



L'ORÉAL
OPERATIONS



L'ORÉAL
OPERATIONS

AT THE HEART OF L'OREAL GROUPE

Antoine VANLAEYS
Chief Operations Officer

LET'S TALK BEAUTY - September 12th, 2024

AGENDA



1

AT A GLANCE

2

INSIDE OPERATIONS

3

MAJOR TRANSFORMATIONS

1

AT A GLANCE





WE SUPPORT THE GROWTH OF THE GROUP

POWER OF INNOVATION

We create **innovative** beauty products together with our **business partners**: with more than **7000** launches per year.

MODEL OF AGILITY & COMPETITIVENESS

We are **consumer-oriented**, producing close to our markets: **7 billion** products, delivered in more than **150** countries.

FOCUS ON QUALITY, SAFETY & SUSTAINABILITY

We act **responsibly** all along the value chain and strive for **excellence** in everything we do.

COVERING AND MASTERING THE ENTIRE VALUE CHAIN



Quality
Protect consumers & our brands

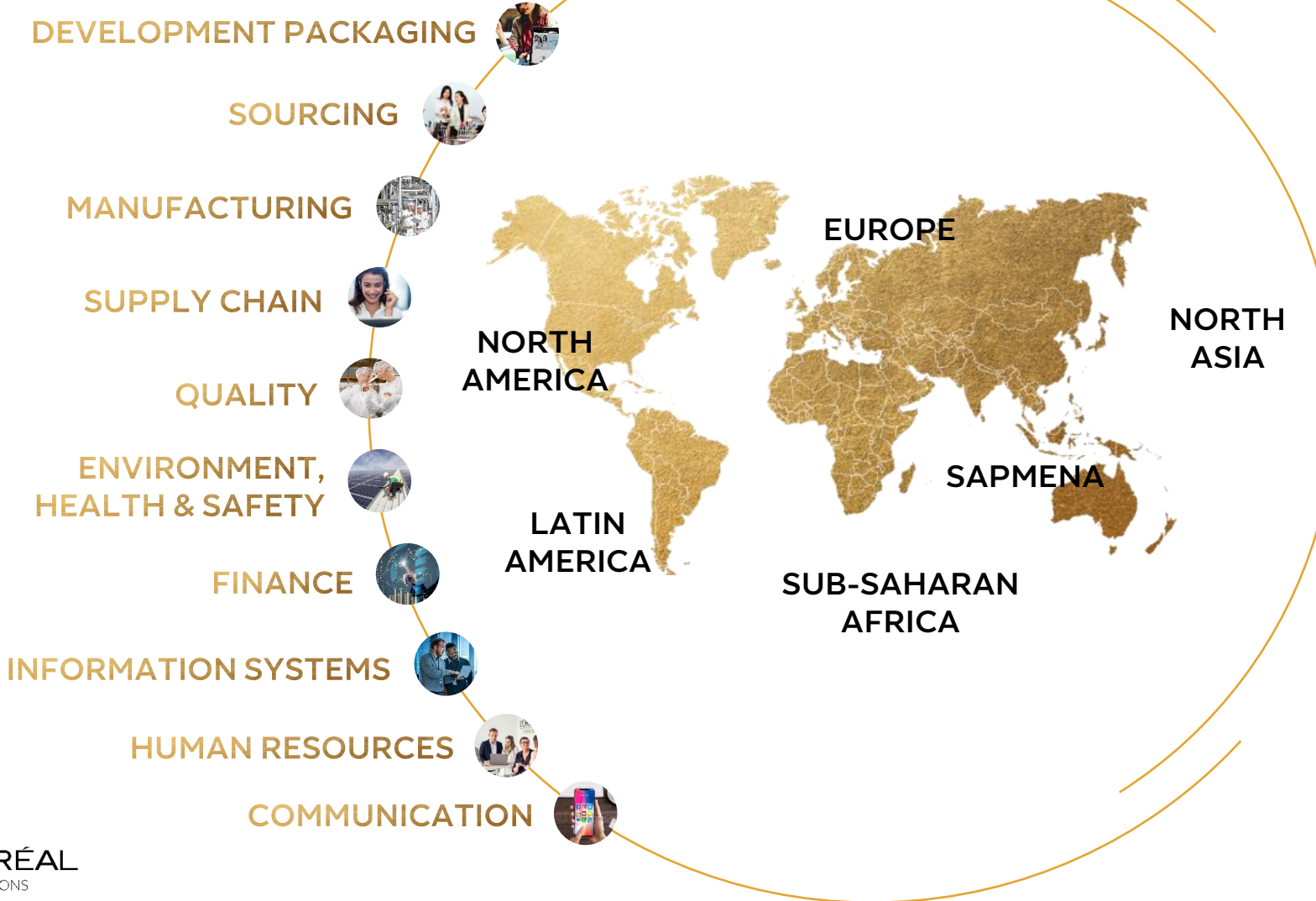


Safety
Protect our people



Sustainability
Protect environment & communities

A GLOBAL ORGANIZATION



>21 700

EMPLOYEES

1/4 OF TOTAL GROUP'S EMPLOYEES

48%
FEMALE

52%
MALE

4 000
ENGINEERS

65
COUNTRIES

137
NATIONALITIES

2023 KEY FIGURES

5
CENTER OF EXCELLENCE HUBS

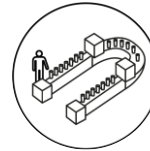
37
MANUFACTURING PLANTS

152
DISTRIBUTION CENTERS

L'ORÉAL
OPERATIONS



>7BN
PRODUCTS SOLD



83%
INTERNAL PRODUCTION



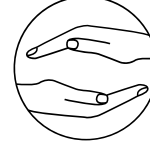
7K
NEW LAUNCHES



55
NEW PACKAGING PATENTS



35K
SUPPLIERS



>93K
PEOPLE GAINED ACCESS TO WORK THROUGH OUR INCLUSIVE SOURCING PROGRAM



>620K
DELIVERY POINTS



8
TYPES OF DISTRIBUTION CHANNELS

Video « Business card Operations»

