



L'ORÉAL
BRANDSTORM
 EMPOWERED BY SALESFORCE 2022

#DISRUPT BEAUTY 2030

*To create the Beauty that moves the World,
 select your innovation track & pitch your project!*

Dear Brandstormers,

We are really happy to share with you all the key information regarding your Brandstorm 2022 mission. We hope you will learn, innovate, and enjoy this mission!

The several steps & deadlines of the competition will be communicated on your country challenge page on *brandstorm.loreal.com* by your local Brandstorm manager. Do not hesitate to contact her/him if you have any question and stay tuned on your challenge page!

I. Brandstorm mission induction

Your Brandstorm 2022 mission is:

DISRUPT BEAUTY 2030!

To achieve this goal, you must select one track among three that fits the best with your team and interests.

Be careful: you must **select only one** of the three tracks below to focus on for your project.

INCLUSION TRACK	GREEN TRACK	TECH TRACK
IMAGINE BREAKAWAY PRODUCTS & SERVICES TO EMPOWER INCLUSIVE BEAUTY	INVENT THE NEXT DIMENSION OF SUSTAINABLE BEAUTY	REVOLUTIONIZE BEAUTY PERSONALIZATION & EXPERIENCE FUELED BY TECH

II. Business insights for your mission:

- **More committed consumers:**

Commitments like sustainability and diversity are increasingly becoming key drivers for consumers. More and more **consumers believe that their behavior should be in line with their values**, their commitments to sustainable development, responsibility, ethics and human rights, and they are asking for more transparency on the environmental and social impact of their products. We must address these changing aspirations while also considering a number of other factors: cosmetics products must remain efficient and desirable; **Research and Innovation are indispensable to solve this equation.**

L'Oréal commitments focus on 3 key areas - the planet, the people, our products – with multiple initiatives and day-to-day actions to achieve our goals; because **we are committed to doing everything in our power to be exemplary.** As digital and social networks explode around the world, evolving lifestyles see the emergence of a new era. An era of “social beauty”: social, connected, shared. Consumers expectations have shifted dramatically in this new era: they expect the most immersive and unique purchasing experience. And **for L'Oréal, Beauty Science & Technology is our response to these expectations.**

Trends & behaviors are constantly evolving

Our tastes and habits are frequently evolving, and thus is the way we interact with people, with products and brands.

From booking a bicycle or driver on an app, trying online make-up, buying furniture or clothes through Instagram or WeChat, paying with new crypto currencies, to the way we work; from the office, home, a coworking place or anywhere in the world! These advancements are mainly possible thanks to all the **digital tools that have reduced what we used to consider barriers, but now empower people - especially you, the young generation.**

As **digital innovation continues to accelerate**, the range of digital experiences that can be as powerful as physical ones are expanding rapidly. Technologies like live streaming, virtual & augmented reality, and virtual digital assistants are creating new opportunities, **inspiring new types of e-commerce experiences, and enabling new business models.**

This is the intersection of a new paradigm: **when societal aspirations meet tech.** These two core changes are **creating massive opportunities** for companies, brands, and people ready to jump at the opportunity for innovation.

L'Oréal has always been obsessed with finding new ways to bring value to consumers: innovation at the heart, embedded in strong commitments as highlighted in the Groupe's Sense of Purpose.

Being a Beauty Tech company and embedding tech services within our business model has become a crucial part of how we offer better products and experiences.

The next phase of this digital transformation will lead us to disrupt the beauty market!

At L'Oréal we also believe that being ahead of the innovation curve comes with great responsibility, and we want tech to be a force for good and contribute to creating and maintaining a sustainable, responsible, and inclusive digital economy and ecosystem.

There are **massive opportunities for tech innovation and commitments in Beauty**, since Beauty itself is fundamentally social. As L'Oréal's CEO, Nicolas Hieronimus said:

***'We're entering in a new era, marked by 2 main trends:
the tech & societal commitment'***

From strategy to all the departments in the company, L'Oréal is already a 'BeautyTech' business, fluent in digital and **with strong commitments at the heart of every decision** with our global programs 'L'Oréal for the Future' and 'L'Oréal for Youth'.

Digital and technology are always at the heart of what we develop. This has included creating a set of e-commerce solutions and partnerships with Amazon and Alibaba. L'Oréal has acquired Modiface, an Artificial Intelligence (AI) company, and shoppers are already using its Augmented Reality (AR) technology to try our products.

