

Protecting and restoring biodiversity



Preserving the beauty of the planet also means preserving its biodiversity. Natural ecosystems have been damaged, with major consequences for lands and communities across the world, including in terms of their resilience to climate change. We are committed to protecting and preserving biodiversity, a unique bounty.

At L'Oréal, we use approximately 1,700 raw materials from over 310 botanical species. This is why we see biodiversity as an important and growing source of innovation and are committed to sourcing our ingredients in a sustainable and responsible manner.

Although the Group has, for many years, been committed to the preservation and sustainable use of biodiversity, the *L'Oréal for the Future* programme reaffirms this commitment by positioning biodiversity right at the heart of the Group's goals.

2021
results

2030
goals



Key targets and achievements to date

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.

94% → 100%

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

60% → 95%

Ensuring the sustainable sourcing of our biobased ingredients

By 2030, 95% of our ingredients in formulas will be biobased, derived from abundant minerals or from circular processes. As part of this commitment, 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.

L'Oréal's constant concern regarding the sourcing of our raw materials is, over and above quality considerations, to guarantee the sustainability of resources.

In 2021, 60% of our ingredients in formula were biobased.

This represents approximately 1,717 ingredients from nearly 313 plant botanical species sourced in over a hundred countries. 94% of these renewable ingredients are traceable and coming from sustainable sources.

As land use change is one of the major factor of biodiversity loss, L'Oréal has committed to ensuring no increase in the total land occupancy vital to the sourcing of our ingredients by 2030, compared with 2019. To that end, we encourage our suppliers to adopt regenerative, sustainable farming practices. We are also developing alternatives to raw materials that have the largest footprint through our Green Sciences programme and supporting initiatives to restore biodiversity in our supply chain.

Green Sciences and sustainable sourcing: striking a balance

At L'Oréal, we see biodiversity as a vital source of innovation. The Green Sciences programme aims to level up our portfolio of raw materials by developing biodiversity-based ingredients with the help of green chemistry while keeping any impact on the environment to a minimum. In 2021, among the raw materials newly referenced by the Group, 63% in number were renewable and 40% in number respected Green Chemistry.

As ever, we remain committed to sustainable sourcing and social responsibility. That is why 94% of the biobased ingredients for formulas are traceable and come from sustainable sources. We aim to increase that figure to 100% by 2030.



Protection & restoration of forests

Forests cover 31% of the world's land area. Any damage to forests is therefore a threat to the planet and human society. That is why, in 2007, we put in place guarantees to ensure a sustainable supply of raw materials sourced from forest areas. And, in 2014, with the release of our Zero Deforestation Policy, we pledged to ensure no ingredients or raw materials used in our products would be linked to deforestation. In 2020, we published a new, even more ambitious Forest Policy to extend our scope and depth of action and emphasize the respect for human rights and the improvement of the living conditions of local communities.



L'Oréal has been awarded for the 6th consecutive year, an A rating for its action to protect forests.

SPOTLIGHT ON Solidarity Sourcing: shea butter in Burkina Faso

Shea butter, well-known as a moisturiser and softener, is an ingredient found in 1,200 health, beauty and cosmetic products from the L'Oréal Group. We introduced a sustainable sourcing programme for shea butter in partnership with communities in Burkina Faso. The L'Oréal programme has three objectives: to provide a fair, direct income, with no middlemen, to these shea-nut gatherers; to create value locally through training on best practices in collecting and processing; and to protect the environment through the preservation of shea trees.

Since 2016, sustainable sourcing of shea butter has helped tackle energy poverty and deforestation by facilitating the distribution of 'improved' stoves to women.

This has had a number of environmental and social benefits: halving household wood consumption, avoiding deforestation, curbing CO₂ emissions, and ushering in long-term improvements in the living and working conditions of local communities.

The L'Oréal Fund for Nature Regeneration

In 2020, as part of our effort to protect biodiversity, we chose to look beyond our own value chain by creating the L'Oréal Fund for Nature Regeneration, a €50m impact investment fund that intends to combine financial performance with the creation of environmental and social value.

By supporting projects to rehabilitate degraded lands, regenerate mangroves, and restore marine areas and forests, the fund aims to help preserve or restore one million hectares of ecosystem, to capture 15 to 20 million tonnes of CO₂ and create thousands of jobs by 2030.

SPOTLIGHT ON Impact investing: rewilding in the UK

The UK has lost more of its natural biodiversity than almost anywhere else in western Europe, standing in the bottom 10% globally. For this reason, in October 2021, the L'Oréal Fund for Nature Regeneration invested in a rewilding project with an organisation called The Real Wild Estates Company (RWE). The Somerset-based organisation is spearheading the country's first major private-sector rewilding project, which aims to restore 50,000 hectares of degraded habitat nationwide and create up to 1,000 direct jobs.

