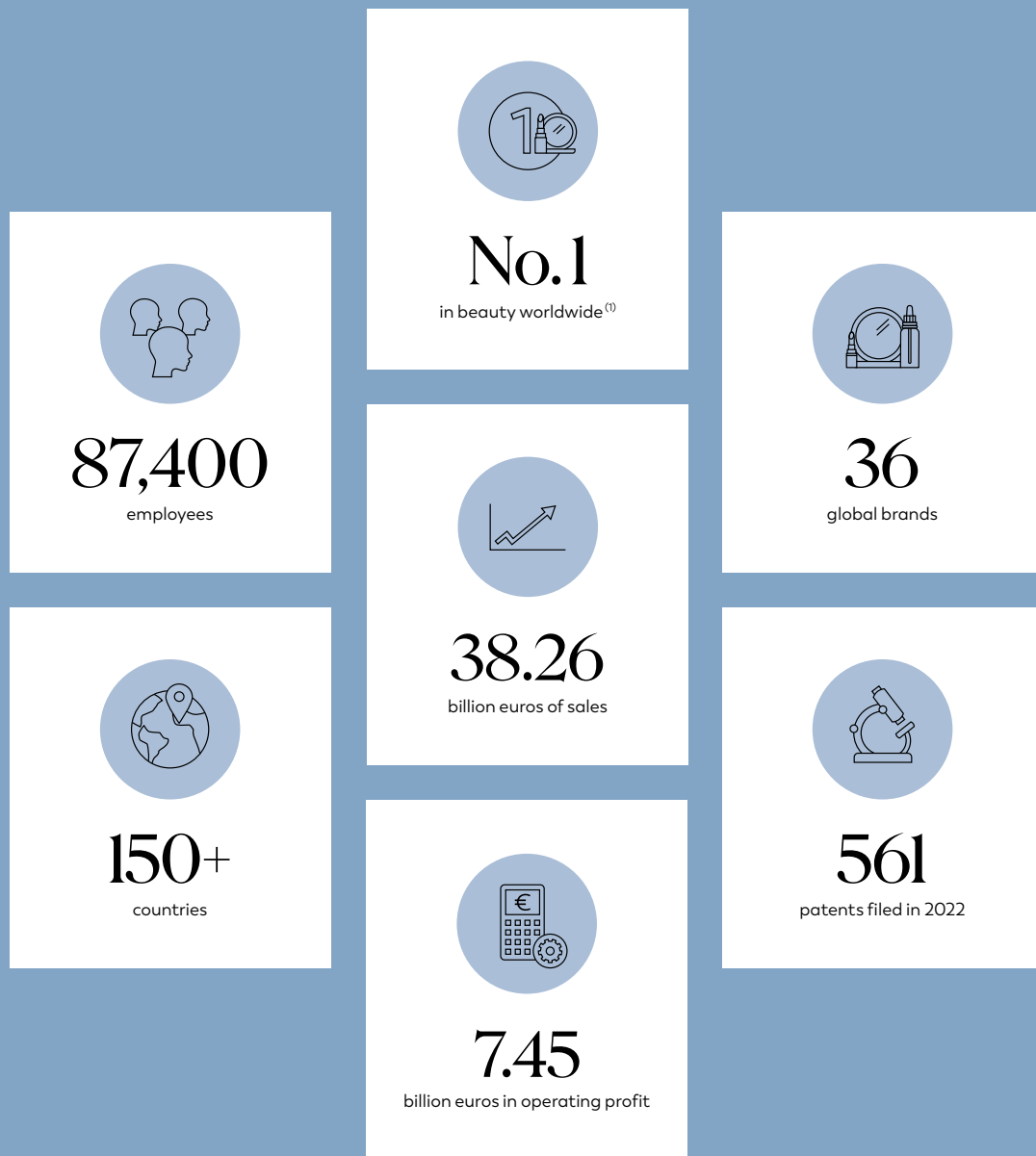




# L'ORÉAL

2022 ANNUAL REPORT - THE ESSENTIALS



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## OUR PURPOSE

The desire for beauty has existed since the beginning of humanity. It's a universal aspiration which crosses time, countries, and cultures.

**Beauty is a powerful force that moves us.** We know that beauty is more than just looking good. Beauty gives us confidence in who we are, in who we want to be, and in our relationships with others.

For over a century we have been dedicated to one sole vocation: creating beauty. We remain true to the pioneering spirit of our founder and enjoy the unwavering support of his family, who have always accompanied our development.

