



L'OREAL

2021 ANNUAL REPORT - THE ESSENTIALS

No.1
in beauty
worldwide⁽¹⁾

85,400
employees

35
global brands

32.28
billion euros of sales

517
patents registered in 2021

150+
countries

6.16
billion euros in operating profit

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CREATE THE BEAUTY THAT MOVES THE WORLD

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Our Purpose

The desire for beauty has existed since the beginning of humanity. It's a universal aspiration which crosses time, countries, and cultures.

Beauty is a powerful force that moves us. We know that beauty is more than just looking good. Beauty gives us confidence in who we are, in who we want to be, and in our relationships with others.

For over a century we have been dedicated to one sole vocation: creating beauty. We remain true to the pioneering spirit of our founder and enjoy the unwavering support of his family, who have always accompanied our development.

Our goal is to offer each and every person around the world the best of beauty in terms of quality, efficacy, safety, sincerity and responsibility to satisfy all beauty needs and desires in their infinite diversity.

Because beauty is a permanent quest, we harness the power of our innovation to continually enhance the performance of our products and services.

Because we value diversity, we leverage each of our brands to celebrate all expressions of beauty.

Because we strive to be exemplary with a long-term vision, we anchor our actions in our strong values and demanding ethical principles.

And because we are the global leader in beauty, we are aware that **everything we do can have a meaningful impact.**

Therefore:

We act to shape the future of beauty by leveraging the best of science and technology, increasingly inspired by nature.

We act to drive social innovation by offering the best working conditions, training, and social protection for our employees.

We act to build a business with inclusivity at its heart by ensuring we are as diverse as the people we serve.

We act to nurture lasting partnerships with our clients and suppliers based on mutual trust and collaboration.

We act to create value for all our shareholders, by sustaining a robust business model.

We act to champion the cause of women and to strengthen the communities with which we engage.

We act to protect the beauty of the planet by fighting climate change, respecting biodiversity and preserving natural resources.

At L'Oréal, we share a common purpose to:

Create
the beauty
that moves
the world

(1) Source : Beauty's top 100, WWD, May 2021.



“I have immense confidence in L'Oréal's future”

JEAN-PAULAGON

Chairman of the Board of Directors of L'Oréal

2021 was a decisive year for L'Oréal.

Firstly, both in the financial and extra-financial spheres. Thanks to its robust and balanced business model, coupled with the strategic choices made over the past few years, the Group has come through the crisis remarkably well and continued its virtuous path. The exceptional financial performance achieved in 2021 – a combination of very strong sales growth, market share gains and a record increase in profitability – enables us to pursue our dynamic shareholder return policy.

L'Oréal has again made huge progress in sustainable development, gender equality and inclusion. It is vital to continue accelerating in tackling today's huge environmental and societal challenges. This is what we do particularly with L'Oréal for the Future. This programme, launched during the pandemic, aims at a more radical transformation of our company towards being an ever more exemplary, responsible, and supportive corporate citizen.

This dual excellence – financial performance and environmental, social, and societal exemplarity – forms the backbone of our strategy.

On behalf of the Board of Directors and myself, I would like to warmly thank and congratulate each and every one of L'Oréal's 85,400 employees. It is they who – through their quality, creativity, engagement, and desire to act responsibly – create lasting, shared value.

2021 was also a year of change with regards to governance and shareholder

structure, in order to strengthen L'Oréal's position in the years to come.

Following the separation of the functions of Chairman and Chief Executive Officer, in May Nicolas Hieronimus became the sixth CEO in L'Oréal's 112-year history. The transition, prepared long in advance, took place seamlessly and in the spirit of continuity, true to the tradition of our company. The two roles are complementary and clearly defined. As Chairman, I will oversee the definition of the strategic orientations and ensure effective governance. I am particularly honoured to continue serving the company I have devoted my life to.

I am convinced that our commitment to continuously improving our governance will be a fundamental asset for the Group in the long term. In this regard, receiving the 2021 Grand Prix Award for Corporate Governance from l'AGEFI is a source of great pride and encourages us to intensify our efforts.

Another strategic milestone was the reinforcement of the shareholder stability around the Bettencourt Meyers founding family and Nestlé. The agreement, approved by the Board, for the repurchase by L'Oréal of 4% of its capital held by Nestlé, is in the interest of L'Oréal and all its shareholders.

I have immense confidence in L'Oréal's future.

Driven by the vision, talent, and commitment of Nicolas Hieronimus and all our teams, a new era of the L'Oréal Adventure is beginning. It truly promises to be remarkable.



“L'Oréal is uniquely positioned to succeed in 2022 and beyond”

NICOLAS HIERONIMUS

Chief Executive Officer of L'Oréal

2021 in three key words?

Historic: L'Oréal sales grew by +16.1%⁽¹⁾, twice the growth of the beauty market.

Balanced: we grew in all Zones, all Divisions and all categories, showing the true power of our unique business model.

Responsible: our strong financial results enabled us to share our success with our employees and invest in our social and environmental commitments.