EXTERNAL CONTEXT

AN EVER-CHANGING OPERATING ENVIRONMENT

EMERGING TECHNOLOGIES



TECHNOLOGY
STEP CHANGES

CLIMATE CHANGE



ENVIRONMENTAL
CHALLENGES

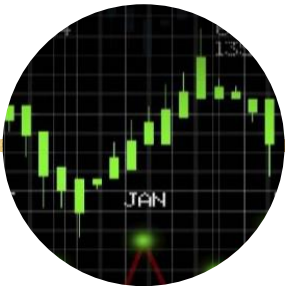


SHIFTING
DEMOGRAPHICS

GEOPOLITICAL & REGULATORY ENVIRONMENT



POLITICAL
CONTEXT



ECONOMIC
CONTEXT



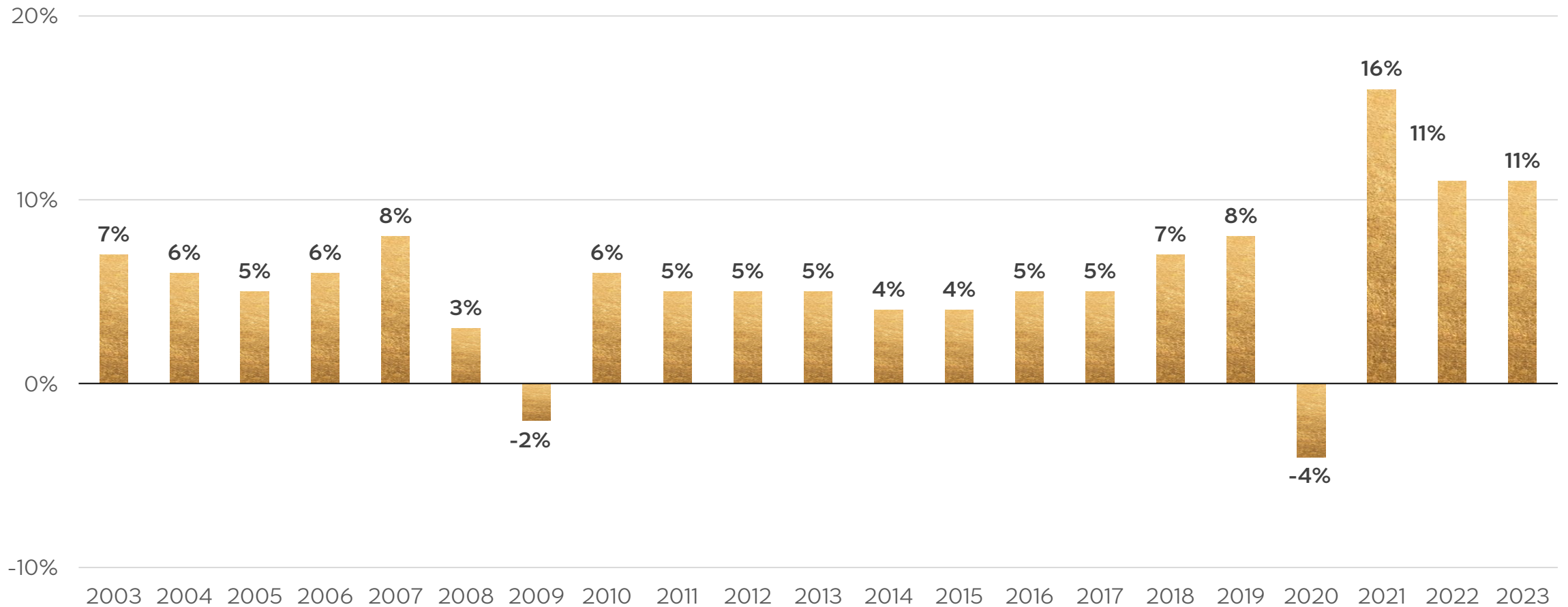
CHANGES IN
GOVERNANCE

OUR BUSINESS REALITY

