develops new, more sustainable, applications in cosmetics and skin health.

Sustainable Cultivation

refers to the cultivation practices and techniques aiming to manage water resources, respect biodiversity and soil quality, limit land occupancy footprint and carbon emissions while providing biomasses for innovation. L'Oréal R&I invested in new cultivation methods such as wild harvesting, field cultivation, and integrated cultivation like aquaponics.

Green Extraction

is an eco-respectful technology leading to a final ingredient without any (bio) chemical transformation* from natural resources (plant, algae, mushrooms, micro-organisms, cells or abundant mineral).

Biotechnology

The process to obtain an ingredient such as Hyaluronic Acid, a premium ingredient in skincare products, through the culture of micro-organisms or of plant cells in bioreactors or in a controlled environment while preserving natural resources.

Green Sciences Scientific Expertise

Green Chemistry

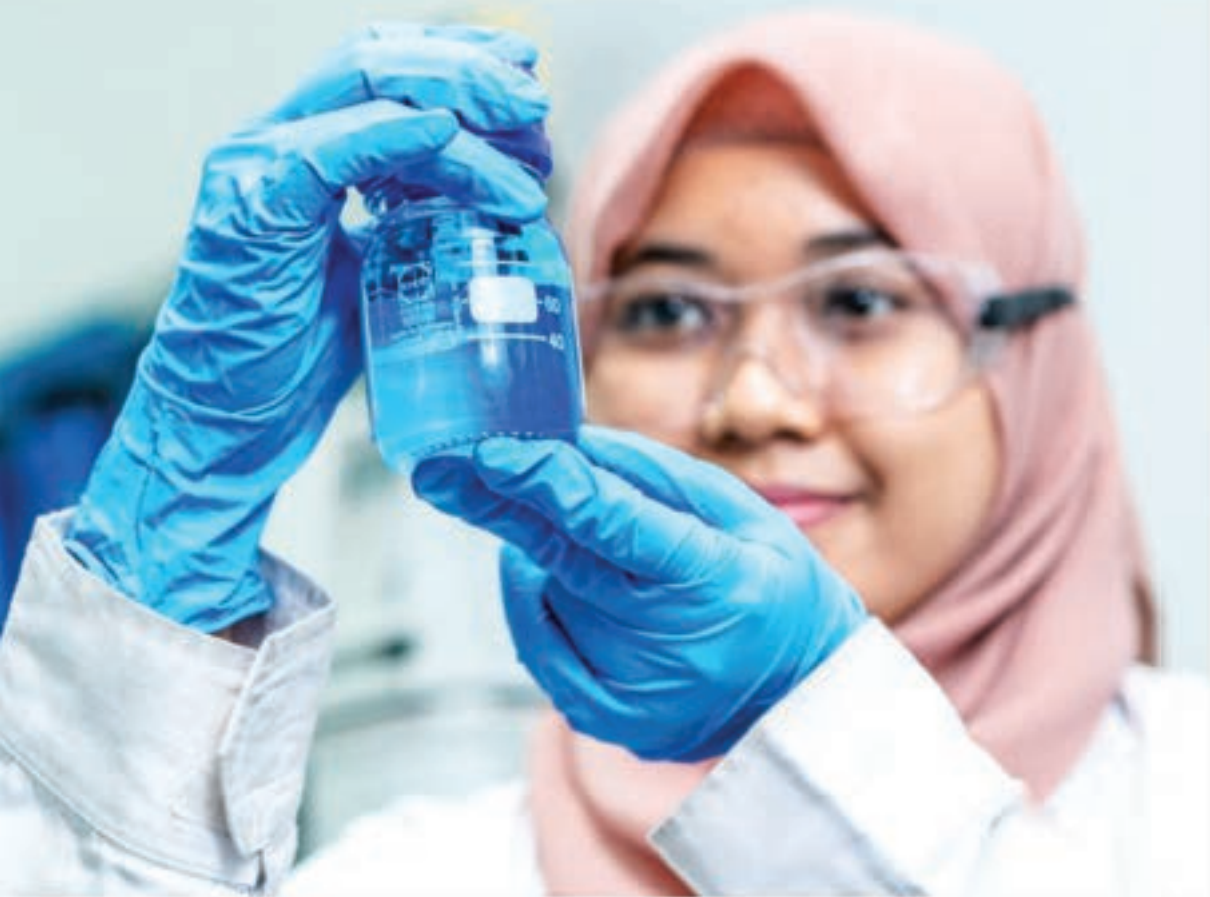
is based on 12 principles which specify the conditions for the synthesis of molecules with minimal impact on the environment. For instance: minimal number of stages, few solvents, and little energy.

PRO-XYLANE

is a patented molecule developed by L'Oréal, using an environmentally-friendly direct synthesis process that promotes a circular economy. It's L'Oréal's first green chemistry anti-ageing active used in its skincare products.

Through new discoveries powered by green sciences and tech, L'Oréal's Research & Innovation seizes every opportunity to help the Group achieve its goal of ensuring:

95% of its ingredients in formulas will be "bio-based", derived from abundant minerals or from circular processes by 2030, where **65%** has been achieved by the L'Oréal in 2023.



L'ORÉAL'S CONTRIBUTION TO RESEARCH & INNOVATION IN INDONESIA

In addition to consistently conducting product and consumer research and innovation, L'Oréal is also empowering the scientific community in Indonesia through several long-term flagship programs.

