



L'ORÉAL

L'Oréal for the Future

JUNE 9, 2020

AGENDA OF THE SESSION

1. PREPARING THE POST-CRISIS WORLD

2. L'ORÉAL'S SUSTAINABILITY JOURNEY

3. OUR NEW COMMITMENTS: L'ORÉAL FOR THE FUTURE

Preparing the
post-crisis world:
why sustainability
will be crucial?



REFLECTING UPON THE POST-COVID WORLD

With Covid-19, debate has gone from the “end of the world” to “the possibility of another world”.

What we know:

- Very strong awareness of environmental issues
- Very deep social crisis related to the economic crisis, hunger in our societies and throughout the world
- Weakening of civil society (moderate and supportive)
- Possible radicalization of a larger fringe of society (social protest movements)
- The risk: acceleration of existing environmental and social challenges and changing expectations regarding the role of companies

THE SHORT AND LONGER TERM

Urgency

▶ SANITARY CRISIS

Short and middle-term

▶ SOCIAL AND ECONOMIC CRISIS

Long-term

▶ ENVIRONMENTAL CRISIS

▶ MIGRATION / POVERTY CRISIS

WHAT NEEDS TO BE DONE?

COVID-19
SOLIDARITY PLAN

SUSTAINABLE TRANSFORMATION OF
OUR BUSINESS MODEL

CONTRIBUTION TO THE CHALLENGES
THE WORLD IS FACING



Our COVID-19
solidarity plan



OUR COVID-19 SOLIDARITY PLAN

EMPLOYEE PROTECTION

OUR SOLIDARITY PLAN

Hand sanitizer donations

Financial donations

Other in-kind donations

Employee volunteering

SUPPORTING OUR ECOSYSTEM

FREEZING OF DUE AMOUNTS/IMMEDIATE PAYMENT
100,000 clients (hair salons)
9,000 suppliers

SOLIDARITY WITH HAIRDRESSERS
In France : 121,000 units of hand sanitizer and 3m masks
E-learning modules

DONATIONS TO FOOD DISTRIBUTION STAKEHOLDERS (Garnier)
2 M units hand sanitizer → Europe
2 M units in the US
1 M units in Canada

Sustainable
transformation of
our business model:
our journey



WE ARE NOT STARTING FROM SCRATCH

1995

Environmental research
laboratory



2002

Social audits



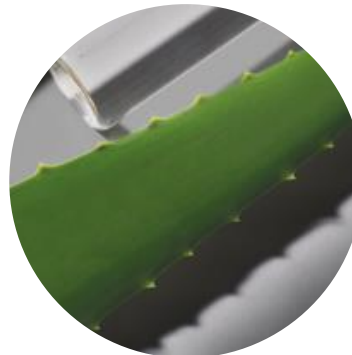
2009

Industrial environmental
targets



2013

Launch of
Sharing Beauty With All



A FOUR-PILLAR PROGRAM

I. INNOVATING SUSTAINABLY

By the end of 2020, 100% of our products will have an improved environmental or social profile.

II. PRODUCING SUSTAINABLY

By the end of 2020, we will have reduced our environmental footprint by 60%.

III. LIVING SUSTAINABLY

By the end of 2020, 100% of our brands will report on their progress and raise consumer awareness of their commitments.

IV. DEVELOPING SUSTAINABLY

EMPLOYEES

By the end of 2020, L'Oréal employees will have access to health cover, financial protection and training, no matter where they are in the world.

SUPPLIERS

By the end of 2020, 100% of our strategic suppliers will take part in our sustainable policy.

COMMUNITIES

By the end of 2020, L'Oréal will enable 100,000 people from underprivileged communities to gain access to employment through our diverse social inclusion programmes.