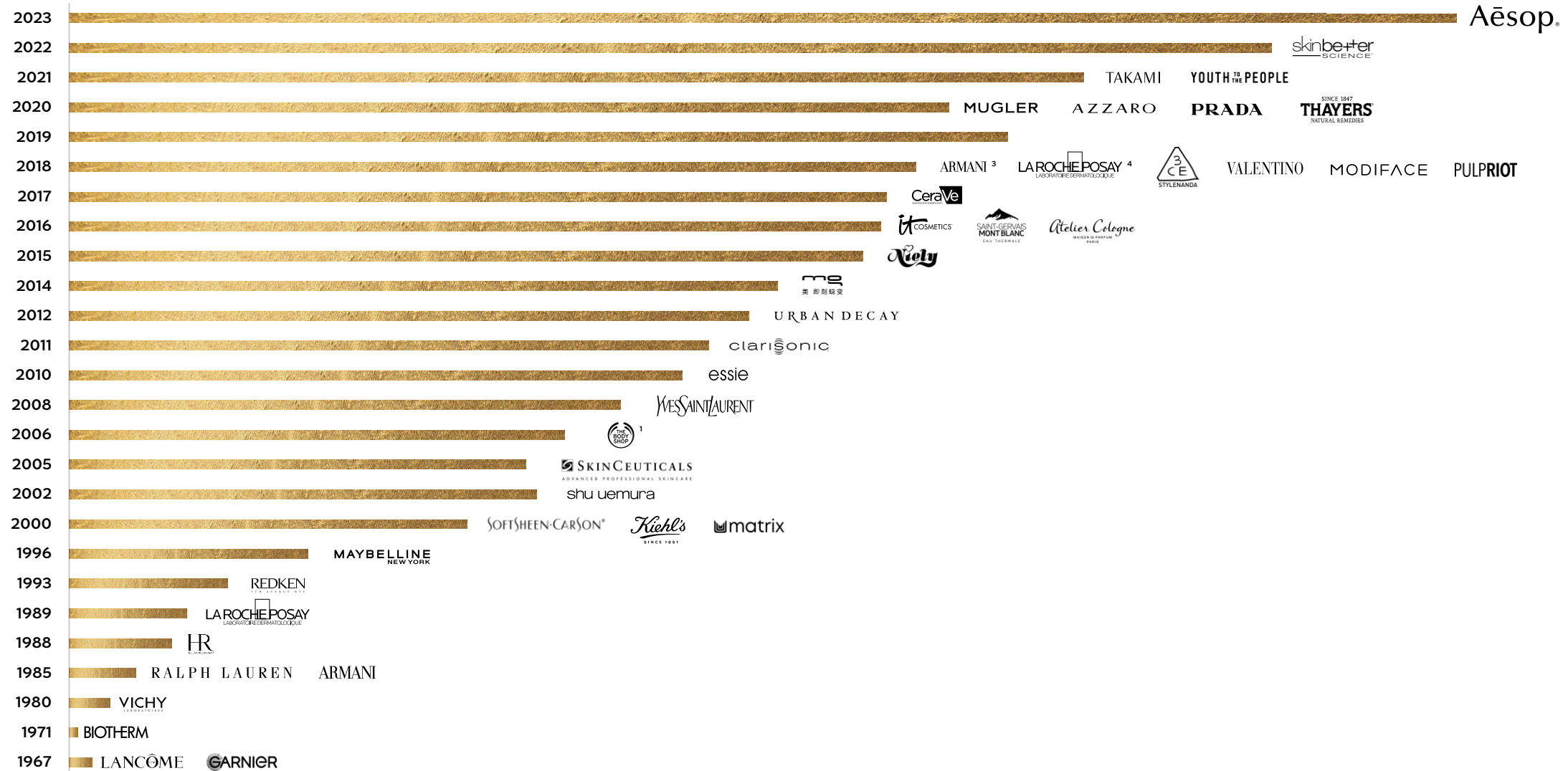
ADDRESSING COMPLEXITY WHILE SUPPORTING OUR GROWTH



LIKE-FOR-LIKE GROWTH



A LONG HISTORY OF EXTERNAL GROWTH



¹ The Body Shop was sold in 2017. ² Sales were restated to reflect the disposal of 50% of Galderma on 11 February 2014. ³ License renewal. ⁴ Acquisition of the thermalcentre La Société des Thermes de La Roche-Posay.

