

PROTECTING AND RESTORING BIODIVERSITY

Preserving the beauty of the planet also means preserving its biodiversity. Natural ecosystems are in danger: one million species are threatened with extinction, 75% of the Earth's surface has been significantly altered and 85% of wetlands have disappeared*, with major consequences for lands and communities around the world, including in terms of their resilience to climate change. We are committed to protecting and preserving biodiversity, a unique bounty.

Most of L'Oréal's raw materials are derived from renewable sources, and are largely of plant origin: we use 1,704 raw materials

from over 328 botanical species. This is why we are committed to sourcing our ingredients in a sustainable and responsible manner.

Biodiversity is a vital factor in the design and performance of our products, and we invest sustainably not only to preserve but also to restore the biodiversity already lost.

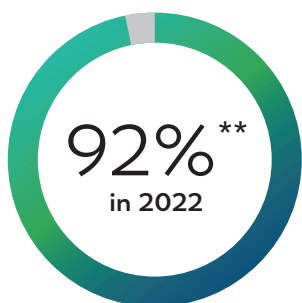
Building on the Group's longstanding commitment to the preservation and sustainable use of biodiversity, the L'Oréal for the Future programme reaffirms this commitment by making biodiversity an integral part of its goals.

2030 TARGETS

BY 2030,

100%

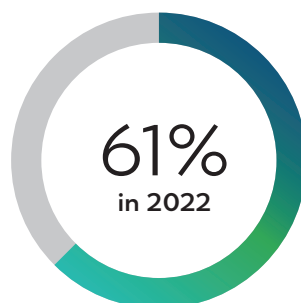
of the biobased ingredients for formulas and packaging materials will be traceable and will come from sustainable sources, none of them will be linked to deforestation.



BY 2030,

95%

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



By 2030, 100% of our industrial sites and all our operated buildings will have a positive impact on biodiversity, compared to 2019.



By 2030, we will hold flat the total land occupancy vital to the sourcing of our ingredients, compared to 2019.



BIODIVERSITY AT THE HEART OF L'ORÉAL FOR THE FUTURE

TRANSFORMING OURSELVES

- Ensuring the sustainable sourcing of our ingredients, including through the power of Green Sciences
- Preserving forests

EMPOWERING OUR BUSINESS ECOSYSTEM

- Inclusive Sourcing

CONTRIBUTING TO SOLVING THE CHALLENGES OF THE WORLD

- The L'Oréal Fund for Nature Regeneration

* COP 15 data, <https://www.ecologie.gouv.fr/cop15-biodiversite-aboutit-accord>

** Of the biobased ingredients for formulas

01 | ENSURING THE SUSTAINABLE SOURCING OF OUR INGREDIENTS

By 2030,
95%

of our ingredients in formula will be biobased, derived from abundant minerals or from circular processes. We are working with specialised external partners to define a robust, scientific methodology to classify the minerals used and to ensure that they are from abundant sources.



More than ever, we are pursuing our commitments to sustainable and socially responsible sourcing.

We support initiatives aiming to restore the biodiversity at the heart of our sourcing chain.

L'Oréal's constant concern regarding the sourcing of our raw materials is to:

- 1 Guarantee the sustainability of resources**
- 2 Consider their quality**

In 2022, **61%** of our ingredients in formula were biobased, derived from abundant minerals or from circular processes:

- 1,704 biobased ingredients**
- sourced in over 100 countries**
- 328 plant botanical species**

In 2022, **92%** of the biobased ingredients for formulas were traceable and came from sustainable sources.



ZOOM

INCLUSIVE SOURCING BEESWAX IN TOGO

The **Beeswax project in Togo** is part of L'Oréal's worldwide Inclusive Sourcing programme. In 2022, it counted **9,575 beneficiaries** in eight West African countries. The project has three goals:

With its Beeswax Africa project, L'Oréal and its partners are committed to contributing to raising the production standards of the wax provided by West African honey producers, thereby **creating a supply chain that meets the Group's sustainability, traceability and quality criteria.**

This fair-trade project empowers the local ecosystem around wax production. Indeed, by offering a minimum guaranteed price, we encourage the valorisation of wax, a by-product of honey production, and generate increased and diversified incomes from all wax sales for beekeepers and their communities.

In addition, **the project has a positive impact on biodiversity, since it aims to protect the bees and their environment**, including forests, while promoting sustainable beekeeping practices.