Hair & Skin Research Grant

In partnership with Universitas Indonesia and Indonesian Society of Dermatology and Venereology (PERDOSKI), L'Oréal has been contributing to research and innovation grant to Indonesian dermatovenereologists since 2021.



The grant has benefited

73
Dermatovene-
reologists

from



18
researcher
groups

L'Oréal-UNESCO For Women in Science

Since 2004, L'Oréal has been awarding Indonesian young female scientists to address gender gap and create role models in science.

75
female scientists
has been awarded the
L'Oréal-UNESCO For Women
in Science national fellowship.

>30
scientific institutions
and universities
across Indonesia have
participated, encompassing a
wide range of research field.

Field of Research:


- | | | |
|---|---|--|
|  12
Pharmacy and
Medicine studies |  6
Infectious
Disease studies |  4
Biodiversity
studies |
|  8
Food Security
studies |  8
Materials
Science studies |  9
Renewable
Energy studies |
|  6
Fisheries & Marine
Science studies |  12
Health
Biotechnology
studies |  10
Industrial
Technology
studies |



L'ORÉAL
BEAUTY TECH

**L'ORÉAL IS INVENTING
THE FUTURE OF BEAUTY
BY BECOMING A BEAUTY
TECH POWERHOUSE**

As a part of L'Oréal's commitment to Research & Innovation, the Groupe has developed different innovative products across its brands, combining the latest digital technologies as well as breakthrough innovative devices.

 Indonesia is one of the countries with the highest usage of beauty tech tools in L'Oréal Groupe worldwide, recording over

4 Mn trials in year⁽⁶⁾.



Tech for
Personalization
and Iconic Services



Tech for
Sustainable
Innovation



Tech for
Greater
Inclusivity

(6) L'Oréal Indonesia data, 2023.



TECH FOR PERSONALIZATION AND ICONIC SERVICES



L'Oréal Paris Skin Genius

Advanced AI technology provides expert dermatological analysis to help define the right personalized skincare routine.



La Roche-Posay Effaclar Spotscan

Developed with dermatologists, Effaclar Spotscan is a skin analyser powered by AI technology that can evaluate the severity of acne, and recommend a personalized skincare routine.



Garnier Skin Coach

Garnier's AI technology which provides an in-depth evaluation to define a routine based on the individual skin type and needs.



Kiehl's Derma Reader

A deep skin analysis tool capable of evaluating the skin and analyzing more than 11 conditions both on the surface and beneath the skin. This complimentary service at Kiehl's stores captures 9 images of the entire face using tri-polar light technology, which combines standard light, cross-polarized light, and UV light to provide a high-resolution diagnosis.



Kérastase K-Scan

Developed by L'Oréal research labs for Kérastase, K-Scan is a smart camera that allows stylists to give precise analysis of the hair and scalp via microscopic images and AI.



L'Oréal Paris Colorsonic

A lightweight, handheld device that uses an innovative, mess-free process to mix hair color and apply it evenly, delivering consistent results for consumers at home.



Yves Saint Laurent Rouge Sur Mesure

A handheld device powered by AI that offers the possibility of creating thousands of customized lipstick shades in the comfort of home.



Yves Saint Laurent Scent-Sation

Launched by Yves Saint Laurent Beauté in 2022 in partnership with Emotiv, a leader in wireless EEG brain monitoring technology, this groundbreaking innovation records and analyzes consumers' emotional responses to different fragrance families, then recommends the perfume that suits them best.



TECH FOR SUSTAINABLE INNOVATION



L'Oréal Professionnel Water Saver

Partnering with start-up Gjosa, L'Oréal has developed a showerhead with innovative technology that infuses haircare products directly into the micronized water flow, enabling the rinsing of shampoo with 69% water savings at the backbar.



L'Oréal Professionnel AirLight Pro

The first professional hair dryer by L'Oréal Professionnel, powered with infrared technology for 21% faster drying, 55% more hydration locked-in, and 19% less energy.

TECH FOR GREATER INCLUSIVITY



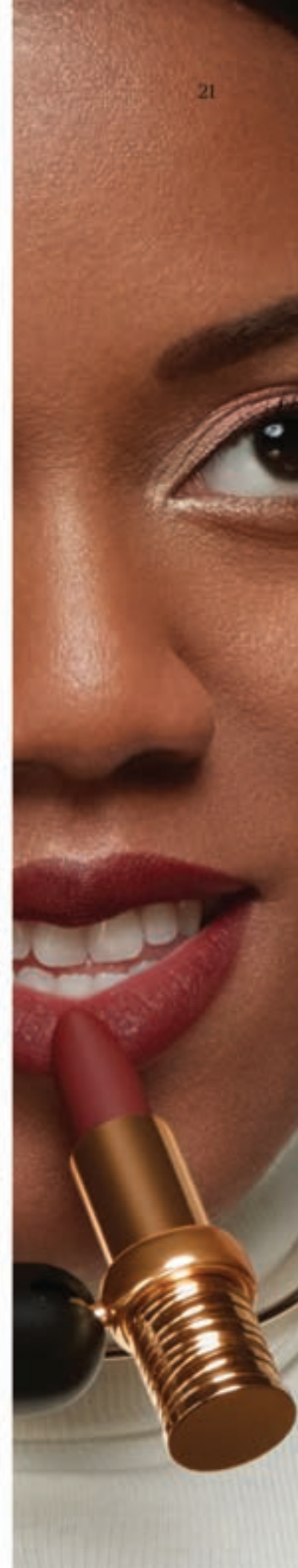
Lancôme Hapta

A handheld ultra-precise smart make up applicator designed for people with limited hand and arm mobility, offering the ability to steadily apply lipstick at home.