MAIN STAKES OF OPERATIONS



CORE-RESPONSABILITIES & RISK MANAGEMENT

- Highest standards in quality, safety, health
- Consumer safety & Brand reputation



CONSUMER CENTRIC INNOVATION

- Product and services
- UX design
- Materials science



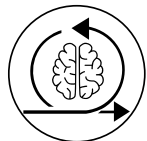
COMPETITIVENESS & EFFICIENCY

- Sourcing capacity & long term strategy
- Mastery of the packaging conception
- Robotics and Industry 4.0



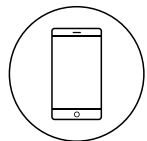
CORPORATE SOCIAL RESPONSIBILITY

- Leadership in Climate, Water, Resources preservation, Biodiversity, Social
- L'Oréal for the Future, 3A CDP
- Engagement of extended eco-system (climate, water, human rights...)



AGILITY & RESILIENCE

- Long-term partnership with our suppliers
- Worldwide & regional industrial capacity
- Business continuity plan



DIGITALIZATION OF SUPPLY CHAIN

- Data, AI, Gen AI,
- Beauty Tech transformation
- Next generation Supply Chain planning & Customer Experience



2

INSIDE OPERATIONS

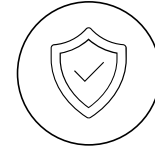
Video « ELSEVE journey at the heart of Operations »

**OPERATIONS
AT THE HEART
OF THE PRODUCT
CREATION
PROCESS**

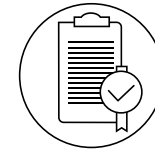


MASTERING THE PACKAGING CONCEPTION A COMPETITIVE ADVANTAGE

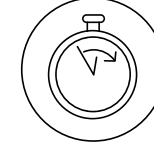
4 FUNDAMENTALS



SAFETY



QUALITY



RESPONSIVENESS



PROFITABILITY

CONSUMER CENTRIC



DESIGN TO
SUSTAINABILITY



DESIGN TO
PERFORMANCE



DESIGN TO
EXPERIENCE

SCIENCE - CREATIVITY

1 000
ENGINEERS

55
PACKAGING
& PROCESS
PATENTS

MORE THAN
7 000
LAUNCHES


L'ORÉAL
OPERATIONS



PRADA

THE CUTTING-EDGE EXPERTISE OF OPERATIONS

INNOVATION



100%
in-house design



MANUFACTURING



New adapted packing lines
in Aulnay-sous-bois plant:
2M€ investment
New technologies



SUSTAINABILITY



New consumers behaviors
Better environmental impact

SOURCING SUPPLIER MANAGEMENT

SUPPLIERS
FOOTPRINT

BUSINESS
CONTINUITY

BEST-IN-CLASS
SUPPLIERS

NEW WAYS
OF CONTRACTING

EVALUATE OUR STRATEGIC SUPPLIERS ON 5 EQUALLY WEIGHTED
CRITERIA CONSISTENT WITH OUR STRATEGY

STRONG & ADAPTED SUPPLIER PORTFOLIO

35 000
SUPPLIERS

SUPPLY CHAIN
& SERVICES

QUALITY

INNOVATION

SUSTAINABILITY

5
PERFORMANCE
CRITERIA

COMPETITIVENESS



EXAMPLE

VALUE CREATION GLASS SUPPLIERS

Long-term partnerships: better visibility
for the suppliers to invest with confidence

SAVOIR-FAIRE & EXPERTISE
premiumization of glass bottles in luxury

CAPACITY & AGILITY
fragrances growth despite market saturation

SUSTAINABILITY
climate (green energy)