Change in land use is one of the major causes of biodiversity loss. That is why L'Oréal has committed to ensuring no increase of its footprint on biodiversity linked to the supply of bio-based raw materials, compared to 2019.

WE ENCOURAGE

our suppliers to adopt regenerative, sustainable farming practices.

WE DEVELOP

alternatives to raw materials that have the largest footprint, through our Green Sciences programme.

WE SUPPORT

initiatives to restore biodiversity in our sourcing chains.

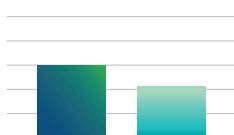


GREEN SCIENCES: A REVOLUTION IN RESEARCH

With Green Sciences, we are completely rethinking our approach to research by drawing inspiration from nature and harnessing its power to meet the Group's goals in terms of protecting natural resources and biodiversity – all while providing consumers with products that are safer and more effective.

In 2022, among the raw materials newly referenced by the Group:

- 82%** in number were renewable
- 24%** in number respected Green Chemistry

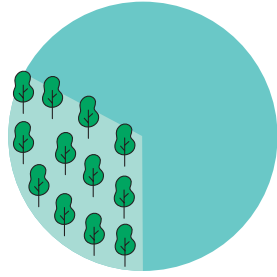


THIS SCIENTIFIC REVOLUTION FOCUSES ON FOUR KEY AREAS:

- **Sustainable cultivation**, through which we are reinventing the way we obtain our raw materials.
- **Green extraction**, in a manner that respects the environment and requires no (bio)chemical transformation.
- **Green chemistry**, which prioritises the use of non-petroleum solvents and incorporates concepts such as environmental impact.
- **Biotechnology**, including cultivation of microorganisms and plant cells in bioreactors to protect natural resources.

02 | PRESERVING FORESTS

Forests cover **31%** of the world's land area.



In 2022, for the 7th consecutive year, L'Oréal was awarded an A rating by the global organization CDP for its actions in protecting forests.

- 2007:** We put in place the necessary certifications to ensure sustainable forest management.
- 2014: Zero Deforestation Policy:** we pledged to ensure no ingredients or raw materials used in our products would be linked to deforestation.
- 2020: New Forest Policy,** an even more ambitious initiative to extend the scope and depth of our action, with a focus on human rights and improved living conditions for local communities.



[READ THE FORESTS FACTSHEET TO FIND OUT MORE](#)

03 | THE L'ORÉAL FUND FOR NATURE REGENERATION

FOCUS

WHAT IS IMPACT INVESTING?

Impact investing is socially responsible investing with two inseparable goals:

- generate a positive environmental or social impact
- ensure a financial return

As part of its L'Oréal for the Future programme, the Group decided to invest in two major environmental issues: **the regeneration of nature** and **the acceleration of the circular economy**.

In 2020, as part of our efforts to protect biodiversity, we chose to look beyond our own value chain by creating the **L'Oréal Fund for Nature Regeneration**.

L'ORÉAL FUND FOR NATURE REGENERATION

Type: Impact fund

Endowment: 50 million euros

Vision: Combining financial performance with the creation of environmental and social value

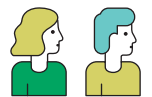
2030 TARGETS



Preserve or restore one million hectares of ecosystem



Capture 15 to 20 million tonnes of CO₂



Create hundreds of jobs

The Fund is supporting projects to rehabilitate degraded lands, regenerate mangrove swamps, and restore marine areas and forests.

EXAMPLES OF SUPPORTED PROJECTS:

- Forest regeneration in Brazil
- Land rewilding in the UK
- Agricultural decarbonisation in Europe
- Carbon sequestration in tropical areas

ZOOM

IMPACT INVESTING

ACCELERATING THE LOW-CARBON AGRICULTURAL TRANSITION IN EUROPE

The L'Oréal Fund for Nature Regeneration has invested in tech startup **Rize to make carbon financing easily accessible to all farms in France and across Europe.**

Today, agriculture is responsible for more than **30% of global greenhouse gas emissions**. Yet soils – particularly through sustainable agricultural practices – **can sequester up to 25% of the CO₂ that can be captured by ecosystems**. Rize aims to **accelerate the low-carbon agricultural transition**

and has developed a complete and unique digital solution to support farmers, from the diagnostic phase of their farm to the marketing of carbon credits.

The investment in Rize is intended to **consolidate and accelerate Rize's potential to become a leading player in the regeneration of agricultural land** in Europe through an innovative and cutting-edge approach.