SHARING BEAUTY WITH ALL

OUR RESULTS IN 2019



-78%

Greenhouse gas emissions



35

Carbon neutral sites,
including
14 factories



-51%

Water consumption



85%

New or renovated
products with an
improved
environmental and
social profile



90,635

People gained access
to employment

L'Oréal
for the Future
Our new
sustainability
ambition



L'ORÉAL
FOR THE FUTURE
OUR 2030
SUSTAINABILITY
AMBITION

TRANSFORMING
OURSELVES



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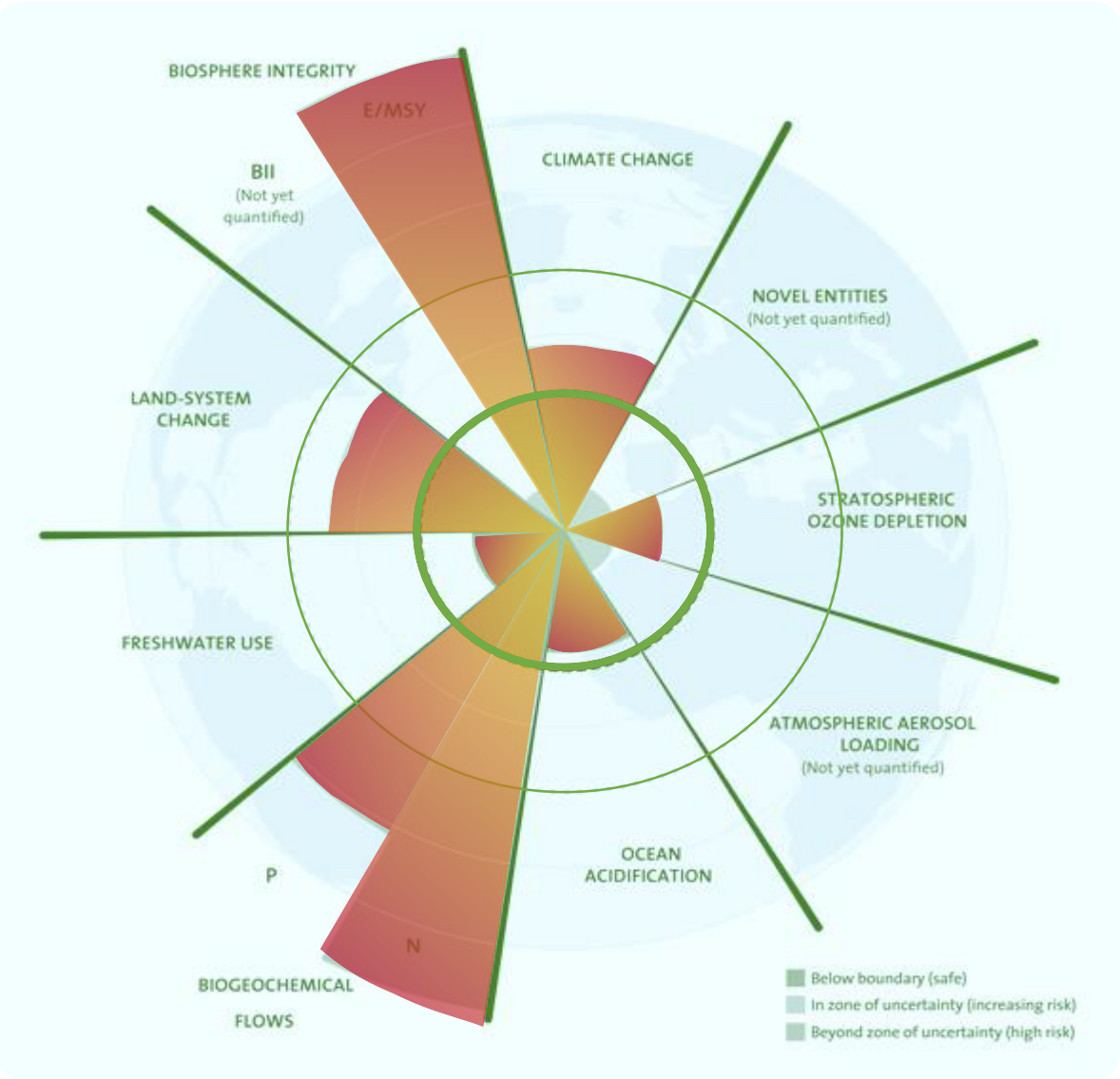


EMPOWERING
OUR BUSINESS ECOSYSTEM



CONTRIBUTING
TO SOLVING THE CHALLENGES OF THE WORLD

RESPECTING PLANETARY BOUNDARIES



OUR APPROACH SCIENCE-BASED TARGETS

- To define our goals , we drew inspiration from the Science-Based Targets (SBT) rationale.
- Encourages businesses to establish targets that are in line with what the latest climate science says is necessary to follow the 1.5°C trajectory.
- A methodology that was developed to set common international standards for climate-related issues.

SOME OF OUR TARGETS



CLIMATE



100%

By 2025, all of our sites will achieve carbon neutrality by improving energy efficiency and using 100% renewable energy



-50%

By 2030, we will innovate to reduce by 50%, on average and per finished product, our greenhouse gas emissions compared to 2016

**WE ARE TRANSFORMING
OUR BUSINESS**
SO AS TO RESPECT
PLANETARY
BOUNDARIES



WATER

By 2030, 100% of the water used in our industrial processes will be recycled and reused in a loop



BIODIVERSITY

100% of the bio-based ingredients for formulas and materials for packaging will be traceable and will come from sustainable sources, none of them will be linked to deforestation



RESOURCES

By 2025, 100% of our plastic packaging will be refillable, rechargeable, recyclable or compostable

**L'ORÉAL FOR THE
FUTURE**
OUR 2030
SUSTAINABILITY
AMBITION

TRANSFORMING
OURSELVES



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EMPOWERING
OUR BUSINESS ECOSYSTEM