MANUFACTURING

37 PLANTS

Specialized by technology
Permanent adaptation

~8Bn

Products manufactured

83%

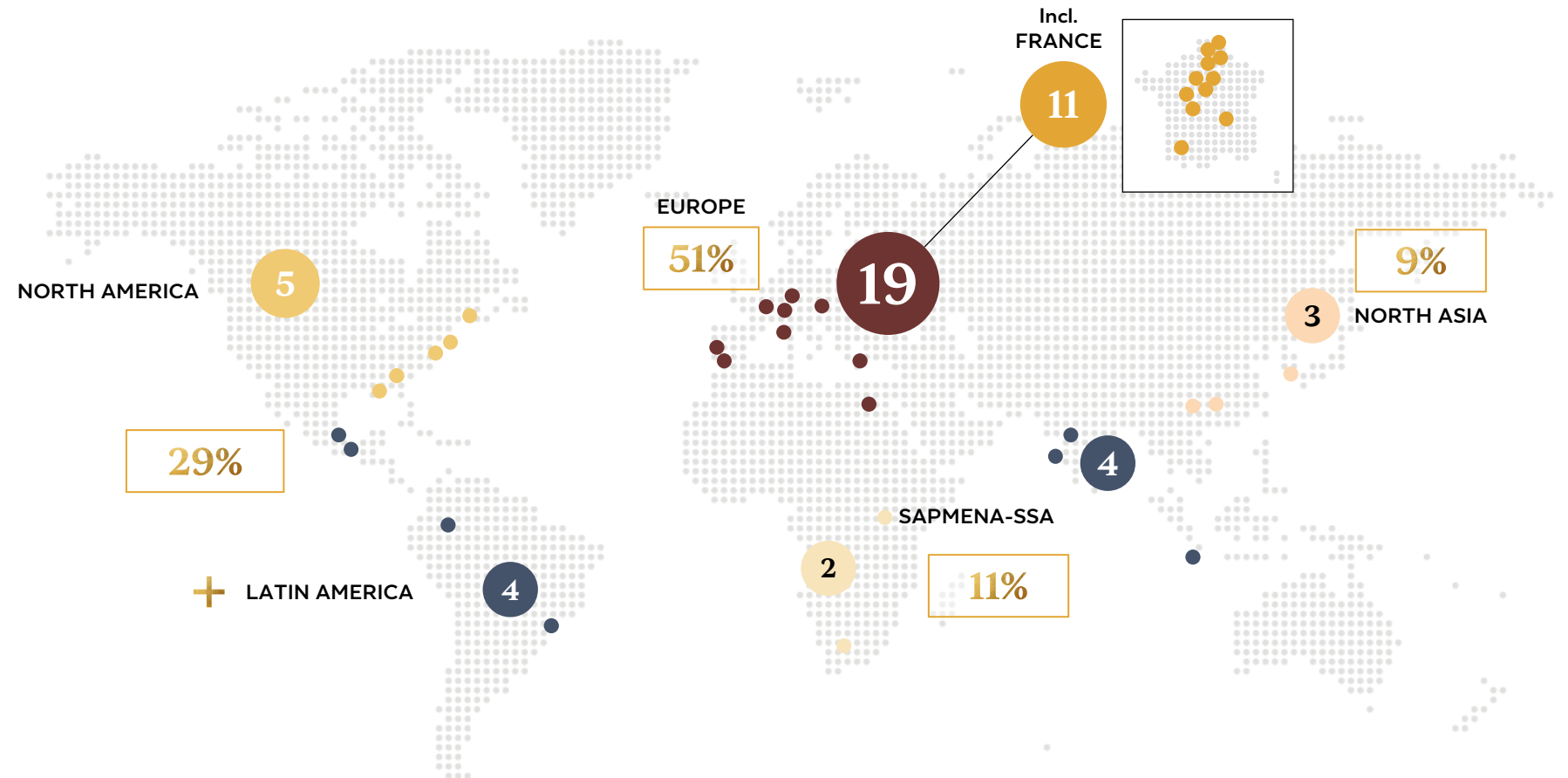
Internal production

HIGH STANDARDS
OF QUALITY & SAFETY

L'ORÉAL
OPERATIONS

A GLOBAL INDUSTRIAL NETWORK CLOSE TO OUR MARKETS

A high-performance industrial tool
specialized by technology



xx % Local production per zones

Video « Rambouillet Factory »