They will soon be able to use voice to order ultra-personalized care offerings through virtual digital assistants. We have **digitized our content, enriched consumer experiences, and provided innovative tools** like shade finders, virtual make-up trials, online product customization and teleconsultations. **Our brands are tech powerhouses – and we are always seeking the next innovation opportunity.**

Innovation can also contribute to the sustainable transformation of our activities. Over the past few years, we have **completely reinvented the way we do business**, the way we source our ingredients, and the way we manufacture, design, and distribute our products.

At the end of 2020, we had reduced the carbon emissions of our plants and distribution centers by 51% in absolute terms compared to 2005, while our production increased by 29% over the same period.

In 2020, we improved the environmental or social profile of 96% of our new or renewed products. And through our social inclusion programs, in particular our Solidarity Sourcing programs, we helped 100,905 people from disadvantaged communities gain access to employment.

Now we want to build on our accomplishments and strive to make significant leaps forward. With one ambition: a more beautiful future for all.

We also believe in beauty that is inclusive, generous, and sustainable. For us beauty is about self-expression, empowerment, and self-confidence. We believe that everyone

can express themselves through their own individual beauty. When we feel like our true selves, we can do amazing things and have a positive impact for our loved ones, communities, and the planet.

We see beauty as a universal aspiration, that can be found in many sources and celebrates everyone.

We believe that beauty is a powerful force that moves us and the world we live in.

3. THE TRACKS

Select one and only one track to work on:

INCLUSION TRACK

Imagine breakaway products & services to empower inclusive Beauty

- **What does inclusion mean for L'Oréal?**

As a company of more than 86,000 individuals of 167 nationalities, operating in 150 countries, **L'Oréal has been committed and proactive on Diversity, Equity & Inclusion for over 15 years. Our mission is to be the most inclusive beauty leader in the world and to contribute to a society in which everyone can live safely, peacefully, and equally.**

We are committed to being as diverse as the people we serve. We are convinced that when people of all identities, cultures and backgrounds are accepted and valued, this makes for a stronger company and more harmonious communities. Diverse teams with diverse perspectives are more adept at understanding different ideals of beauty, serving a diverse range of consumers and seizing opportunities. **Diversity, equity, and inclusion fuel the innovation, inspiration and ambition that helps us create the beauty that moves the world.**

Our actions cover 4 pillars: Gender and LGBTQIA+; Disability; Socio-economic & Multicultural Origins & Age & Intergeneration.

- **What are we expecting from you?**

Imagine the 2030 innovative Beauty products & services that would help L'Oréal to go further in term of inclusion!

Here are some examples of our initiatives driving inclusion:

-L'Oréal is a founding member of the collective **Refugees Are Talents**, mobilized in favor of the inclusion of refugees in business. This collective was launched in 2021 with a tribune signed by Nicolas Hieronimus.

-In 2018, **L'Oréal joined One in Three Women**, the European business network of companies united to end violence against women, in part by raising awareness in the workplace of domestic violence. In 2020, with the support of Publicis, the Group launched an awareness-raising campaign for the **Fédération Nationale Solidarité Femmes (FNSF)**. In 2021 an e-learning on gender-based violence was made available to all L'Oréal employees worldwide.

-La Roche-Posay released **an unretouched campaign called 'Skin Is More Than Skin'**. It aims to **improve the quality of life for people dealing with skin problems** every day. This campaign puts real people in the spotlight, highlighting the diverse effects skin problems can have on them. La Roche-Posay aims to underscore the importance of life-changing dermatological solutions to treat skin correctly and, in turn, instill confidence in people.

-Lancôme launched **Le Teint Particulier custom made foundation**. An original technology that **detects skin tone to create a unique foundation that matches the wearer's complexion perfectly**.

Because the beauty of every woman is unique and **no skin colour is exactly the same**, Lancôme's mission is to use the brand's first personalized make-up product to satisfy one of women's most pressing requirements when it comes to make-up: a foundation that perfectly matches their complexion.

-Kérastase revealed **Curl Manifesto**, the ultimate professional care **for all curls and coils**. It's a collection of hair care products that **respond to the desires and challenges of women with coily hair, wavy hair & curly hair**. With a unique combination of hydration, strength and definition, the range infuses intense care into all types of curly hair.

Imagine breakaway products & services to empower inclusive Beauty!