**Our 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 beauty is a permanent quest,** we harness the power of our innovation to continually enhance the performance of our products and services.

**Because we value diversity,** we leverage each of our brands to celebrate all expressions of beauty.

**Because we strive to be exemplary with a long-term vision,** we anchor our actions in our strong values and demanding ethical principles.

And because we are the global leader in beauty, we are aware that **everything we do can have a meaningful impact.**

Therefore:

**We act to shape the future of beauty** by leveraging the best of science and technology, increasingly inspired by nature.

**We act to drive social innovation** by offering the best working conditions, training, and social protection for our employees.

**We act to build a business with inclusivity at its heart** by ensuring we are as diverse as the people we serve.

**We act to nurture lasting partnerships with our clients and suppliers** based on mutual trust and collaboration.

**We act to create value for all our shareholders,** by sustaining a robust business model.

**We act to champion the cause of women** and to strengthen the communities with which we engage.

**We act to protect the beauty of the planet** by fighting climate change, respecting biodiversity and preserving natural resources.

At L'Oréal, we share a common purpose to:

# Create the beauty that moves the world

(1) Source: Beauty's Top 100, WWD, May 2022, based on 2021 sales.



“More than ever, L'Oréal is driven by tremendous energy”

**JEAN-PAUL AGON**  
Chairman of the Board of Directors

In a turbulent environment, L'Oréal showed outstanding agility and overcame a series of challenges thanks to the assets that make it strong.

The first of these assets is our people: the L'Oréalians. They are the secret to our company's success. Their determination to go that extra mile and their spirit of solidarity were, once again, exemplary. They have my utmost admiration.

Nicolas Hieronimus' inspiring leadership was of course crucial in guiding teams and unlocking the impressive growth momentum in our sales, market shares and results. He and the Executive Committee succeeded in swiftly rising to challenges while seizing every opportunity in an ever-changing market. The complementarity of our roles as Chairman and CEO is crucial in pursuing L'Oréal's ambitious and harmonious development.

I know our people are utterly committed to fighting for a more sustainable planet and a more caring world. As Chairman, I will always ensure L'Oréal continues to embody and inspire change with perseverance, ambition and sincerity. Dual financial and social excellence will always be at the heart of our business model.

On behalf of the Board of Directors, I would like to thank and congratulate our CEO, the members of the Executive Committee and all our employees around the world for their remarkable achievements.

L'Oréal's highly demanding governance is also one of its fundamental assets. With their wide-ranging expertise and fruitful exchanges, our directors foster a long-term vision and set a clear course for the Group. This year, the Board focused on strategies in Research & Innovation, Beauty Tech and Green Sciences, as well as our corporate social and environmental responsibility.

Another key asset is the loyalty of our shareholders, with whom the Group has a very close relationship. In this respect, 2022 was a year to remember in terms of the many awards received by L'Oréal for the quality of its financial communications.

Finally, our founding principles never waver. They give us the stability to weather any storm. Underpinned by entrepreneurial spirit, boldness, imagination and ethics, L'Oréal is full of resources, thrives on its diversity and is concerned about the world we live in.

All of these assets fill me with immense confidence in the future.

We are perfectly prepared to create the best of beauty. Our market is solid, our value creation model is balanced and virtuous. Our governance is robust and vigilant. Our teams are talented and determined. Our brands are strong and inclusive. Innovation is in our DNA and greatly augmented by our Beauty Tech and digital edge.

More than ever, L'Oréal is driven by tremendous energy.



“L'Oréal has emerged stronger from 2022, we are fit for the future”

**NICOLAS HIERONIMUS**  
Chief Executive Officer

2022 was another year of remarkable, balanced and responsible performance. Reinforcing its position as the world's leading beauty company, L'Oréal grew 1.8 times faster than the market, with +10.9% like-for-like growth and +18.5% reported, outperforming the market across all Divisions, all geographic Zones and all categories for the second year in a row.

The L'Oréal engine fired on all cylinders and the Group delivered another strong operating margin improvement. In line with our dual ambition of economic and corporate performance, L'Oréal has continued to deliver strong environmental and social performance. Our teams around the world are at the heart of this tremendous collective success.

Over the past three years, in a context of unprecedented polycrisis, we have continued to transform ourselves and make our business model more virtuous. Leveraging our Research & Innovation capacity and strong brands, as well as our digital leadership, we have widened the gap with the market: we have emerged stronger from 2022 and are confident in our ability to achieve another year of growth in sales and profits in 2023.