A GLOBAL SUPPLY CHAIN NETWORK

152

distribution | fulfillment centers

35% INTERNAL

65% external logistic partners

620K

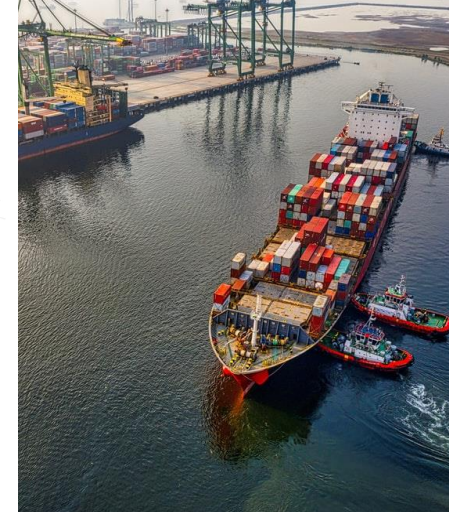
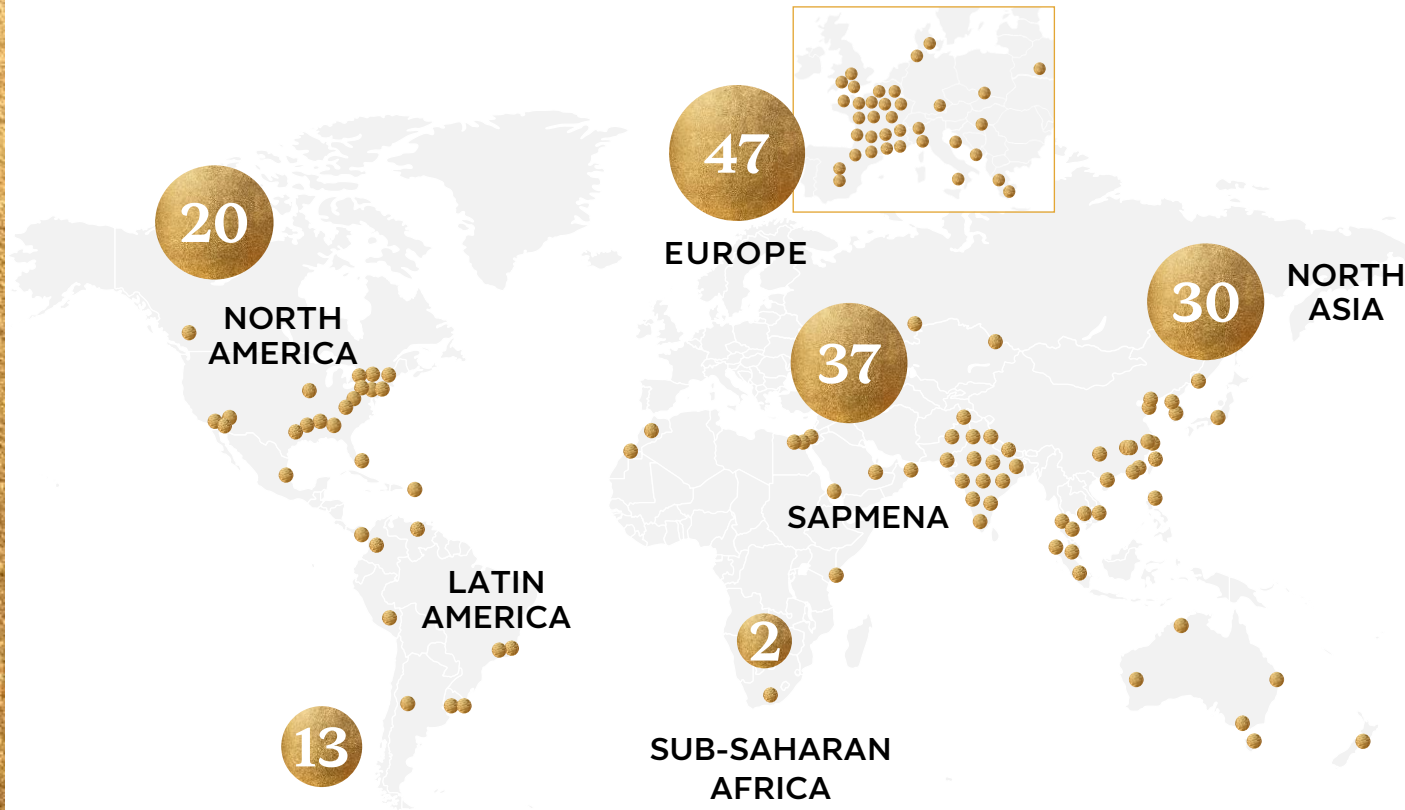
Delivery points

L'ORÉAL
OPERATIONS

A WORLDWIDE FOOTPRINT TO SERVE OUR CONSUMERS

Adaptation to **all channels** of distribution

D2C & B2B



Video « FFC China digitalized Supply Chain »



3

MAJOR
TRANSFORMATIONS

2 MAIN PRIORITIES

DIGITALIZATION

SUSTAINABILITY

DIGITAL TRANSFORMATION

DATA, AI & GEN AI

Augmenting our end-to-end performance and creating value



SHARED DATA SETS

All Operations incl. our suppliers representing 1/3 of the Group's Data

- **Augmented knowledge**
(Launch Chat GPT & With Ops)
- **Sustainable innovation**
- **Social listening**
- **Industry 4.0**
- **Sustainable performance**



AUGMENTED VALUE CHAIN

Data-driven organization

- **Advanced analytics**
- **End-to-end planning**
- **Risk management – resilience**
- **Gen AI augmented creation processes**
- **Customer experience**
- **Value driven use cases**

PACKAGING DESIGN USE CASE CREATIVITY POWERED BY GEN AI

Technical engines



Inspiration with MidJourney

Midjourney Bot APP Aujourd'hui à 18:32
Create a soft elasmomeric packaging with a playful aesthetic, targeted for Gen Z with colourful, cute and small features --v 6.0 --s 750 - @uxdlab
(fast, stealth)

