

Press Release 1

**L'Oréal Unveils Its Bold Sustainability Targets for 2030 " L'Oréal, for
the Future " Globally and
"Good Planet, See U" Green Consumption Advocacy Project in China**

Together with "Partners of Tomorrow", Green Parcel Graffiti Competition and the First "Super Group Day" with a Sustainable Theme on Juhuasuan Kick Off

Shanghai, 3rd July 2020 — Following L'Oréal Group's announcement of its new sustainability program "L'Oréal for the Future" and the latest set of ambitions for 2030 on June 25 in Paris, France, L'Oréal China today introduces the program details to the Chinese market in Shanghai, and unveils the supporting activities in China of "L'Oréal for the Future". The new sustainability program "L'Oréal for the Future" lays down the Group's latest set of ambitions for 2030. Taking a two-track approach by both accelerating its internal transformation and empowering its business ecosystem externally, L'Oréal is committed to working with its partners to deal with urgent social and ecological challenges, promote more sustainable consumption and protect the planet for a better tomorrow.

Together with the group's new program "L'Oréal for the Future" and targets, L'Oréal China is launching "Good Planet, See U" green consumption advocacy project for 2020. Uniting all brands, there is a series of diversified online and offline green consumption activities carried out this year, in order to open up the path from insight, interaction, co-creation to consumption. Including:

- Recruiting "Partners of Tomorrow" and calling for immediate action for tomorrow's good planet;
- Continuing to focus on green parcel and jointly launching the "Green Parcel Graffiti Competition" consumer co-creation campaign with the China Environmental Protection Foundation and Alibaba Group;
- Together with Alibaba Group to kick off the first "Super Group Day " campaign with a green consumption theme on Juhuasuan platform, spreading the concept of green consumption to the public and calling on all to take action;
- Jointly launching the "Contemporary Chinese Youth 'Concept of Tomorrow' Report", the first report on the sustainable concept and action of Chinese young people in the post-epidemic era, with BottleDream, a B-Corp;
- Holding the "Good Planet, See U", a green consumption interactive exhibition, which will be open to the public at the K11 Chi Art Museum in Shanghai from

July 4 to 12, in order to let the public have a more intuitive understanding of environmental protection and sustainable development.

Change for Tomorrow: Unveil L'Oréal's Bold Sustainability Targets for 2030

In 2020, the COVID-19 crisis has not only heavily affected society and the economy, but also amplified the existing challenges of environmental degradation and climate change. The pandemic has led people to realize that the earth is under enormous pressure, "Planetary Boundaries" are under threat, and uncertainty about the future has become a significant challenge in today's world.

"Humanity has reached a critical moment to address world challenges, and the next decade will be crucial for future development. In this increasingly fragile and uncertain world, the role of companies has become more important. Companies must coordinate with the government, our customers and the civil society to take action together. This is why L'Oréal wants to initiate a more radical change and collaborate with all of our partners, including 1.5 billion consumers to join this journey of change." said Jean-Paul Agon, Chairman and CEO of L'Oréal.

Unlike L'Oreal's sustainable development commitments from 2013 to 2020, these new commitments for 2030 will not only focus on our direct impact but also tackle the indirect and extended impacts, and align the strategy with the urgent need to strictly respect the "Planetary Boundaries". "Planetary Boundaries" were first identified by Swedish scientist Johan Rockström and were subsequently endorsed by the United Nations and the international scientific community. "Planetary Boundaries" define ecological bottom lines that humans must strictly observe in the next 10 years, including climate change, biosphere integrity, land-system change and biogeochemical flows, for the maintenance of a safe environment both for human health and development.

"L'Oréal for the Future" sustainability program for 2030 include three pillars (see the appendix for specific targets):

(一) Transforming Ourselves and Respecting Planetary Boundaries

- By 2030, we will reduce by 50% per finished product all our greenhouse gas emissions, compared to 2016;
- By 2025, all of our sites will have achieved carbon neutrality by improving energy efficiency and using 100% renewable energy;
- By 2030, will also innovate to enable our consumers to reduce by 25%, on average and per finished product, the water consumption linked to the use of our products, compared to 2016;
- In 2030, 100% of the water used in our industrial processes will be recycled and reused in a loop;

- By 2030, 95% of our ingredients in formula will be biobased, derived from abundant minerals or from circular processes.
- By 2030, 100% of the plastics used in L'Oréal's products' packaging will be either from recycled or bio-based sources (we will reach 50% in 2025).

(二) Empowering Our Business Ecosystem, Helping It Transition to a More Sustainable World

- By 2030, 100% of our 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, we will help 100,000 people from disadvantaged communities gain access to employment.
- We will empower our 1.5 billion consumers so they can make informed, more sustainable consumption choices, by developing a Product Environmental and Social Labelling system.

(三) Contributing to Solving the Challenges of the World by Supporting Urgent Social and Environmental Needs

- We are allocating €150 million to address urgent social and environmental issues: We are engaging €100 million into impact investing, in order to act upon key environmental challenges. €50 million will be used to finance regeneration of ecosystems. Another €50 million will be directed to financing the development of the circular economy. To help vulnerable women, we are also creating a €50 million charitable endowment fund.