L'Oréal Brow Magic

Developed in partnership with a Korean startup, Prinker, a pioneer in printed non-permanent tattoos, Brow Magic is the first handheld, lightweight, electronic brow makeup applicator that provides consumers their most precise brow shape in seconds.





II.
BEAUTY IS
VITAL TO
SOCIETY, IT IS
AN ESSENTIAL
HUMAN NEED

**🇮🇩 BEAUTY AND
 INDONESIAN CULTURE:
 EQUALLY RADIANT,
 EQUALLY OPULENT**

Indonesia is home to an abundance of natural and cultural resources spread across more than **17,000 islands, 38 provinces, 98 cities, 416 municipals, and more than 81,000 villages. With around 1,340 ethnicities**, the beauty of Indonesians shines through a variety of skin tones and hair types, reflecting the charm of intertwined local wisdom and unique perceptions of beauty. Natural resources have also shaped the distinctive beauty rituals rooted in the quest for self-care and self-actualization.

Over the centuries, as the people and culture evolve, beauty trends stride alongside them. These new trends represent diverse interpretations of beauty across different communities, especially in skin and hair care rituals. For instance, aloe vera is used in hair care, yambean (bengkuang) to combat acne, and patchouli extract for perfumery. This reflects how nature and society, overtime, are quintessential in redefining beauty and its many facets: discovery, caretaking, and evolution. Ultimately, this quest transcends borders and cultures, making beauty a personal as well as collective quest.





BEAUTY IS A CULTURAL NEED, ESSENTIAL FOR FEELINGS OF BELONGING WITHIN COMMUNITIES

Indonesia, like many other Asian cultures, embodies close-knit collectivism where harmony and social cohesion are highly valued. Indonesian society places communal values on a pedestal, fostering a collaborative spirit that drives collective actions to solve problems. These collective cultural identities strengthen local communities and emphasize familial identity and values.

As a society that upholds communal traditions, Indonesians celebrate every milestone in lives through their respective local wisdom. For example, the Balinese *Jatakrama Samskara*, the *Moana* ceremony of the *Togean* community, and Muslim community's tradition of *Aqiqah*--all honors the birth of a child. This culture extends beyond birth, accompanying individuals as they grow, reach adolescence, transition into adulthood, celebrate weddings surrounded by relatives, and even during ancestral prayers.

The more important the occasion, the higher the need to look more presentable

Everyone wants to look beautiful as a sign of respect for cultural ceremonies. Weddings, for instance, are among the most popular cultural occasions alongside graduation and festivities. On these occasions women usually aim to look *manglingi*, or "look prettily different."

1.2 Mn

search on "wedding"⁽²⁰⁾.

Top 3 moments

linked to beauty are weddings, graduation, and festivities (like New Years, Eid al-Fitr, and Christmas)⁽²¹⁾.

(20) Google Search, 2023.

(21) L'Oréal Indonesia data, 2023. Based on social listening Beauty Social Media Buzz.

The Wide Horizons Of Beauty

In Indonesia, recent skincare trends have expanded from aspiring to achieve Euro-centric beauty standards like fair skin, to exploring more Asian beauty. In the past decade for instance, South Korean aesthetics have gained popularity. This includes their beauty standards which centre around achieving healthy skin that is reflected in terms such as “glowing skin” and “glass skin.”

The newfound shift of perspective later encourages skincare customers to tend to what they personally need, rather than adhering to one specific beauty standard.

Asian-inspired makeup has gained popularity⁽²¹⁾

For instance, for the past couple of years, “Korean makeup” and “Douyin makeup” are the **Top 2 Makeup Look Search** and **#3 & #4 Most Discussed Makeup Style** on Indonesian social media. More specifically, Korean makeup style is considered desirable due to its

glowing finish	natural finish
34%	38%

(21) L'Oréal Indonesia data, 2023. Based on social listening.

BEAUTY RITUALS ARE A PART OF SOCIAL NEEDS, THE ESSENCE OF SELF ACTUALIZATION

57%

of Indonesian women find make up as essential, especially students (54%) and working women (67%)⁽²²⁾.

79%

of women get an extra boost of confidence when they go out to public wearing make up⁽²³⁾.

Gen Z, Millennial, and Gen X admitted of using 4-5 different makeup products every day⁽²³⁾.

These studies illustrate how self-care and beautification are social needs driven by communal values.

In this sense, Indonesians perceive beauty as essential in every aspect of life. This perception is rooted in Indonesian communal values, which uphold the importance of politeness and showing appreciation to others, including making a lasting impression when communicating.

(22) Jakpat, 2023. Beauty Trends 2023

(23) Jakpat, 2024. Consumer Trend on Beauty Industry 2024



HAIR CARE AND SELF CARE ARE STRONGLY LINKED

Hair, often regarded as a woman's crown, plays a significant role in daily beauty and grooming routines. Indonesian women, like many across Asia, have unique characteristics of hair: softer, thicker, faster-growing, and rich in dark pigmentation that naturally protects against sun exposure. These traits make hair care a primary focus in maintaining overall beauty.