GREEN TRACK

Invent the next dimension of sustainable beauty

- **What does sustainability mean for L'Oréal?**

L'Oréal for the Future, our sustainability commitments for 2030:

Climate change is accompanied by environmental changes that threaten potentially permanent degradation of human and natural habitats. Sea levels, melting glaciers, ocean warming and acidification as well as extreme weather events are on the rise. With higher stakes must come stronger commitments.

This is the reason why **L'Oréal has decided to take its efforts even further through a program called "L'Oréal for the Future"**. Our commitments towards 2030 mark the beginning of a more radical transformation and embody our view as to what a company's vision, purpose and responsibilities should be to meet the challenges facing the world.

Transforming our activities to respect the planet's limits:

It is no longer enough for companies to reduce their environmental impact with objectives that are “self-set”. At L'Oréal, our commitment is to ensure that our activities are respectful of the so-called “Planetary Boundaries”, meaning what the planet can withstand, as defined by environmental science. To reconcile our needs with the preservation of a resource-limited planet, we are raising the bar and implementing a new internal transformation program. Unlike the first program, our new commitments will not just focus on our direct impact. They will also tackle our indirect and extended impact, for example to the activity of our suppliers and the use of our products by consumers.

On climate, our overarching 2030 objective is to reduce our greenhouse gas emissions of all scopes by 50% per finished product. As members of the '*Business Ambition for 1.5°C*' initiative, we have also committed to net zero emissions by 2050. We will pursue extensive work carried out on our sites, which will have achieved carbon neutrality by 2025.

On water, biodiversity and natural resources, our commitments notably include:

- In 2030, 100% of the water used in our industrial processes will be recycled and reused in a loop.
- By 2030, 100% of biobased ingredients for formulas and materials for packaging will be traceable and come from sustainable sources, none will be linked to deforestation.
- By 2030, 95% of our ingredients in our formulas will be biobased, derived from abundant minerals or from circular processes.
- By 2025, 100% of our plastic packaging will be refillable, reusable, recyclable or compostable.
- In 2030, 100% of plastic used in our packaging will come either from recycled or biobased sources (we will reach 50% by 2025).

Contributing to solving the challenges of the world

Over the past years, expectations as to what the role companies should play in these global challenges have changed dramatically.

At L'Oréal, we want to take on greater responsibility, to go beyond the transformation of our business model.

With our new sustainability program, we want to demonstrate that companies can be part of the solution to some of today's most pressing environmental and social challenges. For this reason, we are allocating 100 million euros dedicated to the regeneration of ecosystems and the development of the circular economy, and 50 million euros to a charitable endowment fund to support highly vulnerable women.

If we are to build a sustainable and inclusive world, we must support those who are struggling socially or economically, but also focus on preventing climate change and the erosion of biodiversity, which threaten to profoundly shake our lives, our societies and our economies, with women often being the first victims.

- **What are we expecting from you?**

You can contribute to our sustainable transformation and the achievement of our 2030 *L'Oréal for the Future* commitments. **Invent new sustainable products, services, solutions, Beauty habits, and/or business processes that reduce our environmental footprint.**

Over the past few years at L'Oréal, L'Oréal's teams have been promoting sustainable innovation by reducing the environmental footprint of its product formulas by sourcing raw materials in a responsible, sustainable way that respects biodiversity, and optimizing packaging. To achieve this, the Groupe worked with an ecosystem of partners to benefit from the best technologies.

Here are some examples of our latest cosmetic innovations:

-In 2020, **Biotherm launched its sunscreen innovation**, which is eco-designed and respects aquatic life. Its formula base is 97% biodegradable and the bottle is 100% recycled and recyclable. Ten years of research was necessary to obtain a sunscreen as respectful of aquatic life, without compromising in the filtering performance and sensory feel. These efforts were also recognised by the official and independent certification label, the "Nordic Swan Ecolabel", a Scandinavian Ecolabel that recognizes sunscreen products with the lowest environmental impact.

-**Garnier also launched the Ultra Doux solid shampoo bars**. Sold in recycled cardboard packaging, both recyclable and FSC-certified, they are the brand's first no-waste shampoo, made up of 94% plant-based ingredients, and between 97% and 99% biodegradable formulas. This solid formula is long-lasting: it lasts as long as two 250ml shampoo bottles*** and reduces water consumption due to its fast-rinse technology.

