

L'Oréal Group is the world's largest cosmetics company, with operations in over 150 countries across Europe, the Americas, Asia, the Middle East and Africa. It has been operating for over a century, building a rich and diverse portfolio of global brands driving long-term sustainable growth. L'Oréal has been using EcoVadis Ratings since 2014.

The Group's 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 L'Oréal strives to be exemplary with a long-term vision, the Group anchors its actions on strong values and demanding ethical principles.

EUR 32.28bn

sales generated in 2021

85,400

employees

35

international brands

20

research centers in 11 countries and 39 plants around the world

Company Purpose

Create the beauty that moves the world

Over a Decade of Sustainable Improvement

In 2020, L'Oréal launched its "L'Oréal for the Future" program. It aims to accelerate L'Oréal's transformation toward a model respecting planetary boundaries and reinforcing the Group's commitments to both sustainability and inclusion in the context of growing environmental and social challenges. "L'Oréal for the Future" public commitments for 2030 include both L'Oréal's direct impact as well as indirect, extended impact, including that related to its suppliers.

Key Improvement Highlights

87%

By 2021, the Group reduced CO₂ emissions in plants and distribution centers by 87%, in absolute terms, compared to 2005.

53%

Water consumption per finished product unit in plants and distribution centers decreased by 53% by 2021 compared with 2005.

96%

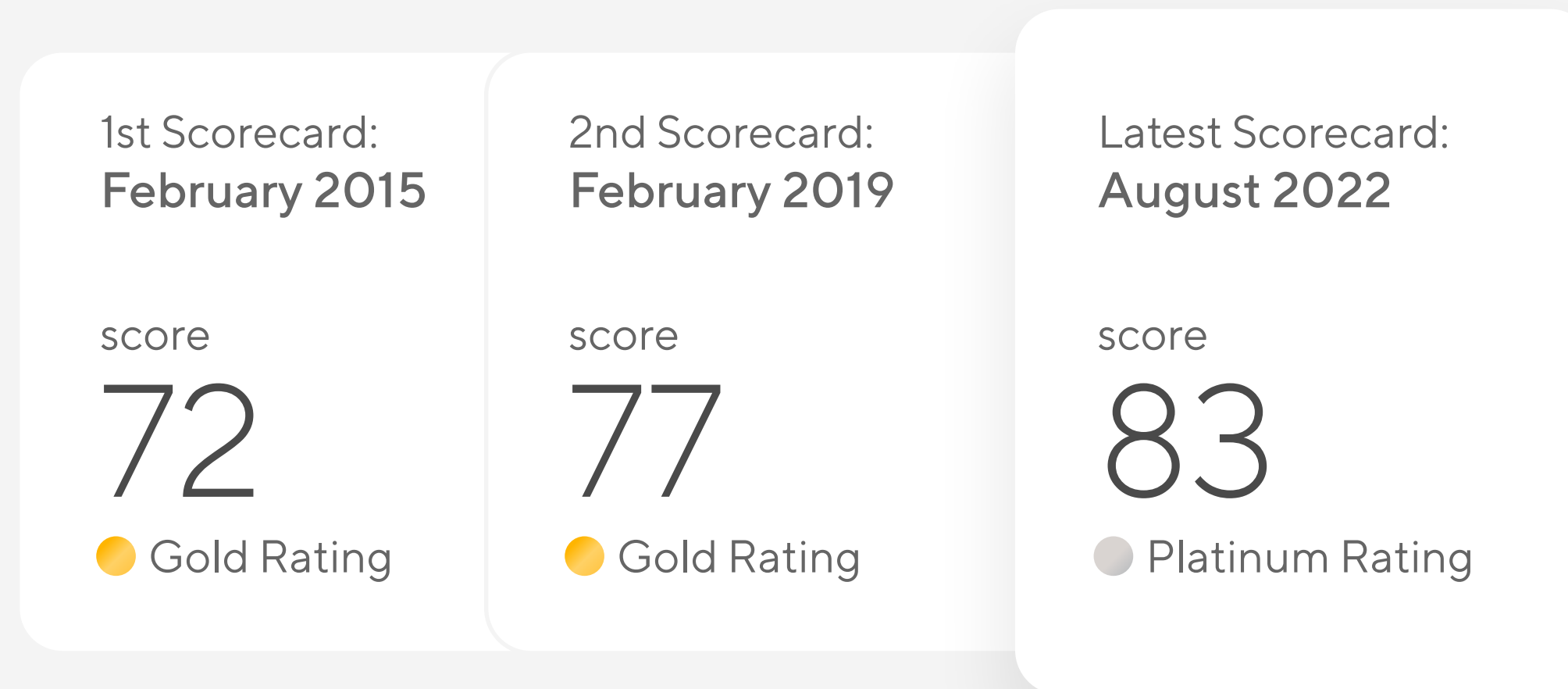
At the end of 2021, 96% of the Group's products were eco-designed.