What was behind the historic results in 2021?

2021 saw the beauty market bounce back to almost 2019 levels. As the world's leading beauty company, we continued to drive the market with strong innovations. One of the most interesting things to note is our balanced business model and our unique portfolio of brands.

Our success can also be explained by our virtuous growth model. We pursued investments in our brands and in game-changing innovations, despite all the uncertainties of the market, fuelling more growth while still delivering on profit. In addition, we saw incredible agility and outstanding results from our teams. And we continued to leverage our digital edge. We accelerated in e-commerce, optimised consumer engagement in the new O+O⁽²⁾ world and reinvented beauty experiences.

How are you approaching 2022?

I am confident in the continued growth of the beauty market. In the years to come, this growth will be further driven by expanding middle classes and increased premiumisation. L'Oréal will continue its transformation to become a Beauty Tech⁽³⁾ powerhouse. By harnessing the power of data, AI⁽⁴⁾ and strategic tech partnerships, we will redefine the future of beauty. And let's not forget Green Sciences⁽⁵⁾. Already well underway, this approach will help us reconcile performance, safety and sustainability, and meet our L'Oréal for the Future commitments. L'Oréal is uniquely positioned to succeed in 2022 and beyond. In a global context that remains volatile at the beginning of the year, we are confident in our ability to outperform the market in 2022 and achieve another year of growth in sales and profits.



Watch the full interview with the CEO by scanning this QR code or on [lorealannualreport2021.com](https://www.lorealannualreport2021.com)

(1) Like-for-like: based on comparable structures and identical exchange rates.
(2) Offline + Online.
(3) New technologies for the beauty industry.

(4) Artificial intelligence.
(5) Wide range of disciplines, from agronomy to biotechnologies and green chemistry and including formulation science, which L'Oréal relies on to meet its sustainable development goals, while creating safe, high-performance products.

Board of Directors

The directors draw on a diverse, complementary range of industrial, entrepreneurial, financial and non-financial expertise, ensuring swift insight into the development challenges facing L'Oréal, the leader of a globalised, highly competitive cosmetics market in which the need to innovate and adapt is crucial.

The diverse experience and expertise they bring foster free, informed and spontaneous discussions. The directors are committed and proactive, driven by the conviction that stringent governance creates value for the company. They play a tireless, dynamic role in the work of the Board and its committees. Board committees

issue detailed, insightful, reasoned recommendations that feed into the Board's discussions and inform its decisions. The Board is constantly focused on ensuring the long-term future and development of L'Oréal, taking into account its purpose as well as the social and environmental implications of its activities. ♦



Jean-Paul Agon
Chairman of the Board of Directors
(reappointed in 2018)



Nicolas Hieronimus
Chief Executive Officer
(since April 2021)



Françoise Bettencourt Meyers
Vice-Chairwoman of the Board of Directors
(reappointed in 2021)



Paul Bulcke
Vice-Chairman of the Board of Directors
(reappointed in 2021)



Ana Sofia Amaral
(reappointed in 2018, tenure expires 21 April 2022)



Sophie Bellon
(reappointed in 2019)



Patrice Caine
(since April 2018)



Fabienne Dulac
(since April 2019)



Belén Garijo
(reappointed in 2018)



Béatrice Guillaume-Grabisch
(reappointed in 2020)



Ilham Kadri
(since June 2020)



Georges Liarokapis
(reappointed in 2018, tenure expires 21 April 2022)



Jean-Victor Meyers
(reappointed in 2020)



Nicolas Meyers
(since June 2020)



Virginie Morgon
(reappointed in 2021)



Alexandre Ricard
(since April 2021)

Executive Committee⁽¹⁾

Executive Committee members are in charge of L'Oréal's Divisions, Functional Departments and Geographic Zones. They implement strategic guidelines and direct Group activities all over the world.



Nicolas Hieronimus
Chief Executive Officer



Barbara Lavernos
Deputy Chief Executive Officer, in charge of Research, Innovation and Technology



Christophe Babule
Chief Financial Officer



Vincent Boinay
President Travel Retail



Cyril Chapuy
President Luxe



Myriam Cohen-Welgryn
President Active Cosmetics



Vianney Derville
President Europe Zone



Asmita Dubey
Chief Digital and Marketing Officer



David Greenberg⁽²⁾
President North America & Chief Executive Officer L'Oréal USA



Omar Hajeri
President Professional Products



Blanca Juti
Chief Corporate Affairs & Engagement Officer



Jean-Claude Le Grand
Chief Human Relations Officer



Fabrice Megarbane
President North Asia Zone & Chief Executive Officer L'Oréal Asia



Alexandra Palt
Chief Corporate Responsibility Officer and CEO of the Fondation L'Oréal



Alexis Perakis-Valat
President Consumer Products



Ersi Pirishi
President Latin America Zone



Frédéric Rozé
Chief Global Growth Officer



Vismay Sharma
President South Asia Pacific, Middle East, North Africa Zones



Antoine Vanlaeys
Chief Operations Officer

(1) Composition as of 1 March 2022.