CONTRIBUTING
TO SOLVING THE CHALLENGES OF THE WORLD

**L'ORÉAL FOR THE
FUTURE**
ADDRESSING URGENT
SOCIAL AND
ENVIRONMENTAL
NEEDS

1

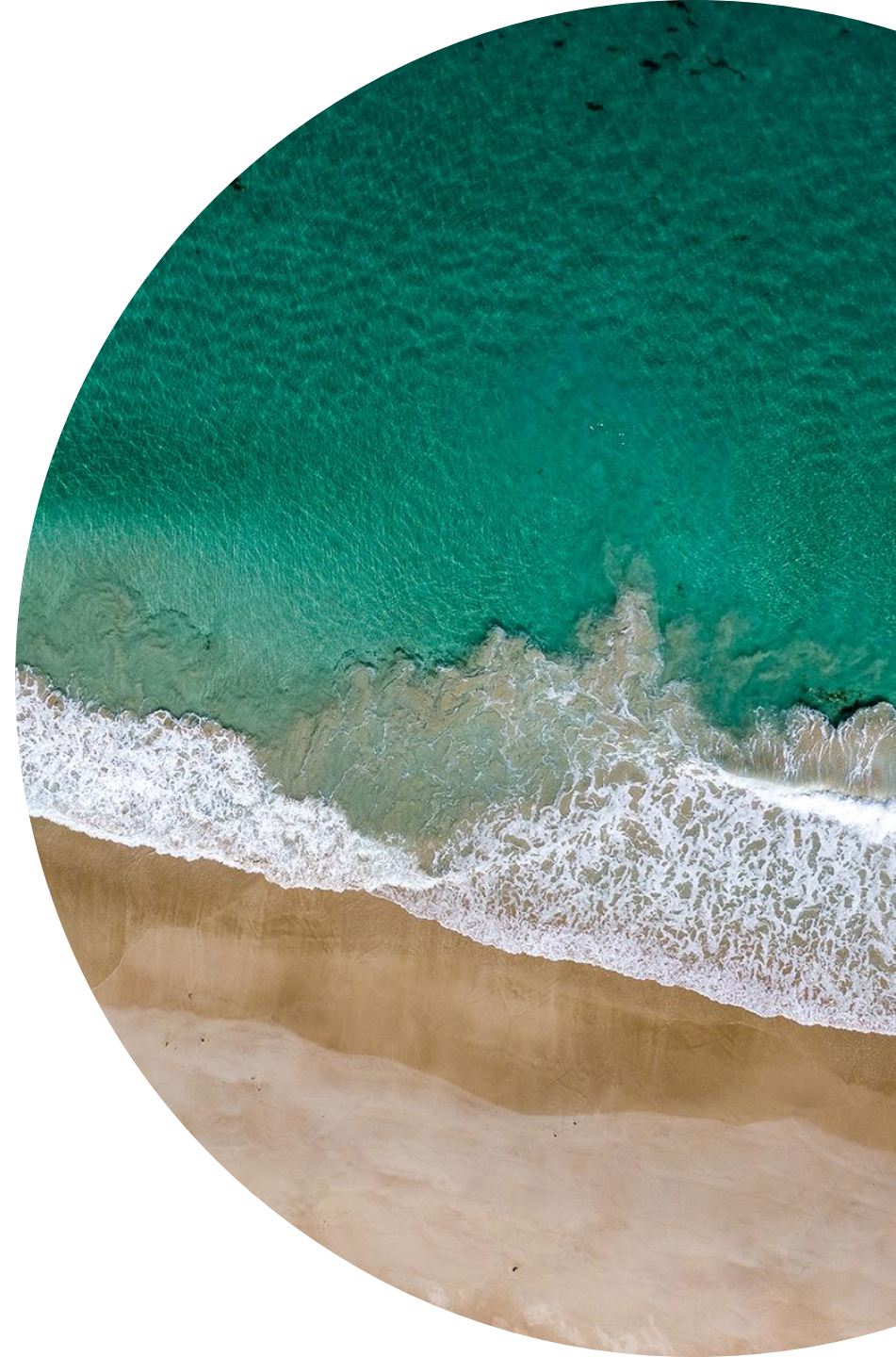
50 M€

help women in situations
of high vulnerability

2

100 M€

environmental Impact
Investing



**WE COMMIT TO
SUPPORTING
HIGHLY VULNERABLE
WOMEN**

50 M € Charitable Endowment Fund
(next 36 months)

Supporting women through local
charities, working on the ground

This fund will support field organizations and local charities helping women:

- Fight extreme poverty
- Achieve social and professional integration / return to employment
- Emergency assistance (refugees or disabled women)
- Suffering from domestic / sexual violence.