89,093 people

Through the Solidarity Sourcing program, 89,093 people accessed work in 2021.

Setting an Example

L'Oréal is also rated by EcoVadis, just like its suppliers. L'Oréal has been awarded the EcoVadis Platinum medal rating, which ranks the Group in the top 1% of the more than 100,000 rated companies in our network. This medal is the result of the long-term work of L'Oréal's teams and suppliers to achieve excellence in these fields.



In 2022, L'Oréal was recognized for the seventh year in a row with a triple "A" score for environmental achievements on climate change, forests and water by the global environmental non-profit CDP. It also received, for the fifth consecutive year, a Supplier Engagement Leader recognition from CDP for taking action to tackle climate change in the supply chain.

Looking Forward: "L'Oréal for the Future" Public Commitments

2025

2030

"L'Oréal for the Future" public commitments for 2030 aim to reduce both L'Oréal's direct and indirect impacts. The Group is working on supply chain goals and expects to drive tangible positive results.

By 2025, L'Oréal will achieve carbon neutrality in all of L'Oréal sites, by improving energy efficiency and using 100% renewable energy.

By 2025, 100% of the plastic packaging will be reusable, recyclable or compostable.

By 2030, all of L'Oréal's strategic suppliers will use water sustainably in the areas where they operate.

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, L'Oréal will hold flat the total land occupancy vital to the sourcing of ingredients, compared to 2019.

By 2030, 100% of L'Oréal's strategic suppliers' employees will be paid at least a living wage covering their basic needs and those of their dependents, calculated in line with best practices.

By 2030, L'Oréal will help an additional 100,000 people from disadvantaged communities gain access to employment.

By 2030, L'Oréal's strategic suppliers will reduce their direct emissions (scopes 1 and 2), by 50% in absolute terms, compared to 2016.

For more information, check out the "L'Oréal for the Future" program.

Working With Suppliers

L'Oréal views suppliers as an integral part of its extended ecosystem and its social and environmental impact. The sustainability strategy and suppliers' action plans are fully integrated into their relationship with L'Oréal and are monitored during strategic meetings. As such, 627 business reviews were conducted in 2021. The evaluation of suppliers on the CSR pillar is based, in particular, on their compliance with their social audits, the implementation of Solidarity Sourcing projects, and their results in the "CDP Supply Chain" program for the reduction of CO₂ emissions but also their EcoVadis score. All the suppliers evaluated represent more than 85% of total direct purchases and 10% of indirect purchases. Individual coaching and webinars are organized when needed to help suppliers improve their performance.

In 2021, 767 suppliers had an EcoVadis valid assessment of their social, environmental, ethical and sustainable procurement policies. 331 of them represented 89% of the Group's strategic suppliers. Over the years, 90% of suppliers invited by L'Oréal have been rated more than once, with an average score improvement of 3.6 points.