Act today: Together with “Partners of Tomorrow” to make green consumption a start of change

China, as L'Oréal's second-largest market, is crucial to the realization of the L'Oréal Group's sustainable development goals, and has set a benchmark for the Group and the global beauty industry in many areas such as carbon reduction and green supply chains. In 2019, L'Oréal China operations became the first market realizing carbon-neutral with operation sites covering plants, distribution centers, research & innovation center and offices. In addition, in 2018 L'Oréal China and Alibaba Group began to promote the use of tape-free, easily tearable and 100% degradable green parcels in e-commerce logistics. So far, more than 10 brands have begun to apply this approach. In 2019, L'Oréal delivered more than 20 million green parcels, and during the “618 Shopping Festival” in 2020, a total of 3.4 million units were shipped alone.

L'Oréal China announced that it will promote green parcels to all the Group's brands in China in 2020. Working together with Alibaba Group and China Environmental

Protection Foundation to advance their cooperation on green parcels, L'Oréal China launched the "Green Parcel Graffiti Competition". The competition calls on young people to take the theme of "Green Parcel for a Better Life" to express their hopes for tomorrow and their attitude towards green lifestyles through graffiti and slogans to transform the parcels from a green and environmentally friendly package to a mobile green consumption advocacy medium. From now until August 20, consumers can log in to the event webpage to participate. After expert review and online voting, 10 outstanding artworks and 10 slogans, plus 5 popular artworks and 5 slogans will be selected. The winning artworks will have the chance to be displayed in the China International Import Expo (CIIE) and will be applied to L'Oréal's parcels during the "Double Eleven Shopping Festival" in 2020.

Xu Guang, Director-general of the China Environmental Protection Foundation, said: "More and more Chinese consumers, especially in the younger generation, have begun to make sustainability an important part of their lives through daily actions, innovations, and with their advocacy. At the same time, we are also very pleased to notice that more companies like L'Oréal are actively empowering young people to play an important role in promoting sustainable development. The "Green Parcel Graffiti Competition" is a unique and empowering campaign. The cooperation between L'Oréal and Alibaba, the two industry giants, will be able to leverage their resources and brand influence to make the campaign innovative and engaging for young people, and make green consumption a popular trend in society."

"As the world's second-largest consumption market and the market with the most growth, China is undergoing a transformation from high-speed growth to high-quality development. We are very pleased to see that 'L'Oréal for the Future' sustainability targets for 2030 are consistent with China's concept of 'Building a Community with a Shared Future for Mankind'," said Fabrice MEGARBANE, President and CEO of L'Oréal China. "To achieve comprehensive sustainable development and protect our future, it requires everyone's participation and action. We hope to use our influence and business ecosystem in China to engage more 'Partners of Tomorrow', especially young people, to respond to the common challenges facing human beings. Taking consumption as a starting point, we can together lead China's sustainable transition and help China become an innovation engine in global sustainable development."

Today, L'Oréal China and BottleDream jointly launch the "Contemporary Chinese Youth 'Concept of Tomorrow' Report". The report finds that nowadays, when young people talk about topics related to the future, words like "Community with a Shared Future" are used more and more. 75% said that they now pay more attention to social issues than ever, and more than 99% believe that current actions have a significant impact on tomorrow. In addition to raised awareness, more than 90% of young people take various forms of actions related to sustainable development. Among these actions, the most common include green consumption and daily green habits. The report defines the group of young people who take part in shaping tomorrow with their current

actions as "Partners of Tomorrow", and discovers six new mainstream groups of "Partners of Tomorrow", including "Responsible Buyer", "Daily Superman", "Ripples Creator", "LOHAS Player", "Post-Modern Iron Man" and "Boundary Breaker".

Kenny Choi, the Co-Founder of BottleDream said, "Nowadays, young people in China are willing to protect the planet through innovative sustainable life experiments and change their lives for a better tomorrow. As important participants in green lifestyle and green consumption, the young generation and the power of innovation will become the driving force for sustainable development in the future."

Also as part of the "the "Good Planet, See U" green consumption advocacy project, L'Oréal announced that together with Juhuasuan, Alibaba's sales and marketing platform, the first "Super Group Day" for the beauty industry will also be the platform's first "Super Group Day" with the theme of sustainable development. From now until July 15, on the platform's "Super Group Day" and in the "Good Planet, See U" Interactive Exhibition, through multi-platform interaction, L'Oréal China will work with its 11 brands, more than 30 brand ambassadors, members of the company's management committee and Viya, the "Global Good Stuff Recommender" of Tmall, to recommend greener options for consumers, explain the secrets behind green products to promote smarter, more responsible green consumption methods.

Yun Cong, Juhuasuan's General Manager of Operations said, "In terms of promoting public participation in green consumption, Alibaba is working closely with the China Environmental Protection Foundation and L'Oréal. L'Oréal is an important partner for Alibaba in promoting the digital transformation of the industry. We are also a solid partner in promoting green consumption. We are so happy to deepen the cooperation between the two companies by building on the Juhuasuan "Super Group Day" and the green parcel project. We will together establish a new business model combining business with social responsibility and allow more consumers to enjoy green consumption and enjoy a healthier lifestyle."