Looking forward, we already see the dawn of a new era, multipolar and fragmented, augmented by Tech and Artificial Intelligence, with the highest expectations in terms of sustainability, purpose and cultural diversity. L'Oréal is uniquely positioned to win in this new world and evolve from “beauty for all” to “beauty for each”, by leveraging its strengths: an unrivalled portfolio of desirable brands; our innovation leadership to champion Beauty Tech and stimulate consumers' appetite for beauty with cutting-edge products and services; our industrial agility and our multipolar model – strategically centralised and operationally decentralised, with a strong entrepreneurial spirit. We are confident that the beauty market will grow yet further and that we will outperform, thanks to our unique culture.

L'Oréal is ready for a new era!



Watch the full interview with the CEO by scanning this QR code or on [lorealannualreport2022.com](https://lorealannualreport2022.com)

# Board of Directors

The directors draw on a diverse, complementary range of industrial, entrepreneurial, financial and ESG expertise to ensure swift and in-depth insight into the development challenges facing L'Oréal – the leader of a globalised, highly competitive cosmetics market undergoing significant change, where sustainable innovation and the ability to adapt are crucial.

The Board of Directors focuses the majority of its efforts on strategic questions, to promote and accelerate the Group's transition to an ever more digital and sustainable L'Oréal. Committed and proactive, driven by the conviction that stringent governance creates value for the company, the directors play a tireless, dynamic

role in the work of the Board and its committees, which issue detailed, insightful, well-founded recommendations. The Board makes decisions designed to ensure the future and long-term growth of L'Oréal, taking into account the social and environmental impact of its business as well as its purpose.



**Jean-Paul Agon**  
Chairman of the Board of Directors  
(reappointed in 2022)



**Nicolas Hieronimus**  
Chief Executive Officer  
(since 2021)



**Françoise Bettencourt Meyers**  
Vice-Chairwoman of the Board of Directors  
(reappointed in 2021)



**Paul Bulcke**  
Vice-Chairman of the Board of Directors  
(reappointed in 2021)



**Sophie Bellon**  
(reappointed in 2019)



**Patrice Caine**  
(reappointed in 2022)



**Fabienne Dulac**  
(since 2019)



**Belén Garijo**  
(reappointed in 2022)



**Béatrice Guillaume-Grabisch**  
(reappointed in 2020)



**Thierry Hamel**  
(since April 2022)



**Ilham Kadri**  
(since 2020)



**Jean-Victor Meyers**  
(reappointed in 2020)



**Nicolas Meyers**  
(since 2020)



**Virginie Morgon**  
(reappointed in 2021)



**Alexandre Ricard**  
(since 2021)



**Benny de Vlieger**  
(since April 2022)

# Executive Committee

Executive Committee members are in charge of L'Oréal's Divisions, Functional Departments and geographic Zones. They implement strategic guidelines and direct Group activities worldwide.