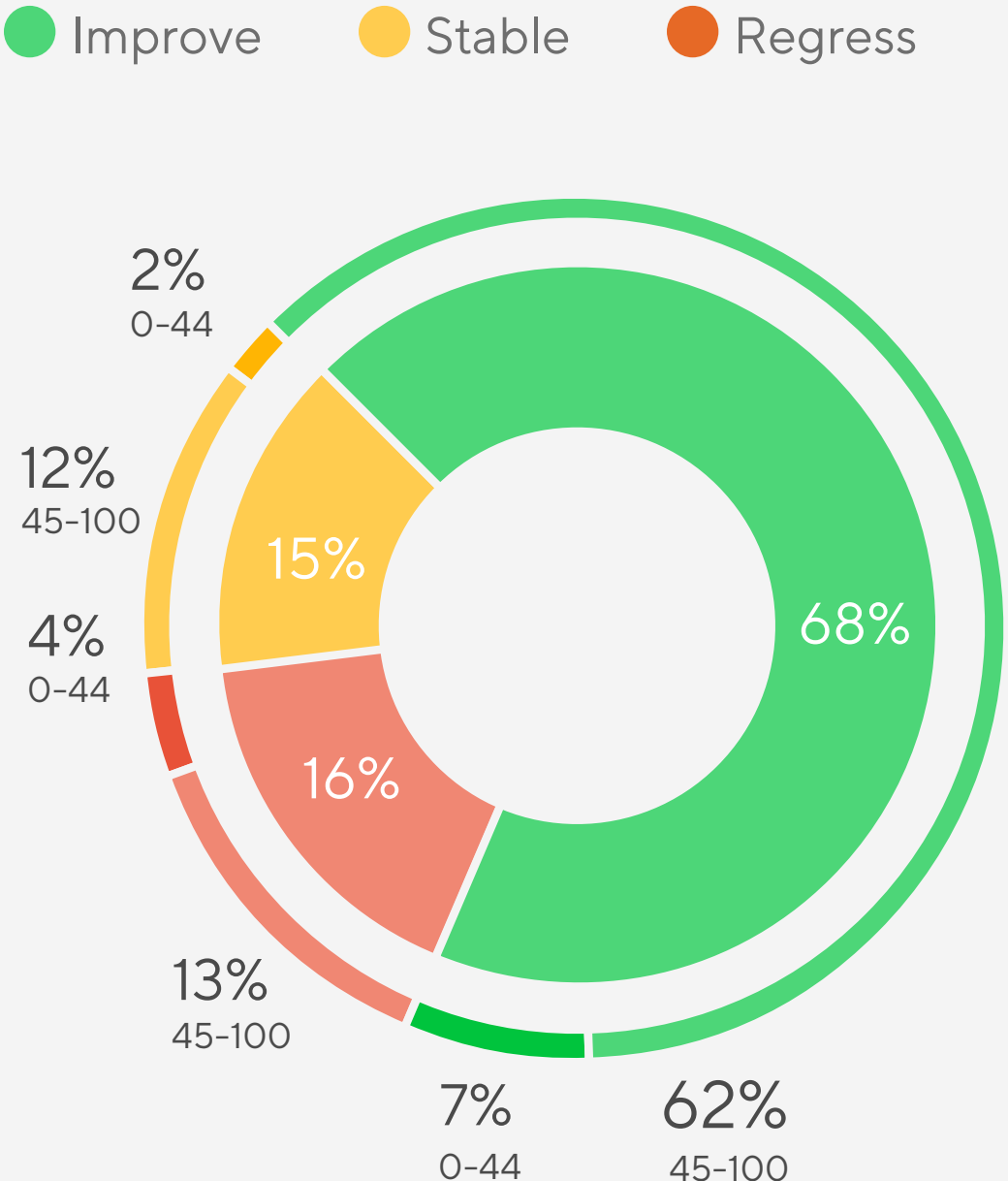
A Glance at L'Oréal's Supplier Scoring and Improvement