(2) David Greenberg has replaced Stéphane Rinderknech as of 25 February 2022.

L'Oréal is the world leader in beauty, its sole business, expertise and passion for more than 110 years.

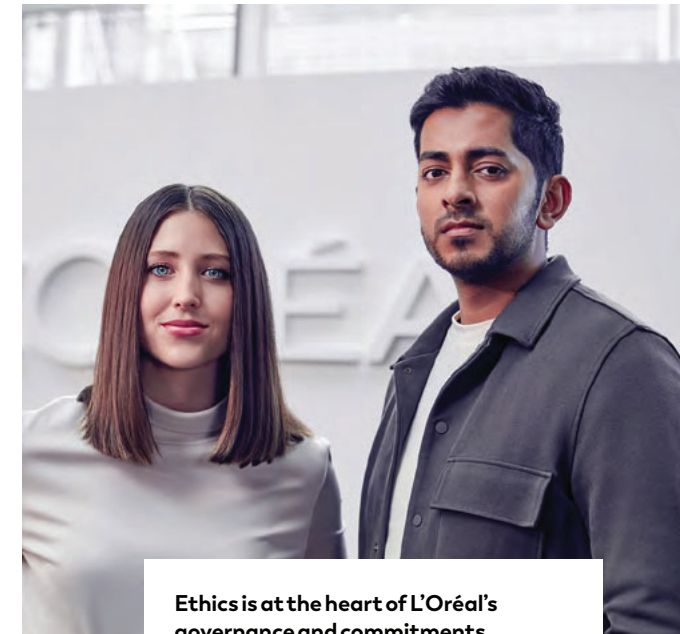
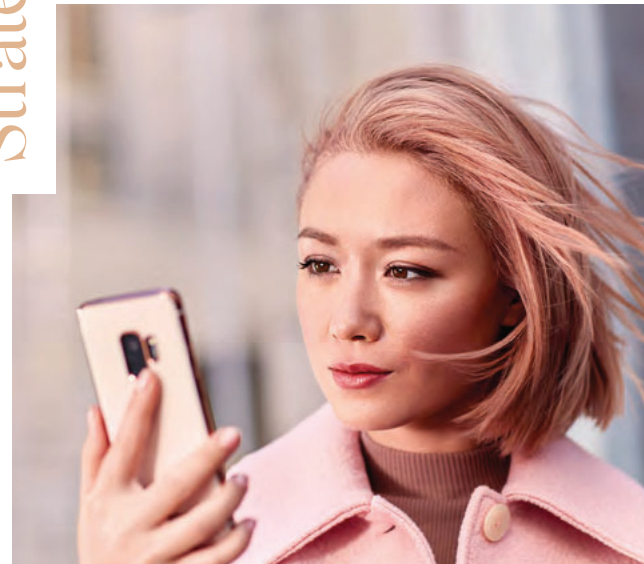
Beauty for All



— The mission that L'Oréal has set for itself, which inspires its teams, is to offer women and men around the world the best in cosmetics in terms of quality, responsibility, efficacy, honesty and safety, in order to meet all their needs and all their beauty wishes in their infinite diversity. ♦

— L'Oréal relies on a single strategy – Glocalisation – meaning the globalisation of its brands with a detailed understanding and respect for local differences. The goal of the Glocalisation strategy is to offer bespoke and inclusive beauty by responding to the specific aspirations of consumers in every region of the world. In contrast to standardisation, it is based on careful attention to consumers and a deep respect for their differences. ♦

Strategy



Ethics is at the heart of L'Oréal's governance and commitments. The Group is built on strong ethical principles:

- ♦ **Integrity:** because acting with integrity is vital to building and maintaining trust and good relationships.
- ♦ **Respect:** because we strive to have a positive impact on our stakeholders.
- ♦ **Courage:** because ethical questions are rarely easy but must be addressed.
- ♦ **Transparency:** because we must always be sincere and able to justify our actions and decisions.

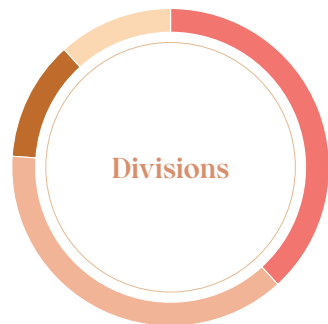
These principles underpin the Group's culture and business model and our compliance, responsible innovation, sustainable development, corporate social responsibility, philanthropy, and human rights policies, alongside diversity, equity and inclusion. ♦

Ethical principles

Financial performance

L'Oréal's balanced business model enables profitable and sustainable growth.

BREAKDOWN OF 2021 SALES (as %)



● L'Oréal Luxe	38.2%
● Consumer Products	37.9%
● Active Cosmetics	12.2%
● Professional Products	11.7%

● Europe	31.5%
● North Asia	30.5%
● North America	25.3%
● SAPMENA – SSA ⁽¹⁾	7.2%
● Latin America	5.5%

● Skincare and sun protection	40.2%
● Makeup	20.5%
● Haircare	15.1%
● Fragrances	10.9%
● Hair colouring	9.3%
● Other ⁽²⁾	3.9%

(1) South Asia Pacific, Middle-East, North Africa, Sub-Saharan Africa.