Hair care is not just exclusive to women, men also actively maintain their hair as a part of the grooming routine. Hair care is not merely about appearance but also an essential part of well-being and mental health.



More than **100,400 salons** and around **5,000 barbershops**⁽⁶⁾ are estimated to be operating in Indonesia.



More than **80,400 hairdressers** in Indonesia are connected via the L'Oréal ACCESS app by 2024.

Hair Care in Numbers⁽²⁴⁾

67% of Indonesian women have their own favorite beauty salon.	25% of Indonesian women visit a hair salon more than once a month.
91% of Indonesian women go to the salon to receive a haircut.	35% of Indonesian women receive hair treatment (creambath, hair spa, etc) at a salon more than once a month.
57% of Indonesians, both women and men set aside a budget for regular hair care ⁽²⁵⁾ .	

(8) Kline, 2023. (6) L'Oréal Indonesia data, 2023. (24) Jakpat, 2016. Beauty salon habit survey report. (25) Jakpat, 2021. Ayo Ngaku! Apa Sampo Favoritmu?

BEYOND THE SIGHT, BEAUTY IS ALSO IN THE FRAGRANCE WE EMBRACE

Indonesia has a long-standing history with fragrances, supported by its abundant biodiversity. Natural ingredients such as patchouli oil, rose, jasmine, sandalwood, and tuberose have long been used as everyday scent bases, making fragrances an integral part of evolving local traditions.

Keeping pace with increasingly dynamic global trends, the Indonesian fragrance industry also continues to thrive and innovate. Since the COVID-19 pandemic, Indonesia's fragrance industry has experienced rapid growth, as evidenced by the emergence of numerous new local and international fragrance brands.

The total fragrance market experienced significant increase since the pandemic,



growing at **48%** in 2023 vs 2020⁽²⁾.

The market value of Indonesia's fragrance market



in 2029 is projected to reach **IDR 1.07 Tn** with **30Mn users**⁽²⁶⁾.

These figures indicate that fragrance is becoming a highly promising segment within the beauty industry, offering substantial growth opportunities.

(2) L'Oréal Indonesia data, 2023. L'Oréal Indonesia estimates for total beauty market sell-in, covering make-up, skincare, haircare, fragrance excluding oral care, barsoap and others. (6) L'Oréal Indonesia data, 2023. (26) Statista, 2024. Beauty & Personal Care, Fragrance - Indonesia





INVESTING IN BEAUTY, INVESTING IN THE PLANET

Indonesians are generally aware of the importance of preserving the earth for their own welfare, reflected by the growing demand for sustainable products. Beauty industry is no exception, where sustainable labels such as “natural”, “vegan”, and “cruelty-free” are getting more common.

82%

Gen Z are willing to pay more money for a more sustainable/ eco-friendly products⁽²⁷⁾,

with

88%

of them expressing a strong concern about the climate crisis⁽²⁷⁾.

CIRCULAR AND SUSTAINABLE ECONOMY WORLDWIDE

The global beauty and personal care industry is actively mobilized against plastic pollution and supports an international binding treaty to reduce its impact. As a significant economic force, it advocates for improved eco-design, innovation, efficient and broad management and the reduction of virgin fossil-based plastic, all crucial elements of a circular and sustainable economy.

(27) IDN Media, 2024. Indonesia Millennial & Gen Z Report 2024



Kiehl's sustainable boutique, Senayan City, Jakarta

L'ORÉAL
FOR THE FUTURE

L'ORÉAL GROUPE'S SUSTAINABILITY COMMITMENT FOR 2030

In the context of growing environmental and social challenges, L'Oréal has accelerated its transformation towards a model respecting planetary boundaries and reinforcing its commitments to both sustainability and inclusion. L'Oréal for the Future program embodies the Groupe's conviction that companies have a concrete role to play in rising to the challenges of our time.

A STRATEGY BUILT ON 3 PILLARS



1.
Reducing L'Oréal's
environmental impact



2.
Engaging
L'Oréal's ecosystem



3.
Contributing to solving
the challenges of the world

L'ORÉAL GROUPE'S ENGAGEMENT FOR THE PLANET

By 2025, L'Oréal will reach 100% renewable energy for its sites.

By 2030, 100% of the water used in L'Oréal industrial processes will be recycled and reused.

By 2030, 100% of ingredients in our formulas and biobased packaging materials will be traceable and come from sustainable sources.

By 2030, 95% of L'Oréal formula ingredients will be bio-based, 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 (we will reach 50% by 2025).

By 2030, 100% of the waste generated at L'Oréal industrial sites will be recycled or reused.

100% By 2030, all the Group's products will be eco-designed of L'Oréal's plastic packaging will be refillable, reusable, recyclable or compostable by 2030.

1 Mn hectares of degraded ecosystems will be restored by 2030, driven by €50 million L'Oréal Fund for Nature Regeneration.



L'Oréal's Sustainability Achievements in Indonesia

Energy

Two years ahead of the global target, L'Oréal Indonesia has reached 100% renewable energy in all sites by end of 2023**. We have also prevented the use of diesel-fueled vehicles in our staff fleet and reduced CO₂ emissions from the air transport of our product delivery.



