

With this document, the L'Oréal Group chooses to publish the Principle Adverse Impacts (PAI) as requested by the Sustainable Finance Disclosure Regulation (SFDR) to demonstrate the company's commitment to transparency and accountability and to respond to investor reporting demands.

The data provided can also be found in the Universal Registration Document (URD) 2023, published on the [loreal-finance.com](https://www.loreal-finance.com) website.

Adverse sustainability indicator	Requested metric	L'Oréal metric	FY 2022	FY 2023	Source	Action Plan	
<b>CLIMATE AND OTHER ENVIRONMENTAL INDICATORS</b>							
Greenhouse gas (GHG) emissions	1. GHG emissions	Scope 1 GHG emissions	Scope 1 GHG emissions (in thousands of tonnes)	62.1	66.1	2023 URD p. 221	See climate objectives within the L'Oréal For The Future Programme (page 52 of URD 2023) and Net Zero targets validated by the SBTi: <ul style="list-style-type: none"> <li>L'Oréal commits to reduce absolute scope 1 and 2 GHG emissions 57% by 2030 from a 2019 base year.</li> <li>L'Oréal also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution and business travel 28% within the same timeframe.</li> <li>L'Oréal commits to</li> </ul>
		Scope 2 GHG emissions	Scope 2 GHG emissions (in thousands of tonnes)	30.7	28.3	2023 URD p. 221	
		Scope 3 GHG emissions	Scope 3 GHG emissions (in thousands of tonnes)	10,958	11,406	2023 URD p. 223	
		Total GHG emissions	Total GHG emissions (in thousands of tonnes)	11,050	11,501	2023 URD p. 223	
	2. Carbon footprint	Carbon footprint	Carbon footprint	N/A - calculated by the portfolio manager on the basis of GHG emissions from scope 1/2/3			
	3. GHG intensity of companies in which we invest	GHG intensity of investees	GHG intensity	N/A - calculated by the portfolio manager on the basis of GHG emissions from scope 1/2/3			

Adverse sustainability indicator		Requested metric	L'Oréal metric	FY 2022	FY 2023	Source	Action Plan
							reduce absolute scope 1, 2 and 3 GHG emissions (defined according to the SBTi Net Zero standard) by 90% by 2050 from a 2019 base year.
	4. Exposure to companies active in the fossil fuel sector	Proportion total investment in companies active in the fossil fuel sector	Active in the fossil fuels sector	N/A L'Oréal does not operate in the fossil fuel industry.			
	5. Proportion of non-renewable energy consumption	Proportion of investees' non-renewable energy consumption and non-renewable energy	Non-renewable energy consumption compared to renewable energy sources / Total energy sources	• Total non-renewable energy consumption: 10,8% ;	• Total non-renewable energy consumption: 9% ;	2023 URD p. 194	See climate objectives within the L'Oréal for the Future Programme: by 2025, L'Oréal will reach 100% renewable energy <sup>1</sup>

<sup>1</sup> On the Group's operated sites, excluding safety and security installations.

Adverse sustainability indicator		Requested metric	L'Oréal metric	FY 2022	FY 2023	Source	Action Plan
	and production	production from non-renewable energy sources compared with renewable energy sources, expressed as a percentage of total energy sources	Production of non-renewable energy compared with renewable energy sources / Total energy sources	<ul style="list-style-type: none"> <li>• Non-renewable electricity: 1,7% ;</li> <li>• Gas: 7.5% ;</li> <li>• Fuel: 0.7% ;</li> <li>• Non-renewable heat, cooling and steam networks: 0.8%.</li> <li>• Production of non-renewable energy: 0% (N/A).</li> </ul>	<ul style="list-style-type: none"> <li>• Non-renewable electricity: 0.9% ;</li> <li>• Gas: 6.5% ;</li> <li>• Fuel: 0.7% ;</li> <li>• Non-renewable heat, cooling and steam networks: 0.8%.</li> <li>• Production of non-renewable energy: 0% (N/A).</li> </ul>		for all operated sites.
	6. Intensity of energy consumption by sector with high climate impact	Energy consumption in GWh per million euros of sales of beneficiary companies, by sector with high climate impact	Energy consumption in GWh per million euros by sector with high climate impact	N/A: Not relevant for L'Oréal.			
Biodiversity	7. Activities with a negative	Part des investissements dans des entreprises	Number of sites/operations located in or near	If material, this information will be disclosed in 2025 for the year 2024, in accordance with the requirements of the CSRD.			