(2) "Other" includes hygiene products as well as sales by American professional distributors with non-Group brands.

E-COMMERCE⁽³⁾

€9.3 Bn
sales
in e-commerce

+25.7%
growth
in 2021

28.9%
of consolidated
sales

(3) Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). Like-for-like.

STRONG INCREASE IN PROFITABLE GROWTH IN 2021

SALES

€32.28 Bn
an increase of
+16.1%⁽⁴⁾

INVESTMENTS

3.3% of sales

NET DEBT

€3,586 m

OPERATING PROFIT

€6.16 Bn
an increase of
+18.3%

OPERATING MARGIN

19.1% of sales

EARNINGS PER SHARE⁽⁵⁾

€8.82
an increase of
+20.9%

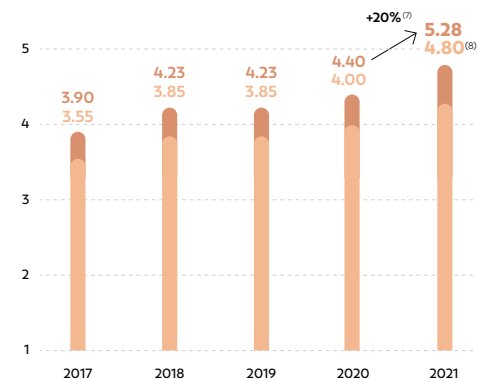
MARKET CAPITALISATION

€232.5 Bn at 31 December 2021⁽⁶⁾

A DYNAMIC SHAREHOLDER RETURN POLICY

DIVIDEND PER SHARE

(in euros)



● Dividend per share

● Preferential dividend⁽⁹⁾

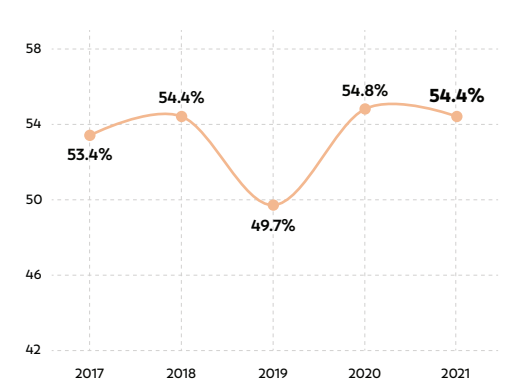
(4) Like-for-like: based on comparable structure and identical exchange rates.
(5) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.

(6) On the number of shares at 31 December 2020, i.e. 557,672,360.

(7) Based on the €4.80 dividend proposed at the Annual General Meeting on 21 April 2022.

PAY-OUT RATIO

(as % of profit)



(8) Proposed at the AGM on 21 April 2022.

(9) Preferential dividend of +10% for shareholders who continuously hold their shares in registered form for a minimum of two full calendar years, up to a maximum of 0.5% of the capital for the same shareholder.



Social & environmental performance

2021 was the first year of implementation of L'Oréal for the Future, the Group's sustainability programme for 2030.

L'Oréal for the Future

L'Oréal's second sustainability programme, L'Oréal for the Future, was launched in 2020.

Encouraged by the tangible results of the previous programme, the Group has set its sights higher and pledged to respect planetary boundaries – what the planet can withstand, as defined by environmental science. Seven groups of internal experts coordinated independent studies and worked with outside partners and civil society to define the Group's internal transformation strategy leading up to 2030.

The strategy is based on quantifiable goals to minimise the impact of Group activities on the climate, water, biodiversity and natural resources, while helping to meet some of the most urgent social and environmental challenges facing the world. L'Oréal is committed to reporting regularly on its progress against each goal, with clear and transparent indicators. ♦



Transforming ourselves

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

By 2030, 100% of the water used in our industrial processes will be recycled and reused in a loop (L/kg of formulas sold).

By 2030, 100% of biobased ingredients for formulas will be traceable and will come from sustainable sources. None of them will be linked to deforestation.

By 2030, 95% of our ingredients in formula will be biobased, derived from abundant minerals or from circular processes.

By 2030, 100% of the plastic used in our packaging will be either from recycled or biobased sources (we will reach 50% by 2025).



Empowering our business ecosystem

By 2030, three million people will benefit from our brands' social engagement programmes.



Contributing to solving the challenges of the world

By 2023, we will have invested 50 million euros to support highly vulnerable women. Since 2020, the L'Oréal Fund for Women has directly helped more than 400,000 girls and women, and more than 700,000 people indirectly within their communities.