Formulas and Packaging

We offer products with more naturally derived formulas and more sustainable packaging, featuring greater efficiency, reduced plastic content, the use of recycled and recyclable materials, and refillable options.

Waste

All of our operational sites have achieved zero waste to landfill. Every point of sales is designed in accordance with the Groupe's sustainability principles, and we collected and recycled over 300 tons of post-consumer waste in 2024.

Finance

Investing employee pension funds in responsible investments.

Community

Our Corporate and Brand Cause programs have touched nearly

1 Mn Indonesians



L'Oréal's office cafeteria in Jakarta is operated with a commitment to reducing single plastic use, 100% fair trade coffee, and we employ staff members with disabilities as part of our inclusive sourcing commitment.

**Excluding safety and security installation.

Indonesian Beauty Consumers are Embracing Sustainability

Demand for eco-conscious and cruelty-free products is booming, reflecting a growing awareness that true beauty must also be kind to the planet.

This shift is transforming the Indonesian beauty market, offering vibrant array of greener options for shoppers seeking both personal and planetary well-being.

L'Oréal's Environmentally Friendly Products Marketed in Indonesia



Garnier Micellar Water

Produced using 100% recycled and recyclable bottle.

L'Oréal Elseve Hyaluron Pure Shampoo + Conditioner

Recyclable bottle.

La Roche-Posay Anthelios 50+ Hydrating Lotion

Eco-conscious tube with 75% plastic reduction. Safe for marine life and corals.

La Roche-Posay Lipikar Baume AP+M

100% shea butter comes from a socially responsible sourcing program.

Sustainably sourced
patchouli grown in
Ladongi, Southeast
Sulawesi, Indonesia

Kiehl's Ultra Facial Cream + Refill

Formulated with 100% plant-based squalane through a process of bio-fermentation to reduce the need for traditional chemical processes.



L'Oréal Professionnel iNOA

100% vegan formulation.

L'Oréal Professionnel Serie Expert

Up to 95% of the plastic bottles from post-consumer recycled.

Lancôme Absolue

Contains 100% organic rose wood. Glass-in-glass refillable packaging made from 40% recycled glass.

L'Oréal Professionnel Dia Color

Pioneer in recycleable aluminium packaging.

Biolage Scalpsync Aminexil

100% vegan.

Kérastase Elixir Ultime & Refill

Refill & refillable bottle.



Maybelline Lip & Eye Makeup Remover

Produced using 100% recycled bottle.

Yves Saint Laurent Le Cushion Encre De Peau

Refill & refillable cushion.



Yves Saint Laurent Libre Eau de Parfum

Refill & refillable bottle. Patchouli oil sourced from Ladongi, Sulawesi.

Armani Acqua Di Gio Eau De Parfum

Refillable Bottle.

L'ORÉAL GROUPE'S ENGAGEMENT FOR THE PEOPLE



By 2030, **3 million people** will benefit from our brands' social engagement programmes.

By 2030, **L'Oréal Groupe** will help **100,000** people from disadvantaged communities gain access to employment***.

By 2026, the Groupe will have allocated **€80 mn** to support the most vulnerable women via the **L'Oréal Fund for Women**. Since 2020, the L'Oréal Fund for Women has supported more than 420 organisations around the world, which support more than 2,560,000 direct beneficiaries.



 Nearly **1 million** Indonesians have gained positive benefits from L'Oréal's social initiatives by the end of 2024.

Science Program

L'Oréal-UNESCO For Women In Science

L'Oréal has been awarding Indonesian young female scientists since 2004 to address gender gap and create role models in science. The program has awarded 75 female scientists across the country.

Hair & Skin Research Grant

Research grant for dermatoveneorologists in Indonesia. In partnership with Universitas Indonesia and Indonesian Society of Dermatology and Venereology (PERDOSKI), the program has benefited 73 dermatoveneorologists.

Beauty Upskilling

Beauty for a Better Life

Providing free beauty training to vulnerable community, particularly women, helping them to improve their lives. Empowered 5,653 beneficiaries across 12 training centers in Indonesia since 2014.

Hairducation

Vocational education program by L'Oréal Professionnel designed to enhance the skills of teachers and students in vocational schools (SMK) in the field of hairdressing. The program has trained 64 teachers and 2,800 students from 36 vocational schools by end of 2024, equipping them for careers in the hairdressing industry.

Social Program

Inclusive Sourcing

Supports vulnerable communities by providing job opportunities through collaborations with various business partners, has benefited 1,474 FTEs by the end of 2024.

L'Oréal Manufacturing Indonesia Programs

For over 38 years, L'Oréal's manufacturing entity, PT Yasulor Indonesia has been running various social programs like free mobile health clinic services, and youth empowerment in science and technology "Together in STEM".



Brand Causes

L'Oréal Paris StandUp

L'Oréal Paris is breaking down barriers that prevent women from asserting their self-worth to stand up against street harassment. Since 2021, StandUp has been raising awareness and educating over 200,000 Indonesians with effective 5D intervention methodology.

Yves Saint Laurent Abuse is Not Love

Beauty supports the fight against partner violence through an awareness program to help identify the warning signs that can come with an abusive relationship. Since 2023, the program has trained 3,167 Indonesians in collaboration with Yayasan Pulih.

Maybelline New York Brave Together

An initiative to support everyone experiencing anxiety and depression by helping people spot the signs, practice self care and providing free counseling. In partnership with Kalm, the program has benefitted 126,955 people in Indonesia.