Adverse sustainability indicator		Requested metric	L'Oréal metric	FY 2022	FY 2023	Source	Action Plan
	impact on biodiversity-sensitive areas	bénéficiaires ayant des sites/opérations situés dans ou à proximité de zones sensibles du point de vue de la biodiversité, lorsque les activités de ces entreprises bénéficiaires ont un impact négatif sur ces zones	biodiversity-sensitive areas whose activities have a negative impact on these areas				
Water	8. Emissions into water	Tonnes of water emissions generated by investees per million euros invested, expressed as a weighted average	Tonnes of nitrate, phosphate and pesticide emissions into water generated by the company	Not disclosed. However, L'Oréal's wastewater quality index (COD) is disclosed (2023 URD p. 189-190). If material, data on nitrates, phosphates and pesticides will be disclosed in 2025 for the year 2024, in accordance with the requirements of the CSRD.			By 2030, 100% of plants must have effluent leaving the site with a COD of no more than 1,000 mg COD/l (2023 URD p.190).
Waste	9. Relationship between hazardous waste and radioactive waste	Tonnes of hazardous waste and radioactive waste generated by beneficiary companies per million euros invested, expressed as a weighted average	Tonnes of hazardous waste and radioactive waste	Hazardous waste: 22,871 tonnes	Hazardous waste: 22,526 tonnes	2023 URD p. 199	See the climate objectives in the L'Oréal for the Future programme: by 2030, 100% of waste produced on sites will be recycled or reused.
<b>INDICATORS RELATING TO SOCIAL ISSUES AND EMPLOYEES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION</b>							
Social and employee-related issues	10. Violations of the principles of the United Nations Global Compact and	Proportion of investments in investee companies that have been implicated in violations of the UNGP or OECD Guidelines for	Involved in violations of the UNGP or OECD Guidelines for Multinational Enterprises	N/A			

Adverse sustainability indicator		Requested metric	L'Oréal metric	FY 2022	FY 2023	Source	Action Plan
	the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Multinational Enterprises					
	11. Lack of processes and mechanisms for monitoring compliance with the UNGPs and the OECD Guidelines for Multinational Enterprises	Proportion of investments in investee companies that do not have policies for monitoring compliance with the UNGPs or the OECD Guidelines for Multinational Enterprises, or mechanisms for handling grievances/complaints in the event of violations of the UNGPs or the OECD Guidelines for Multinational Enterprises.	Policies for monitoring compliance with the UNGPs or OECD Guidelines for Multinational Enterprises, or mechanisms for handling grievances/complaints in the event of violations of the UNGPs or OECD Guidelines for Multinational Enterprises			L'Oréal's policies are in line with the principles of the UNGP and the OECD guidelines.	

Adverse sustainability indicator		Requested metric	L'Oréal metric	FY 2022	FY 2023	Source	Action Plan
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap in investee companies	Average unadjusted pay gap between men and women	If material, this information will be disclosed in 2025 for the year 2024, in accordance with the requirements of the CSRD.			
	13. Gender diversity on the Board of Directors	Average ratio of women to men on the boards of beneficiary companies, expressed as a percentage of all board members	Average ratio of women to men on board of directors, expressed as a percentage of all board members	50% (excluding directors representing employees, in accordance with the criteria of the AFEP-MEDEF code)	50% (excluding directors representing employees, in accordance with the criteria of the AFEP-MEDEF code)	2023 URD p. 252	N/A
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Share of investments in investee companies involved in the manufacture or sale of controversial weapons	Involvement in the manufacture or sale of controversial weapons	N/A - L'Oréal is not involved in the manufacture or sale of controversial weapons.			