**WE COMMIT TO
HELPING
REGENERATE
NATURE**

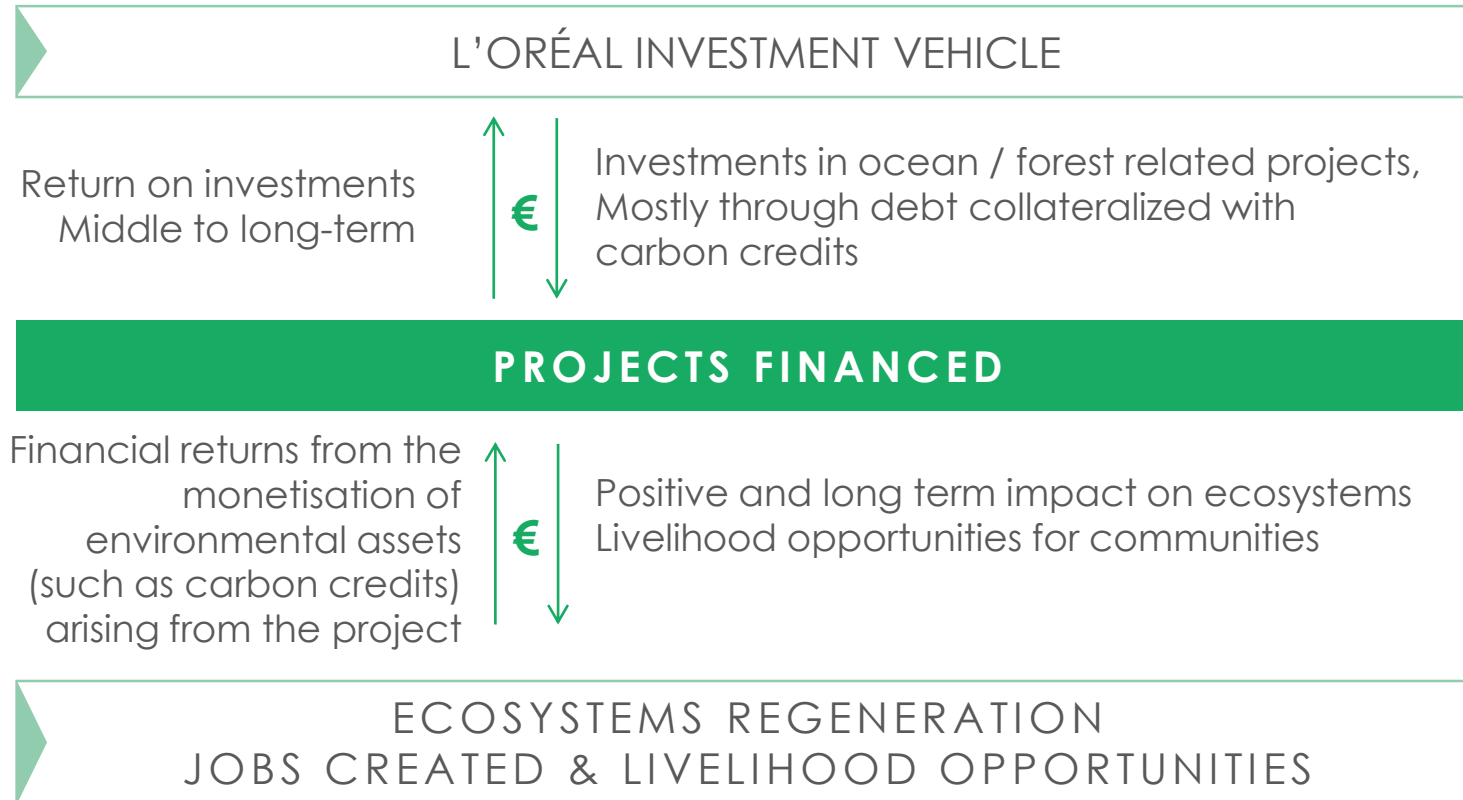
50 M€ impact investment fund

Regenerating damaged natural ecosystems (oceans / forests)

Objective: to deliver positive social and environmental impact in addition to economic returns.



HOW WILL IT WORK AND WHAT ARE THE EXPECTED RESULTS?



- **15 to 20 million tons** of CO₂ avoided
- **1 million hectares** of degraded ecosystems restored
- **Creation of hundreds** of job opportunities

**WE STRENGTHEN
OUR COMMITMENT
TO CIRCULAR
ECONOMY**

50 M €

Financing innovative projects
promoting a circular economy

Focus on recycling and
management of plastic waste

- Consumers are increasingly concerned about plastic waste/single-use plastics
- Regulations are becoming more and more restrictive, especially in Europe

- ➔ **Creation of business models that support the development of a circular economy**
 - recycling
 - management of plastic waste

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Thank you

----- Disclaimer -----

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