-**In 2019, Yves Saint Laurent launched a new range of specially targeted skincare, the Pure Shots serums, designed to be refilled**. Cartridges for the four different versions of Yves Saint Laurent's Pure Shots - Light Up serum can all be loaded into the same clear bottle, reducing the product's environmental impact. This eco-design also helps to save resources compared with what is required to produce a non-refillable bottle. By using the container and three refills instead of four bottles, total packaging weight is cut by 52%.

-**In May 2020, the Groupe launched its first generation of innovative packaging** incorporating cardboard and thus containing less plastic than standard plastic tubes. This made it possible to reduce the amount of plastic used by the Garnier Bio and La Roche-Posay brands by 49% and 45% respectively.

-**L'Oréal also partnered with Gjosa**, an environmental innovation company, and in January 2021 **unveiled L'Oréal Water Saver**. This innovation revolutionizes hair washing by reducing water consumption while improving the experience and effectiveness of care, in hairdressing salons and at home. Start-up Gjosa has developed a low-flow shower head

(2 liters of water per minute instead of the usual 8 liters) that decreases the flow of water while accelerating the speed of the droplets. To optimize the process, L'Oréal scientists developed easier-to-rinse shampoos applied directly through the showerhead. Certain parameters were adjusted under real conditions of use, to ensure the right rinse and contribute to reducing energy consumption and water use by almost 70%.

Will you be behind the next groundbreaking sustainable innovation?

TECH TRACK

Revolutionize beauty personalization & experience fueled by tech

- **What Tech means for L'Oréal?**

The future of Beauty reinvented by Science and Technology

With Beauty Tech, we are creating beauty that is more inclusive for everyone.

You are a unique individual with diverse beauty desires. We create products and services that cater to your expectations, evolve to meet your needs, and adjust to suit your creativity and lifestyle. We are using the power of technology to create bespoke beauty for you and for everyone.

As an example: **La Roche Posay Effaclar SpotScan, is a skin analyser developed with Dermatologists for blemish-prone skin.** Powered by artificial intelligence, SPOTSCAN analyses your skin, recommends a personalized skincare routine based and educates the user on the need to see a dermatologist based on the results of the scan.

But that's not it, at the last Las Vegas CES, L'Oréal unveiled **a true market first called PERSO.** It's a High-Tech Device for Daily, Customized Skin Care and Makeup. This smart device creates custom formulas for lipstick, foundation, and skin care. Naturally, the experience starts with an app

What are we expecting from you?

Invent 2030 online and/or offline (in point of sales or at home) disruptive Beauty personalization and customers experiences empowered by Tech.

Here we are not just talking about products! We really count on you to invent the future of the Beauty Sphere. Think outside the box!

4. THE EVALUATION CRITERIA

Judging criteria at every step of the competition:

At each step, the projects will be evaluated out of 10 points. The weighting of the evaluation criteria will vary depending on the track selected by the team, to focus on the topic of the track as detailed below.

EVALUATION CRITERIA	INCLUSIVITY TRACK	GREEN TRACK	TECH TRACK
INNOVATIVE & USEFUL	2 pts	2 pts	2 pts
FEASIBLE & SCALABLE	2 pts	2 pts	2 pts
SUSTAINABLE	1.5 pts	3 pts	1.5 pts
INCLUSIVE	3 pts	1.5 pts	1.5 pts
TECHNOLOGICAL	1.5 pts	1.5 pts	3 pts
TOTAL GRADE	10 POINTS	10 POINTS	10 POINTS

5. THE FRAMEWORK

Use the frame below to help you to develop & pitch your project:

Select & mention your track	<ul style="list-style-type: none"> ○ Inclusion track ○ Sustainability track ○ Tech track
Focus your project on a L'Oréal business scope (remember that it must be scalable)	<ul style="list-style-type: none"> ○ L'Oréal Groupe (project scalable to all the groupe)? ○ L'Oréal division (project focus only to a division of the groupe)? ○ L'Oréal brand (specific focus on a brand)? ○ L'Oréal products & services axis (focus only on a business axis, e.g: the fragrances, the skincare diagnosis...)?
Elevator pitch: Describe your innovation in one simple paragraph	
Why and how does it match innovation needs of your track?	
Would it be feasible in term of cost and profitable? What would be approximately the selling price ?	This is only based on your estimations, no further needs
Describe the Key Performance Indicator (KPI) you will use to assess the success of your innovation.	
Is your solution scalable at a worldwide level?	
Do you have additional information we should consider regarding your innovation?	