Distinctions



Top AAA score for six years in a row



ESG Evaluation: 85/100



Recognised by the United Nations for the 7th consecutive year



Recognised for the 12th time by Ethisphere



Bloomberg Gender-Equality Index for the 5th consecutive year



No.5 in the Universum worldwide ranking (business schools)

2021 RESULTS

2030 GOALS

58% ————— 100%

15% ————— 100%

94% ————— 100%

60% ————— 95%

21% ————— 50% ————— 100%

985,089 ————— 3 m

€12 m ————— €50 m

Acquisitions

L'Oréal has been building a unique portfolio of brands to satisfy all beauty aspirations in their infinite diversity for over a century through targeted acquisitions.



(1) The Body Shop was sold in 2017.
 (2) Sales were restated to reflect the disposal of 50% of Galderma on 11 February 2014 and the consolidation of Inneov under the equity method as of 1 January 2014.
 (3) Licence renewal.
 (4) Acquisition of the thermal spa La Société des Thermes de La Roche-Posay.
 (5) Licence agreement.

Global brands

The L'Oréal brands are organised in Divisions, each of which has a specific vision of beauty, by consumer universe and distribution channels.

Consumer Products



L'Oréal Luxe



Professional Products



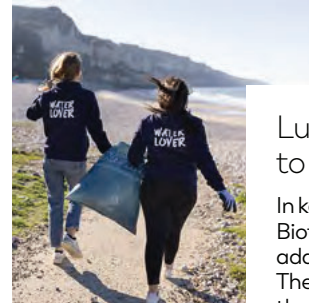
Active Cosmetics





Lancôme — Yves Saint Laurent — Giorgio Armani — Kiehl's
 Prada — Cacharel —
 Azzaro — Youth to the People —
 Viktor&Rolf —
 Helena Rubinstein —
 Maison Margiela —
 Biotherm —
 Diesel —
 Valentino — Carita —
 Shu Uemura —
 Mugler —
 Atelier Cologne — Takami — YueSai —
 Urban Decay — Ralph Lauren — IT Cosmetics

L'Oréal Luxe



Luxe is actively committed to sustainability

In keeping with its Water Lover programme, Biotherm took things even further by adding a new initiative: Live by Blue Beauty. The brand committed to creating formulas that are increasingly respectful of the oceans, developing more sustainable packaging and designs, and raising awareness worldwide about the environmental challenges facing the planet's oceans. ♦

Fragrance front and centre

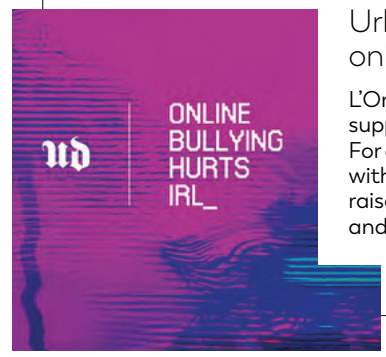
The fragrance category was particularly dynamic in 2021, embodying a quest for freedom and optimism. World-renowned brands Azzaro and Mugler, which joined the Group in 2020, renewed their ranges with new takes on their iconic perfumes: Eau de Parfum Intense The Most Wanted by Azzaro and Alien Goddess by Mugler. ♦



Luxury Beauty Tech⁽¹⁾

The Yves Saint Laurent Rouge Sur Mesure device powered by Perso allows consumers to create their own lipstick at home in bespoke shades created to perfectly complement their complexion and natural lip colour. The state-of-the-art device uses artificial intelligence and real-time data for an exclusive beauty experience. ♦

⁽¹⁾ New technologies for the beauty industry.



Urban Decay targets online bullying

L'Oréal Luxe brands are committed to supporting causes they truly believe in. For example, Urban Decay has partnered with the Cybersmile Foundation to raise awareness about online bullying and promote digital well-being. ♦

⁽²⁾ Like-for-like: based on comparable structure and identical exchange rates.
⁽³⁾ Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). Like-for-like.

Discover all the highlights of the L'Oréal Luxe Division on lorealannualreport2021.com



L'Oréal Paris

Garnier

Maybelline New York

La Provençale

Thayers

Carol's Daughter

Vogue

NYX Professional Makeup

3CE Stylenanda

Essie

Niely

Dark and Lovely

Mixa

Consumer Products



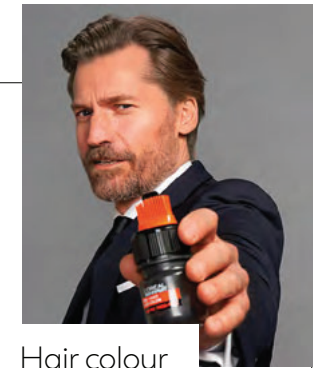
Garnier rounds out its range of sustainable haircare products

Following the launch of Ultimate Blends shampoo bars, Garnier has now added Ultimate Blends no-rinse conditioners to its lineup as it pursues its goal of reducing its environmental impact. The brand provides consumers with a comprehensive ritual of environmentally-friendly products for more responsible consumption. ♦



Social and digital: the new beauty paradigm

Entertainment and gaming are becoming the new must-haves for online beauty: NYX Professional Makeup signed a partnership with Netflix involving the hit series Money Heist and also ventured into the world of gaming by sponsoring the women esports team Dignitas. ♦



Hair colour designed for men

More and more men are dyeing their hair! Attuned to men's beauty habits, Men Expert and Garnier have launched products specially designed with men in mind. ♦

+5.6%
growth in Division sales⁽¹⁾

+18.2%
growth in e-commerce sales⁽²⁾

(1) Like-for-like: based on comparable structure and identical exchange rates.