UXDESIGNLAB

New industrial design

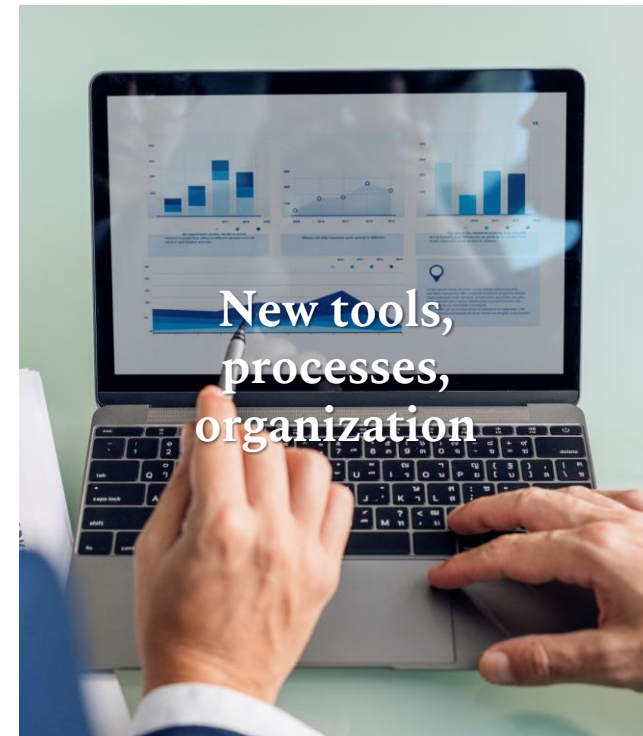


DIGITAL SUPPLY CHAIN USE CASES

NEXT GEN SUPPLY CHAIN PLANNING



ADVANCED CUSTOMER CARE



Driving customer satisfaction as a key business performance indicator

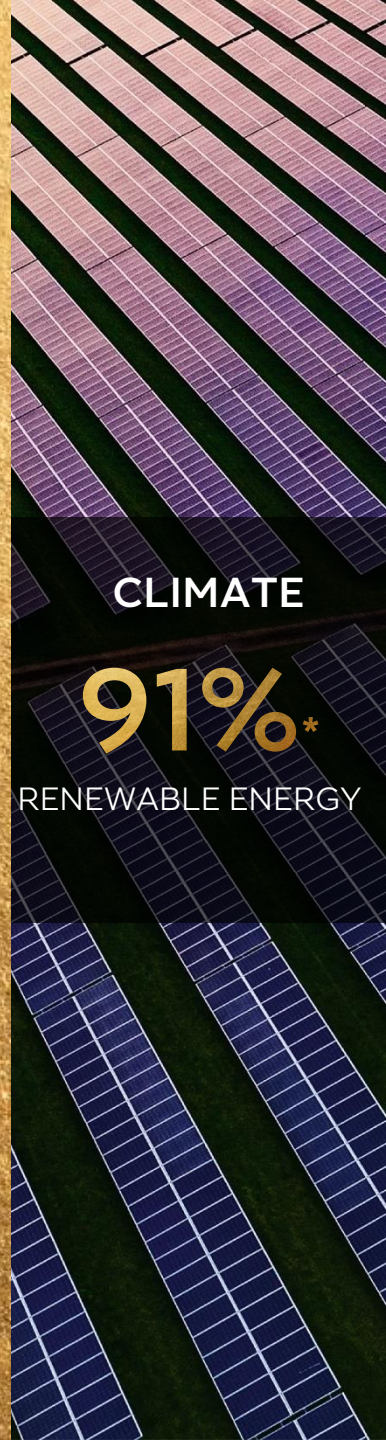
CORPORATE SOCIAL RESPONSABILITY

L'ORÉAL
FOR THE FUTURE

RESPECT
PLANET BOUNDARIES

L'ORÉAL
OPERATIONS

*2023 results



CLIMATE

91%*

RENEWABLE ENERGY

WATER

14%*

PLANTS WITH
RECYCLED OR
REUSED INDUSTRIAL
WATER

BIODIVERSITY

93%*

BIOSOURCED
INGREDIENTS

RESOURCES

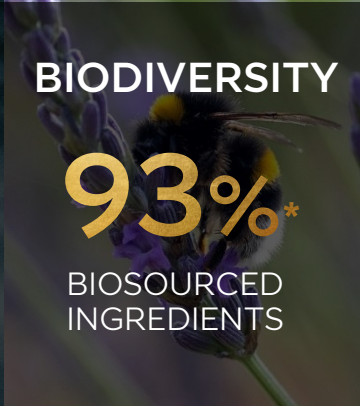
32%*

BIOSOURCED OR
RECYCLED PLASTIC
PACKAGING

SOCIAL IMPACT

>93K*

PEOPLE ACCESS
TO WORK



RENEWABLE ENERGY

L'ORÉAL
FOR THE FUTURE

By 2025, we will reach 100% renewable energy for our sites*

2023 RESULTS

-74%

CO₂ EMISSIONS IN ABS. VALUE
SINCE 2019

L'ORÉAL REACHED

91%

RENEWABLE ENERGY FOR
ITS SITES*

*Operated sites, excluding safety and security installations.

