



**L'ORÉAL**  
FOR THE FUTURE

**L'Oréal's EU Green Consumption Pledge**

Since 2013, L'Oréal has undergone an in-depth transformation to reduce its impact across its entire value chain. We have completely reinvented the way we design and make our products, systematically integrating sustainability. Today, most of the products we put on the market have an improved environmental or social footprint.

However, as environmental and social concerns grow, we know that this is no longer enough. We need to step up and implement a radical transformation in line with the only possible scenario for humanity: respecting planetary boundaries across the entire lifecycle of our products.

We believe it is our responsibility to take into account more than just our direct impact. We must help our 1.5 billion consumers limit their impact when using our products and encourage them to make more sustainable consumption choices. We want to keep rallying our suppliers and clients in the sustainability transition, co-creating disruptive solutions that benefit consumers and have a more limited impact on the planet.

Only together can we achieve real impact. Therefore, we are pleased to stand with the European Commission and share our results for 2021.

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**L'Oréal commits to achieve carbon neutrality for all its operated sites worldwide by 2025. This covers Scope 1 & 2 – factories, distribution centres, administrative sites, and research centres. This will be achieved through energy efficiency and 100% renewable and local energy supply, promoting first the production and consumption onsite (e.g., rooftop solar PV panels), the implementation of local Power Purchase Agreements, and by sourcing renewable energy certificates from assets located in the same country.**

For more than 20 years, the Group has worked to reduce the CO<sub>2</sub> emissions linked to its direct activity.

The Group has been striving to reduce its energy consumption essentially in two areas:

- The continuous improvement of industrial processes and the performance of associated equipment and,
- The optimisation of energy consumption in the buildings. In this respect, any new Group building has to comply with the strictest environmental standards.

L'Oréal has drafted a strategy involving the use of renewable energy, based on the possibilities offered by each local context.

In recent years, many projects have been rolled out that allow some sites to directly produce their own renewable energy, establishing PPAs (Power Purchase Agreements) or using locally produced renewable energy. The renewable energy sources must be located on-site or less than 500 kilometres from the site, if possible, depending on the market opportunities in the countries

where we operate, and be connected to the same distribution network.

In 2021, L'Oréal continued to prioritise programmes to reduce its environmental footprint with, since 2019, a 35% drop in CO<sub>2</sub> emissions in absolute value of industrial sites. At the end of 2021, 100 of our 171 sites had achieved carbon neutrality, by improving energy efficiency and using 100% renewable energy. Indeed, 80% of the energy consumed by the factories and distribution centres and 82% of the energy consumed by the administrative sites and research centres was renewable.

**We pledge to continue the efforts started in 2013, reducing the environmental footprint of new and renovated products compared to a 2019 baseline. We will start with the shampoo category in 2021 and will share progress on an annual basis. We will use the EU PEF methodology as the basis for our methodology.**

For several years, L'Oréal has carried out analyses of the life cycles of its products in order to identify, evaluate and improve their environmental impact.

The SPOT (Sustainable Product Optimisation Tool), based on a rigorous scientific methodology for assessing environmental impacts, has been rolled out to all Group brands (except recent acquisitions). This tool calculates the complete environmental and social footprint of a product in accordance with the European Commission recommendation (Product Environmental Footprint) on the use of common methods to measure and communicate the environmental performance of products and organisations. At the end of 2021, 96% of our new or renovated products had an improved environmental or social profile.

Regarding the shampoo category, in 2021, the footprint of all shampoos has been measured and the average footprint decreased by 2% compared to 2020.

**We pledge to expand the scope of the footprint reduction commitments of our new products by one category at least every year.**

Following the shampoo category, we commit to reduce the environmental footprint of the conditioners category in 2022.

**We pledge to share the environmental impact of our products on our websites. An example can be found on [garnier.co.fr](https://www.garnier.co.fr). Every year and until 2030, more brands will share informative content allowing consumers to better understand how they can make sustainable consumption choices and use products in a more sustainable manner.**

The Group wants to empower all L'Oréal consumers to make sustainable consumption choices and use products more sustainably.

As part of its *L'Oréal for the Future* sustainability programme, L'Oréal has developed an environmental and social labelling system for its products, with ratings from A to E according to products' environmental impact designed to inform consumers and enable them to make enlightened consumption choices. This Environmental and Social Impact product information was made available for the Garnier Haircare products in twenty European countries' websites in 2021. In November 2021, Biotherm rolled out this labelling for skin care products in France and Germany, followed by La Roche Posay and Vichy in France.

Other achievements include the calculation of the environmental impact score of 76% of the Group's rinse-off products.

At the same time, L'Oréal is committed to a sectorial approach, joining efforts with its competitors to form the EcoBeautyScore Consortium, which aims to codesign a common scoring methodology for cosmetic products, backed by a scientific footprinting methodology in line with the recommendations of the European Commission, based on the same principles as those used by the L'Oréal Groupe for its environmental labelling initiative. Alongside the other members, L'Oréal is committed to sharing its experience in this field within the Consortium, in compliance with anti-trust legislation.

**Finally, we commit to reporting on our progress in our yearly *L'Oréal for the Future* report available on [loreal.com](https://www.loreal.com).**

A dedicated chapter in the Universal Registration Document reports on the social, environmental and societal policies and progress achieved by the Group and presents the assessment of the second generation of L'Oréal's sustainable development commitments at the end of 2021: *L'Oréal for the Future* programme.