(2) Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). Like-for-like.



Committed, inclusive, responsible brands

L'Oréal Paris – a feminine and feminist brand *par excellence* – committed to training a million people to fight street harassment via its Stand Up programme, in partnership with the NGO⁽³⁾ Hollaback! ♦

(3) Non-governmental organisation.

Discover all the highlights of the Consumer Products Division on lorealannualreport2021.com

La Roche-Posay

Sanoflore

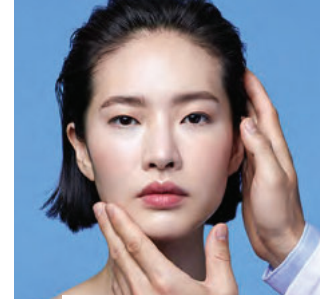
CeraVe

Decléor

Vichy

Active Cosmetics

SkinCeuticals



Dermocosmetics brands gather momentum

The Division strengthened its position as the “medical beauty” leader⁽¹⁾ and its products continued to win over new markets and a new generation of consumers. CeraVe is especially present on social networks, where its videos featuring influencer doctors have garnered more than a billion views. ♦

(1) Source: internal estimate for 2020 which combines several sources (pharmacy panels like IQVIA, KLINE professional channel estimates, Euromonitor).

Lipikar Eczema MED: a medical treatment based on microbiome⁽³⁾ science

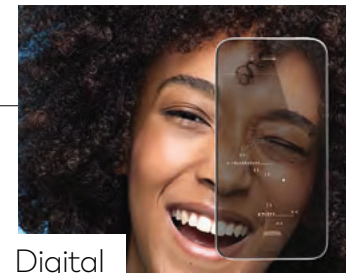
La Roche-Posay’s Lipikar Eczéma MED cream is enriched with endobioma, a unique ingredient that specifically targets the main bacteria responsible for eczema-related inflammation while preserving other bacteria which are essential for healthy skin. ♦

(3) Invisible ecosystem of microorganisms that live inside and on the surface of the skin and whose balance plays a crucial role in skin health.



Dermocosmetics: committed to the environment, healthcare and inclusion

The Division continued to optimise packaging: cardboard-containing tubes launched by La Roche-Posay and Vichy reduce plastic use by 70%. La Roche-Posay has made inclusion one of its key commitments and donates 1% of sales to improving quality of life for cancer patients. ♦



Digital solutions help to build special relationships with stakeholders

2021 was a year of increasingly digitalised interactions in all areas, and the Division developed innovative services and tools for consumers and medical partners. For example, it worked with ModiFace⁽²⁾ to develop the easy-to-use MyDermCode app, which provides an incredibly precise skin “diagnosis” in just a few minutes. ♦

(2) Startup acquired by L’Oréal in 2018 that uses augmented reality for consumers to try on beauty products and simulate hair colour.



(4) Like-for-like: based on comparable structure and identical exchange rates.

(5) Sales achieved on our brands’ own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers’ websites (non-audited data). Like-for-like.

Discover all the highlights of the Active Cosmetics Division on lorealannualreport2021.com



L'Oréal Professionnel

Kérastase

Mizani

Shu Uemura Art of Hair

Pulp Riot

Redken

Matrix

Biolage

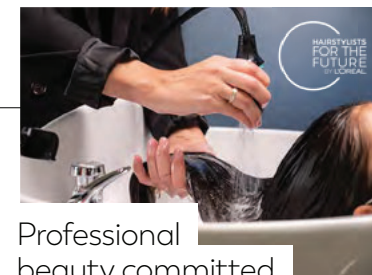
Professional Products

Pureology



Curl Manifesto: an inclusive range

Kérastase developed Curl Manifesto, a haircare range with an innovative formula that meets the specific needs of curly hair, which is naturally drier, finer and more porous. The range is backed by an array of training courses on how to style and care for curly hair, available to all stylists working with the brand. ♦

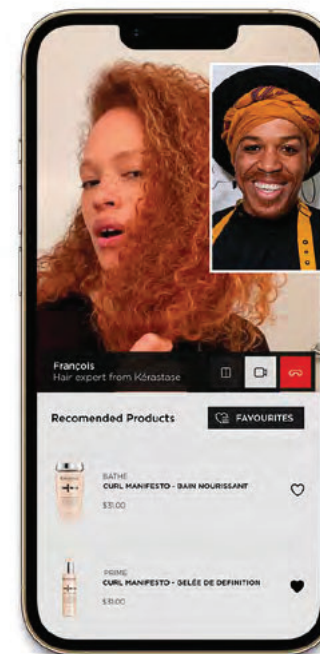


Professional beauty committed to protecting the planet

In 2021, the Division launched Hairstylists for the Future, a global programme that represents a completely new environmental approach for hair salons, focused on three main areas: cutting water consumption, reducing energy use and recycling waste. Throughout the value chain – in everything from product design and use to waste production and recycling – the Division is committed to reducing its environmental impact. ♦