90%
of suppliers invited by L'Oréal are rated more than once

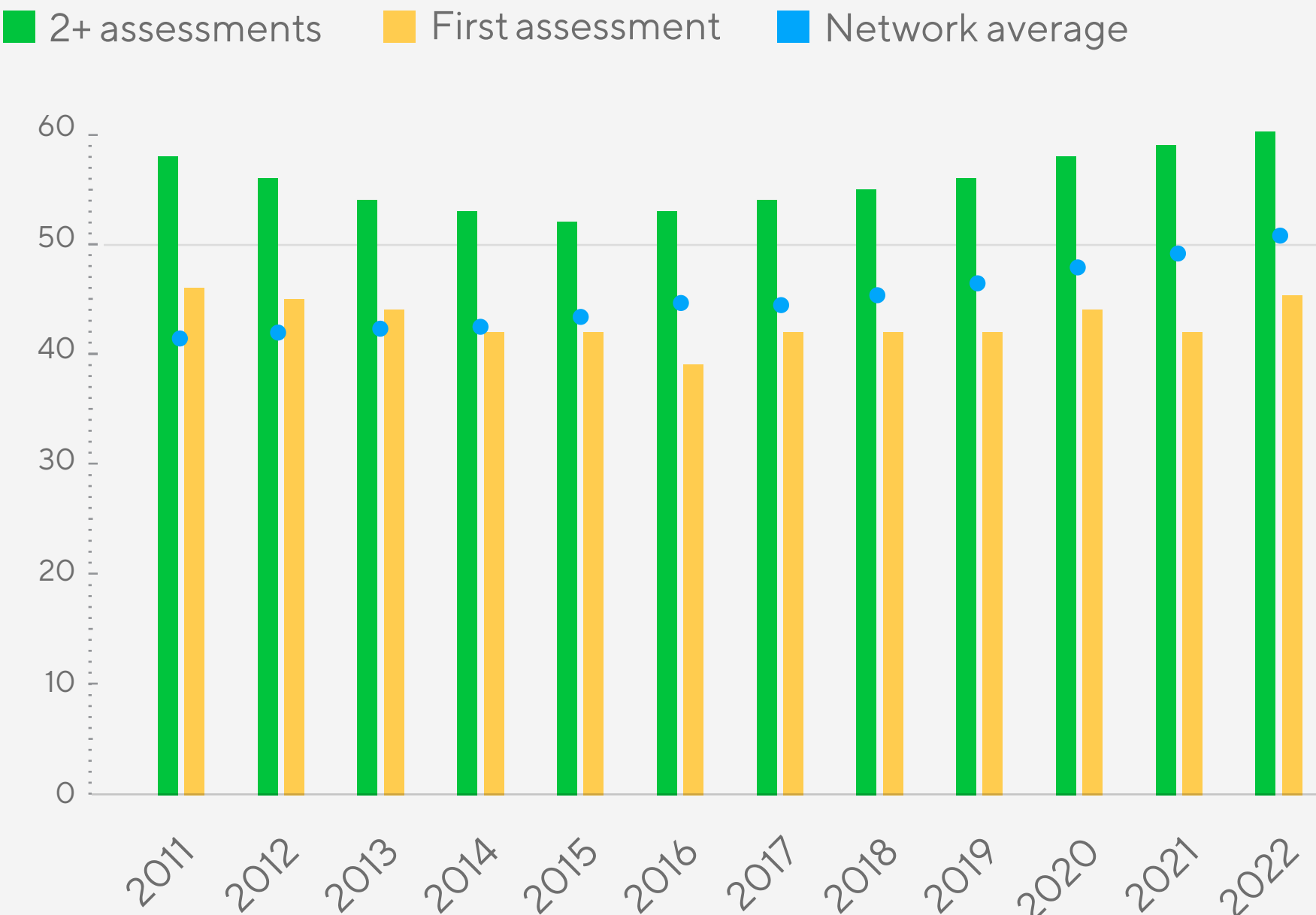
68%
of reassessed suppliers improve their score

62%
of suppliers are scoring 45 or higher

Evolution of reassessed suppliers



Suppliers' average score over time



L'Oréal Supplier Sustainability Performance: Key Figures

Percentage of Rated Suppliers Taking Selected Positive Actions*



Environment

77%

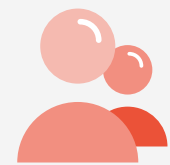
have implemented actions on energy consumption and GHG emissions

64%

report on energy consumption or GHG emissions

43%

use renewable energy



Labor & Human Rights

64%

have policies on diversity, discrimination and harassment

48%

report on health and safety indicators

46%

have sustainable procurement policies

39%

report on diversity in executive positions



Solidarity Sourcing Program

Created in 2010, Solidarity Sourcing is L'Oréal's global inclusive purchasing program. With 365 projects running in 61 countries, 89,093 economically or socially vulnerable people benefited from decent, lasting employment under this program in 2021.



Accelerating Positive Impact Through Industry Collaboration

Industry-level collaboration is one of the most effective levers available to companies to scale sustainable impact. It enables companies to achieve far greater impact at a far greater speed than can ever be reached through individual actions. L'Oréal has been a member of the Responsible Beauty Initiative (RBI) since 2017, championing collaboration with over 600 suppliers across the industry.

* Figures for 2021.

Sustainable Procurement Challenges Ahead

With all the progress to date, L'Oréal's journey toward sustainable improvement and positive impact is not without its challenges. The nature and complexity of its supply chain mean that the Group must continuously onboard suppliers on this sustainability journey. Dedicated events, such as Spread the Green Vibes, are organized around the globe to fully onboard key partners onto the "L'Oréal For the Future" strategic program and to boost the co-creation and deployment of concrete sustainable solutions.

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We view the activities of our suppliers as an essential part of L'Oréal's social and environmental footprint. This is why we involve our strategic suppliers, whose added value is significant for the Group by contributing to L'Oréal's strategy on a long-term basis. We need to engage them to amplify our impact within our extended ecosystem.

Séverine Thery-Cavé
CPO for Direct Sourcing, L'Oréal

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It is our common responsibility to transform together our companies across the value chain. We need to leverage expertise and collective intelligence now more than ever to accelerate this sustainable transformation and to deliver tangible impacts.

Audrey Izard
CPO for Indirect Sourcing, L'Oréal