L'Oréal Professionnel Head Up

A program by L'Oréal Professionnel to help hairdressers to better manage their own mental health through a tailor-made education program. Since launched in 2023, the program has trained 2,338 hairdressers in Indonesia.

Kérastase Power Talks

Women empowerment program launched by Kérastase to empower young women, focusing on building self-confidence and helping them achieve their best potential in both personal and professional life.

III. BEAUTY THAT IS ESSENTIAL FOR HEALTH AND WELL BEING

POSITIVE IMPACT OF BEAUTY ON HEALTH & WELL-BEING

The World Health Organization (WHO) defines health as a state of complete physical, mental and social well-being, and not merely the absence of disease or infirmity.

Research highlights the connection between beauty, mental health, and well-being, suggesting that attending to one's appearance as a form of self-care can boost self-esteem, confidence and, ultimately, mental well-being.

Beauty and health have common origins

Beauty, health, and well-being share a common origin rooted in body care, hygiene, and disease prevention. Cosmetics are used for embellishing, healing and improving well-being. Beauty helps to take care of people's physical and mental health. There is a positive correlation between physical attractiveness and mental health (higher self-esteem and better mental health outcomes).

Worldwide, people think that personal care and beauty products help them⁽²⁸⁾.

80%

feel
happier

88%

feel more
self-confident

86%

feel
better

85%

appreciate
themselves more

(28) InSites Consulting for L'Oréal. Mental Wellness: Context & Stakes/Q1 study L'Oréal/InSites - 5,000 women 15-75ys - April 2022.

Skincare

Skincare plays a crucial role in health and well-being, with rituals contributing to a better quality of life and mental health. Effective skincare products can prevent various health issues.

🔴 **For most Indonesians**, skincare is no longer a tertiary needs for special occasions. It has become a constant way of taking care of themselves and their overall health and well-being.

96%

of Indonesian women consider skincare as an investment⁽²³⁾.

79%

of Indonesian women think that using skincare products is more important than using makeup products⁽²³⁾.

Haircare

Haircare is often a reflection of the overall health and well-being. Healthy hair requires a balanced and healthy diet. It is a natural barrier for the scalp and helps to protect it from environmental factors such as UV rays, wind, and pollutants. It has been proved that a high frequency of shampooing has a positive effect against scalp and hair conditions.

Make up

Make-up is often viewed as a way to enhance one's appearance, but it can also have a positive impact on health and well-being. Taking the time to apply make-up can be a form of self-care, promoting relaxation and reducing stress levels.

Fragrance

Fragrance stimulates layers of biological processes. Smell and memory seem to be so closely linked because of the brain's anatomy. Smells are handled by the olfactory bulb, the structure in the front of the brain that sends information to the other areas of the body's central command. Odors take a direct route to the limbic system, including the amygdala and the hippocampus, the regions related to emotion and memory.

(23) Jajpot, 2024. Consumer Trend on Beauty Industry 2024

SKIN, HAIR, SCENT: GLOBAL WELLNESS NEEDS

Skin

4.7 Bn

incident cases of skin and subcutaneous diseases globally⁽²⁹⁾.

75% to 95%

of teenagers experience acne worldwide⁽³⁰⁾.

66%

of women worldwide claim they are currently suffering from sensitive skin⁽³¹⁾.

20%

of children suffer from eczema⁽³²⁾.

10%

of adults suffer from eczema⁽³²⁾.

Skin cancers are estimated to be the most common groups of cancers diagnosed worldwide in 2020⁽³³⁾.

17th

most common cancer worldwide⁽³³⁾.

13th

most common cancer in men⁽³³⁾.

15th

most common cancer in women⁽³³⁾.

🔴 Located right within the equator line, Indonesia is blessed with an abundance of sun light. However, this uniqueness also poses challenge for skin health. In Indonesia, the top 5 skin concerns seen by dermatologists include **acne-related concerns, atopy/ eczema, sensitive skin, hyperpigmentation, and anti-aging**⁽³⁴⁾.

(29) GlobalSkin, 2024. Skin Diseases as a Global Public Health Priority (30) Haute Autorité de Santé (HAS). Acné : quand et comment la traiter? (31) Farage, M. A., 2019. The Prevalence of Sensitive Skin Frontiers in medicine. (32) Global Atopic Dermatitis Atlas, 2022. Global Report on Atopic Dermatitis. (33) World Cancer Research Fund International. Skin Cancer Statistics. (34) AplusA Healthcare Market Research, 2024

Make up

Make-up is often viewed as a way to enhance one's appearance, but it can also have a positive impact on health and well-being. Taking the time to apply make-up can be a form of self-care, promoting relaxation and reducing stress levels.

47%

admitted having tried to camouflage their skin conditions⁽³⁰⁾.

98%

of women say beauty products make them feel good or boost their self-esteem⁽³⁰⁾.

Haircare

Hair health can help prevent and control many diseases and conditions. Increasing wash frequency results in dramatic improvement of overall hair satisfaction: people who say they wash their hair less than **2 times a week** would experience fewer than **3 "good hair days"**, while daily washing would bring **more than 5**.

40%

of population worldwide is expected to be affected by dandruff⁽³⁵⁾.