Digital revolutionising the hairdressing world

Social commerce, which allows stylists to sell online to their clients, is booming. The Division is harnessing the power of digital technology to reinvent the hairdressing world, developing effective, industry-specific tools to boost stylists' e-commerce activities. ♦



+24.8%
growth in Division sales⁽¹⁾

+39%
growth in e-commerce sales⁽²⁾



Burgos plant pioneers environmental and inclusive best practices in Spain

As L'Oréal's first Waterloop⁽³⁾ facility, the Spanish site has been carbon neutral since 2015 and is developing initiatives to reduce its waste, protect biodiversity and support the advancement of women scientists. ♦

⁽³⁾ Plant where all water used for utilities (cleaning equipment, producing steam, etc.) is reused or recycled in a loop on site.

⁽¹⁾ Like-for-like: based on comparable structure and identical exchange rates.

⁽²⁾ Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). Like-for-like.

Discover all the highlights of the Professional Products Division on lorealannualreport2021.com

Day after day, L'Oréal teams pursue a raft of initiatives that embody the Group's Purpose.

Create the beauty that moves the world

inclusive
responsible
innovative
tech
performance

beauty

DISCOVER THE THEMES
OF THE YEAR 2021





Inclusive Beauty

Because beauty is a universal aspiration that crosses time, countries and cultures, L'Oréal creates inclusive beauty. Through our products and services, we aim to satisfy all beauty desires, with no exception.



To learn more, scan this QR code or visit lorealannualreport2021.com

Highlights



Diversity, Equity & Inclusion: creating the beauty that moves the world

The Group set up an Advisory Council on Diversity, Equity & Inclusion in 2021, comprising 12 outside experts and six L'Oréal senior executives. L'Oréal's engagement on these topics received further recognition, with the Group featured in the Refinitiv Diversity & Inclusion Top 100 and listed fourth in the Equileap Global Gender Equality ranking. ♦

Research & Innovation for beauty in all its diversity

Its proximity to different markets allows the Group to analyse all beauty needs worldwide, define increasingly precise profiles and adapt formulas and products to create ranges that are more inclusive than ever before. ♦



With L'Oréal for the Future, we have placed social and environmental performance at the heart of our commitment. Together with our stakeholders, we act in favour of responsible beauty.

Responsible Beauty

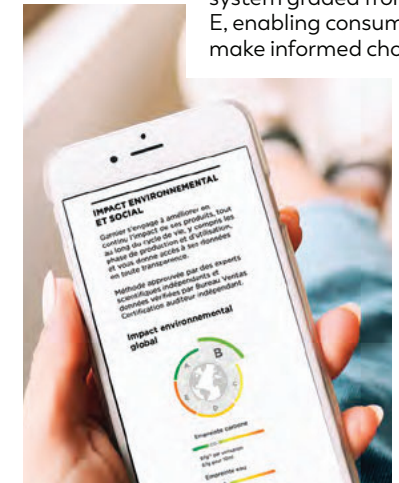


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Highlights

Enhancing transparency to inform decisions

To encourage sustainable consumption, the Group has developed a social and environmental labelling system graded from A to E, enabling consumers to make informed choices. ♦



Operations play a major role in responsible and sustainable performance

Operations bring L'Oréal's commitments to life. L'Oréal USA achieved carbon neutrality⁽¹⁾ at all 25 of its sites, in line with the UN⁽²⁾ Business Ambition for 1.5 °C initiative. And to cultivate a circular economy, L'Oréal partnered with Carbios to develop the first cosmetics bottle made entirely of recycled plastic produced using enzyme treatment technology. ♦



(1) For direct and indirect emissions (scopes 1 and 2).
(2) The United Nations

Science and innovation are key to success for L'Oréal, which designs safe, desirable and sustainable products. In step with trends and consumer aspirations, we seize every opportunity to constantly nourish this culture of innovative and inclusive beauty.