#1

CONSUME LESS

MASSIVE ENERGY EFFICIENCY PROGRAMS

- Building isolation
- Efficiency of industrial processes and equipment
- Energy management 4.0

#2

CONSUME SUSTAINABLY

CONTRIBUTION TO THE ENERGY TRANSITION OF COUNTRIES

- New technologies
- Local solutions adapted to the sites' situation

SUSTAINABLE WATER MANAGEMENT



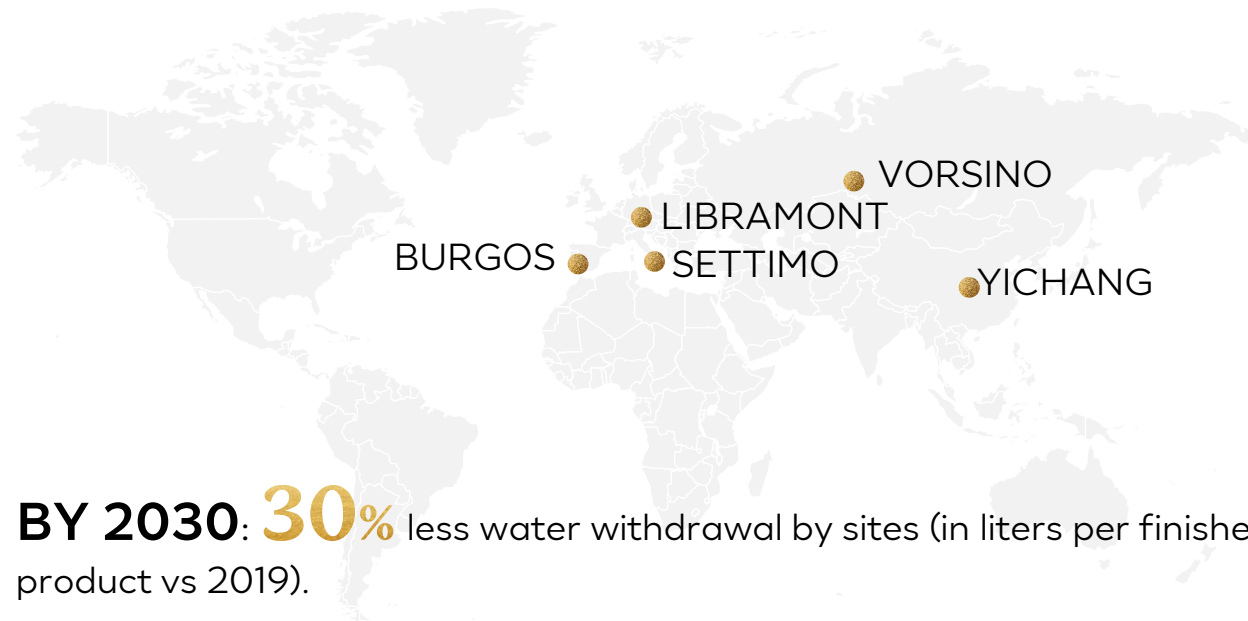
ALL THE WATER REQUIRED BY THE UTILITIES

The equipment cleaning, steam production, etc. comes from **reused and water recycled**.

BY 2030

100%

All our factories will use **100% recycled and reused** water in their industrial processes



BY 2030: 30% less water withdrawal by sites (in liters per finished product vs 2019).

ECO-DESIGN STRATEGY



L'ORÉAL
FOR THE FUTURE

L'ORÉAL
OPERATIONS

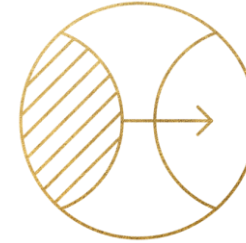
A 3-STAGE APPROACH

We are shifting towards a circular economy model



REDUCE

packaging intensity
and usage of resources



REPLACE

materials or processes by
materials or processes with
a better environmental
footprint



RECYCLE

by creating packaging
that will contribute
to the circular economy
by being recyclable



NEW MATERIALS DECARBONATION



BY 2030

100%

OF OUR PLASTIC PACKAGING
WILL BE OF RECYCLED
OR BIO-SOURCED ORIGIN

L'ORÉAL
OPERATIONS

MATERIALS SCIENCE & RECYCLING BETTER PLASTIC, NO PLASTIC



PAPER



BIO MATERIALS



ALTERNATIVE PROCESSES



READY FOR THE FUTURE!

EXPERTISE
ENGAGEMENT
PASSION

A woman's profile is shown in a three-quarter view, looking towards the right. Her hair is dark and pulled back. The background is a solid, vibrant blue. A thin, golden-yellow circle is positioned on the right side of the image, containing the text "Create the beauty that moves the world" in a white, serif font.

Create the
beauty that
moves the world