Fragrance

Sense of smell can indicate underlying health problems, such as sinus infections or allergies, and proper functioning of physiological and neurological systems. Anosmia, the inability or diminution of the sense of smell, can result from a variety of factors and have a psychological impact, leading to anxiety, depression and social isolation.

80%

of people infected with COVID-19 may experience anosmia⁽³⁶⁾.

≈5%

of the general population is believed to be affected by anosmia⁽³⁷⁾.

(30) Haute Autorité de Santé (HAS). Acné : quand et comment la traiter? (35) Kenneth Research. (2022). Global Hair Care Market. (36) Ahmed, A. K., et al. (2022). "Anosmia" the mysterious collateral damage of COVID-19. (37) Hara, N., et al. (2020). Treatment of post-viral olfactory dysfunction: an evidence-based review with recommendations.

BEAUTY AND MENTAL HEALTH ARE STRONGLY LINKED

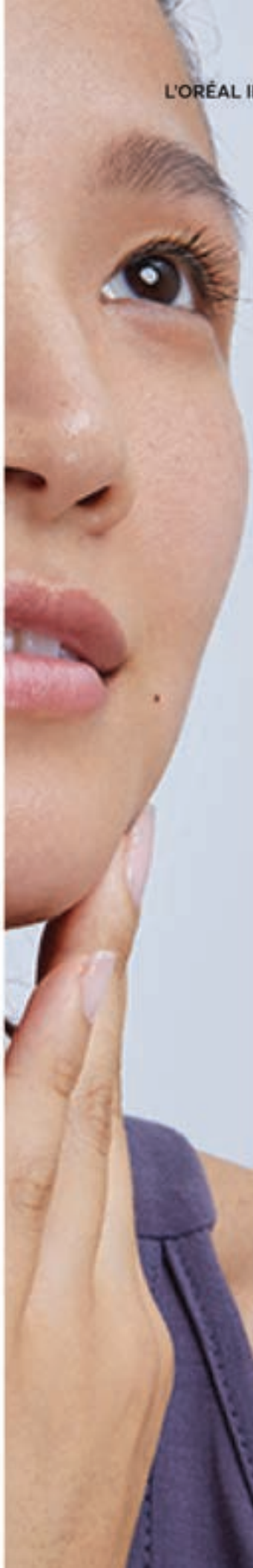
Mental health concerns become more prevalent

- Worldwide, nearly one billion people live with a mental disorder. During the first year of the pandemic, rates of depression and anxiety increased by 25%⁽³⁸⁾.
- Nearly 36% of people consider mental health to be their number one concern and 76% think that mental health and physical health are equally important⁽³⁸⁾. Among Gen Z, 50% declared feeling stressed and 43% feeling anxiety⁽³⁹⁾.
- The WHO predicts that by 2030, anxiety and mental health disorders will become the next pandemic⁽³⁸⁾.

In Indonesia, the younger generation has become significantly more aware of the issue of mental health⁽⁴⁰⁾

- 95%** Gen Z agree that mental health is important.
- The roots of Gen Z's fear lies in **Loss (39%), Failure (30%), Other people's expectation (18%), and Rejection (10%)**.
- Future (51%), Career (20%), and Family (19%)** are top 3 anxiety source of Gen Z.
- 79%** Gen Z does self-care to take care of their mental health.

(38) InSites Consulting for L'Oréal. Mental Wellness: Context & Stakes/QT study L'Oréal/ InSites - 5,000 women 15-75yo - April 2022. (38) World Health Organization. (2022). World mental health report: Transforming mental health for all. (39) OECD, 2018. Health at a Glance: Europe 2018. State of Health in the EU Cycle. (40) KumparanWoman, 2024. Based on KumparanWoman's "Polling: Benarkah Gen Z Lebih Rentan Alami Gangguan Kesehatan Mental?" for Maybelline BraveTalk.



Impact of skin diseases on mental health

Skin diseases can cause functional and aesthetic handicaps, affecting social and professional life, self-esteem, and more. In fact, dermatologists and psychologists recognize the impact of dermatological issues on mental health, leading to greater acceptance of "psychodermatology".

50%

of acne patients isolate themselves⁽⁴⁰⁾.

98%

of patients with skin disease say that their skin condition affects their emotional health⁽²⁸⁾.

25%

of patients with dermatitis on their hands considered it to be a handicap at work⁽⁴⁰⁾.

87%

of women suffering from vitiligo, especially the dark-skinned type, attempted to camouflage all the time or sometimes⁽⁴²⁾.

25%

of people consider that a skin problem is a disability⁽⁴⁰⁾.



Meanwhile, healthy skin is a sign of a well-functioning immune system and good care habits.

41%

of people claim the face is one of the main parts of the body affected by mental health issues (acne, scars, scabs, skin sores, redness and inflammation, etc)⁽²⁸⁾.

22%

of people think that skincare is one of the solutions to fight against mental skin health issues⁽²⁸⁾.

(40) Richard, M.-A. et al. 2022. Burden of visible [face and hands] skin diseases: Results from a large international survey (28) InSites Consulting for L'Oréal. Mental Wellness: Context & Stakes/QT study L'Oréal/InSites - 5,000 women 15-75yo - April 2022. (42) Kent, G., 1999. Correlates of perceived stigma in vitiligo. Psychology and health.

Hairdressing at the service of mental health

Taking care of hair can help to boost confidence and self-esteem. When hair looks and feels good, people are more likely to feel good about themselves and their appearance. This can have a positive impact on their overall mental health and well-being.