Innovative Beauty



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Highlights



When science and innovation join forces with nature

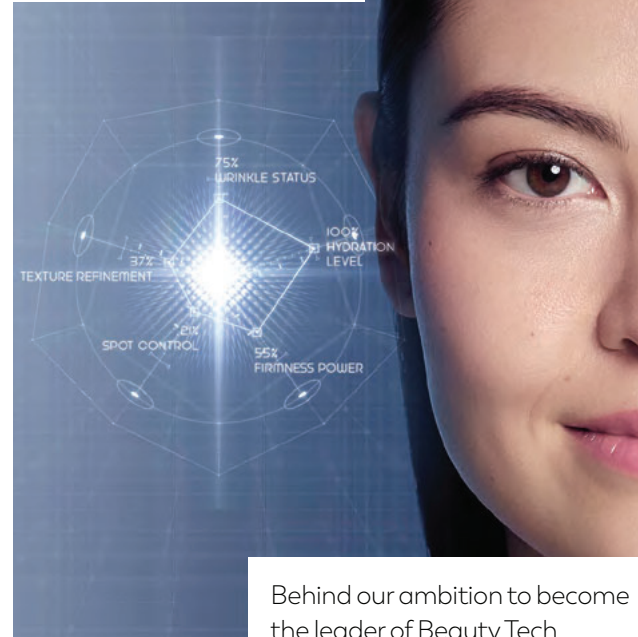
Research & Innovation teams developed an innovative technology dubbed Metalblocker, which draws on biomimicry to reduce hair breakage by 87% when all products in the Metal Detox range are used. ♦



Democratising beauty at its best

Revitalift Filler serum by L'Oréal Paris is a global bestseller. Its scientific formula combines two types of hyaluronic acid – its star ingredient – to improve the skin's ability to retain moisture. ♦

Beauty Tech

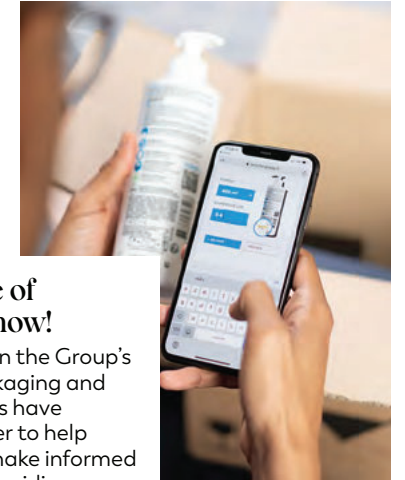


Behind our ambition to become the leader of Beauty Tech, there is a deep conviction: it is the intersection of the powerful forces of science and technology that will allow us to invent the future of beauty and of our company.



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Highlights



The future of beauty is now!

QR⁽¹⁾ codes on the Group's product packaging and store displays have made it easier to help consumers make informed choices by providing easy access to all necessary information about a product, from how to use it to what it contains. ♦



An omnichannel strategy: bringing "phygital"⁽²⁾ beauty

L'Oréal is innovating to enable consumers to try and buy beauty products both online and in physical points of sale. Maybelline New York developed an AI-based Shade Finder device in partnership with e-commerce platform Tmall in China, and now offers virtual makeup try-ons and personalised beauty tips. ♦

(1) Quick response code: a code that stores information accessible by scanning with a smartphone or tablet.

(2) Portmanteau of the words "physical" and "digital".



Beauty Performance

2021 was a historic year for L'Oréal. Thanks to the expertise, passion and engagement of its 85,400 employees, the Group achieved record growth all while investing in its social and environmental commitments.



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Highlights

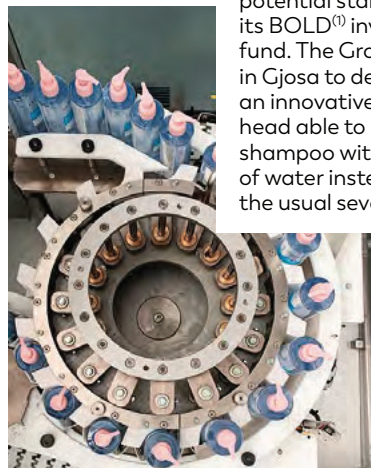


Creating value for all stakeholders

L'Oréal firmly believes financial performance is inextricably tied to social and environmental performance. The goal is to create and share value for all stakeholders in the Group's ecosystem: suppliers, partners, employees, consumers, investors and shareholders. ♦

A sustainable business model

L'Oréal also invests in the beauty of tomorrow by supporting high-potential startups via its BOLD⁽¹⁾ investment fund. The Group invested in Gjsa to develop an innovative shower head able to rinse out shampoo with 2.4 litres of water instead of the usual seven. ♦



(1) Business Opportunities for L'Oréal Development.

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This is a free translation into English of the 2021 L'Oréal Annual Report published in French. It is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

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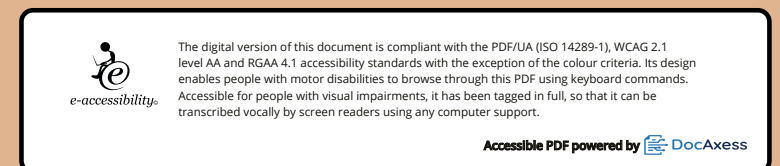
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Competitive positions and market share held by the Group's Divisions and brands mentioned in this report are based on studies, panels and polls obtained from specialised organisations and companies, or, in the absence of comprehensive studies, are the results of estimates made by L'Oréal on the basis of available statistical data.

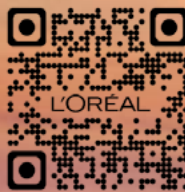


L'ORÉAL

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