

L'Oréal Greenhouse Gas (GHG) emissions 2015

Since 2007 the Group has produced a GHG Balance for all its activities. This Carbon Balance is drawn up according to the internationally accepted rules of the GHG Protocol.

In 2016, the Group updated its carbon footprint calculation for 2015 activity. The study shows that the highest impact in terms of GHG emissions occurs during the phase of consumer use, which involves the use of hot water. This represents 55% of the total emissions linked to the Group activity.

Direct GHG emissions (Scope 1)

L'Oréal's direct GHG emissions arise from the gas and fuel oil consumption of all the group's sites (production, distribution administrative and research).

The calculations are based on specific data for each energy source (natural gas, fuel oil), L'Oréal multiplies energy consumption by the appropriate emission factor (recommended by the GHG Protocol).

The total of these emissions is 67,316 tons equivalent CO₂ (t CO₂e).

Energy indirect GHG emissions (Scope 2 Market Based)

L'Oréal's indirect GHG emissions arise from heat network and electricity consumption of all the Group's sites (production, distribution administrative and research).

L'Oréal applies the Greenhouse Gas (GHG) Protocol. Calculations are based on specific data:

- for each energy source (steam, electricity, heat network), L'Oréal multiplies energy consumption by the appropriate emission factor;

- for electricity, the Group uses the emission factor of the local supplier, if available. Otherwise, the Group applies the latest factor supplied by the International Energy Agency;

- for steam and heat network, the Group uses the emission factor given by the suppliers.

The total of these emissions is 132,018 t CO₂e.

Other indirect greenhouse gas (GHG) emissions (Scope 3)

Total CO₂ emissions under the various headings of Scope 3 amount to 7,720 thousand metric tons of equivalent CO₂ and break down as follows:

Upstream:

1. Products and services purchased: 1,759 kilotons (kt)
2. Capital goods: 89 kt
3. Activities involving consumption of fuel or energy (not included in Scope 1 and Scope 2 emissions): 23 kt
4. Upstream transport and distribution: 124 kt
5. Waste generated by sites: 87 kt
6. Business travel: 394 kt
7. Employee commuting: 115 kt
8. Upstream assets leased: 0 kt
- Other upstream consumption: 11 kt

Downstream:

9. Downstream transport and distribution: 289 kt
10. Treatment of products sold: 0 kt
11. Use of products sold: 4,230 kt
12. End-of-life treatment of products sold: 420 kt
13. Downstream assets leased: 0 kt
14. Franchises: 58 kt
15. Investments: 97 kt
- Other consumption: 20 kt (Chimex, which calculates its own GHG Balance)



Estimated CO₂ amounts are calculated at using emission factors incorporating all the greenhouse gases.

Biogenic emissions of CO₂ were 112,730 metric tons of CO₂ equivalent. This represents the emissions from a biomethanation plant using organic waste to generate energy (electricity and heat) at the plant in Belgium (12,375 t CO₂e), the emission of wood consumption on several sites (11,431 t CO₂e) and biogenic emissions from the degradation of the products rejected by their users (88,924 t CO₂e).

The emission factors used are taken from databases (International Energy Agency, Ecoinvent, Association Bilan Carbone).

Concerning the use of products, some brands, such as Armani, Biotherm, Garnier and Matrix, raise consumer awareness of preserving water, eco-friendly ways of reducing hot water consumption or of sorting cosmetic product waste.

Main categories estimations for 2016:

- Products and services purchased: 1,897 kt
- Business travel: 382 kt
- Downstream transport and distribution: 310 kt
- Use of products sold: 4,267 kt
- End-of-life treatment of products sold: 437 kt

SHARING BEAUTY WITH ALL

THE FOUR PILLARS OF THE PROGRAMME

L'Oréal's low carbon strategy is part of its sustainable commitment *Sharing Beauty With All*, launched in 2013. Completely integrated in L'Oréal's value chain, this programme is based on four pillars:

- Innovating sustainably, to reduce the environmental footprint of products and formulas;
- Producing sustainably, to reduce the environmental footprint of plants and distribution centers, particularly their carbon footprint;
- Living sustainably, to empower consumers to make sustainable choices;
- Developing sustainably, by sharing growth with internal and external stakeholders (communities, suppliers and employees).

Find out more:

- www.sharingbeautywithall.loreal.com
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