80%

of women believe their hair is directly related to their self-confidence⁽⁴³⁾.

25%

of people think that haircare is one of the solutions to fight in favor of mental health⁽²⁸⁾.

Hairdressers play an important role in clients' well-being by providing a form of physical and mental connection. A good haircut can boost people's confidence and self-esteem, leading to positive feelings about their appearance and overall well-being.

7/10
women

say they are totally loyal to their hairdresser⁽⁴⁴⁾. This illustrates the closeness and trust of the relationship.

(43) Philips. (2017). Global Beauty Index (28) InSites Consulting for L'Oréal. Mental Wellness: Context & Stakes/QT study L'Oréal/InSites - 5,000 women 15-75yo - April 2022. (44) Statista, 2019. Do you always go to the same hairdresser salon?





Positive impact of make-up on health and well-being

By promoting self-care, boosting self-confidence, and incorporating it into a daily routine, make up can contribute to overall mental well-being. Cosmetics, for instance, can enhance the physical appearance of signs of aging and seems to have a positive effect on mood and stress. In turn, it leads to positive physiological reactions such as those related to immunity and motor function. Thanks to these retroactive responses, make-up could even have a positive impact on gait, potentially playing a role in reducing the risk of falls among the elderly.

Fragrances are linked to emotional well-being, wellness, and mental health

The influence of fragrances, such as perfumes and room scents on human psychophysiological activities, has been known for a long time. Certain scents can help manage stress and anxiety, promoting self-care, relaxation and improving overall mood. Indeed lavender is often used in aromatherapy to promote relaxation and reduce anxiety, while scents like peppermint, citrus, and eucalyptus can improve concentration and alertness.

89%

of people believe that a fragrance or a flavour can impact well-being⁽⁴⁵⁾.

68%

of women see perfumes as important or very important part of their daily lives⁽⁴⁶⁾.

(45) Givaudan. Well-being Study (2019). Givaudan carried out extensive scientific research at their Health and Wellbeing Centre of Excellence in Ashford, UK. (46) IFOP for Cosmetics Europe. (2022). Cosmetics - Our Essentials For Daily Life: European Consumer Perception Study 2022.



L'OREAL AND HEALTH CARE & WELL BEING

L'Oréal's Fundamental Knowledge in Dermocosmetics

The L'Oréal Dermatological Beauty Division is the world leader in dermocosmetics, with international skincare brands recommended by health care professionals and distributed in outlets worldwide, including, pharmacies, drugstores, dermatology and aesthetic clinic and e-retailers.

L'Oréal Dermatological Beauty Pro is a digital community empowering health care professionals to improve their daily practice of dermatology through cutting-edge research, science and education on skin and haircare. More than 100,000 physicians have already joined the platform.

L'Oréal supports dermatological research, scientific training by health professional, through hundreds of scientific articles, publications, expert interviews, educational videos and more.

130

Publications

135

Clinical Studies

110

Observational Studies

>26,000

consumers and 1,500 dermatologists have participated in research and innovation initiatives of L'Oréal Indonesia between 2023-2024⁽⁴⁷⁾.

(47) L'Oréal Indonesia data, 2024.



Quality, Safety, and Responsibility

The process of evaluating the safety of products and ingredients has always been at the heart of L'Oréal's approach. In the early 1980s, one of L'Oréal's young biologists managed to reconstruct the first human epidermis. With Episkin Laboratories, L'Oréal R&I is at the forefront of the development of reconstructed human skin, a more precise means of analyzing the behavior of cosmetic ingredients and products on human skin.

Episkin

produces reconstructed human tissue to test the effects of new ingredients and products. Today, L'Oréal has 3 Episkin dedicated production centers in France, China, and Brazil.

Since 1989, L'Oréal has completely ceased testing the safety of its products on animals.

SkinEthic HCE

is an important worldwide player in the production and commercialisation of human epidermal and epithelial tissues for in vitro test applications across many industries.

Feeling good is as important as looking good

L'Oréal is also committed to destigmatizing anxiety and depression, and making mental health support accessible.

Maybelline New York Brave Together

An initiative to support everyone experiencing anxiety and depression by helping people spot the signs, practice self care and providing free counseling. In partnership with Kalm, the program has benefitted 126,955 people in Indonesia.

L'Oréal Professionnel Head Up

A program by L'Oréal Professionnel to help hairdressers to better manage their own mental health through a tailor-made education program. Since launched in 2023, the program has trained 2,338 hairdressers in Indonesia

Going beyond beauty to care for health

Recognizing the profound connection with health and well-being and overall health, L'Oréal's extends its commitment beyond beauty. The company actively engages in various healthcare initiatives, demonstrating this link.

La-Roche Posay and Cancer Support

Globally, La Roche-Posay has been committed to helping cancer patients for over 10 years, and has launched **Fight with Care** program to support women with cancer by providing training for health care professionals and support for patients and associations.

CeraVe Mentorship Program

CeraVe signed a partnership with Gloderm, an NGO of humanitarian dermatologists, who gives care and education to patients in need, to make dermatology accessible to underserved communities around the world.

Caring for Alzheimer patients

Since 2013 L'Oréal Indonesia has been supporting approximately 10,000 patients under Alzheimer's Indonesia with beauty products as part of their caregiving program.



The Essentiality of beauty

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