**Nicolas Hieronimus**  
Chief Executive Officer



**Barbara Lavernos**  
Deputy Chief Executive Officer  
In charge of Research, Innovation  
and Technology



**Christophe Babule**  
Chief Financial Officer



**Vincent Boinay**  
President  
Travel Retail



**Cyril Chapuy**  
President  
Luxe



**Myriam Cohen-Welgryn**  
President  
Dermatological Beauty<sup>(1)</sup>



**Vianney Derville**  
President  
Europe Zone



**Asmita Dubey**  
Chief Digital and Marketing Officer



**David Greenberg**  
President  
North America & Chief Executive Officer  
L'Oréal USA



**Omar Hajeri**  
President  
Professional Products



**Blanca Juti**  
Chief Corporate Affairs  
& Engagement Officer



**Jean-Claude Le Grand**  
Chief Human Relations Officer



**Fabrice Megarbane**  
President  
North Asia Zone & Chief Executive  
Officer L'Oréal China



**Alexandra Palt**  
Chief Corporate  
Responsibility Officer and  
CEO of the Fondation L'Oréal



**Alexis Perakis-Valat**  
President  
Consumer Products



**Ersi Pirishi**  
President  
Latin America Zone



**Frédéric Rozé**  
Chief  
Global Growth Officer



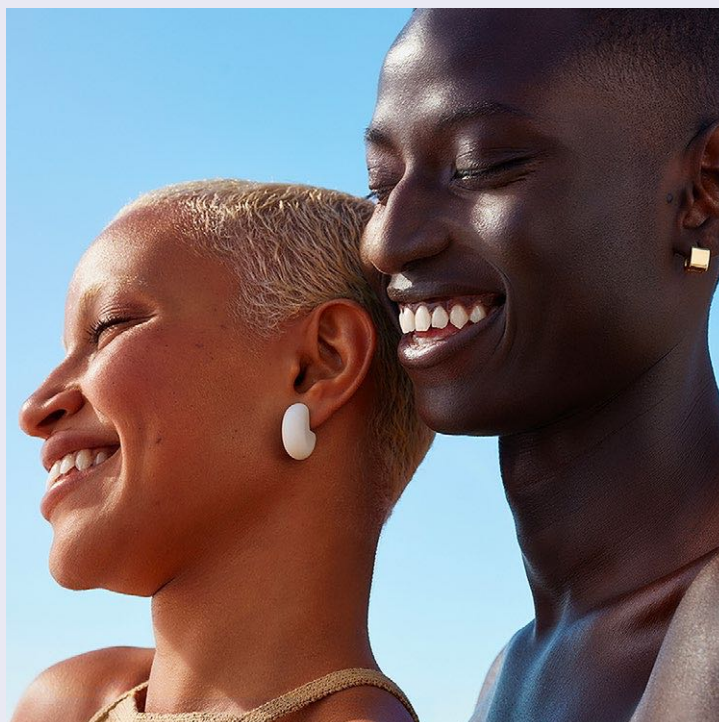
**Vismay Sharma**  
President South Asia, Pacific, Middle East,  
North Africa Zones



**Antoine Vanlaeys**  
Chief  
Operations Officer

(1) Formerly known as the Active Cosmetics Division.

**L'Oréal is the world's leading name in beauty, its sole vocation and the exclusive focus of its expertise and passion for over 110 years.**



## From “beauty for all” to “beauty for each”

**L'Oréal covers more than 150 countries** across all product categories, all distribution channels and all price points, to meet each person's specific beauty aspirations. The Group listens carefully to consumers and has deep respect for their differences. It also capitalises on its portfolio of culturally diverse brands and its offering of personalised products and services powered by artificial intelligence, data and Beauty Tech.

## Ethical principles

**Ethics is at the heart of L'Oréal's governance and commitments.**

The Group is built on strong ethical principles:

**Integrity:** because acting with integrity is vital to building and maintaining long-term, trust-based relationships.

**Respect:** because we strive to have a positive impact on all our stakeholders.

**Courage:** because ethical questions are rarely easy but must be addressed.

**Transparency:** because we must always be sincere and able to justify our actions.



## A commitment to innovation

**Innovation sits at the heart of L'Oréal's model.**

The Group invests more than a billion euros a year in Research, blending science and creativity to maintain its lead and invent beauty that is increasingly effective, inclusive and sustainable.

# Financial performance

L'Oréal's unique multipolar model allows to build dynamic, profitable and sustainable growth.



## STRONG INCREASE IN PROFITABLE GROWTH IN 2022

Sales

€38.26 Bn

+18.5% reported growth +10.9% like-for-like growth<sup>(4)</sup>

Capital expenditure

3.5% of sales

Net debt

€3,033 m

Operating profit

€7.45 Bn

+21.0% growth

Operating margin

19.5% of sales

Earnings per share<sup>(5)</sup>

€11.26

an increase of +27.6%

Market capitalisation

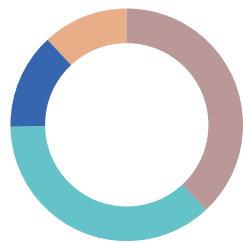
€178.5 Bn

At 31 December 2022<sup>(6)</sup>

## BREAKDOWN OF 2022 SALES

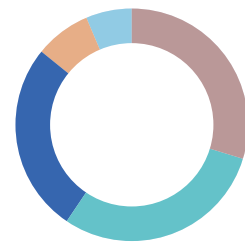
(as %)

### Divisions



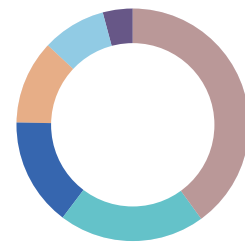
- 38.3% Luxe
- 36.6% Consumer Products
- 13.4% Dermatological Beauty
- 11.7% Professional Products

### Geographic Zones



- 29.9% Europe
- 29.6% North Asia
- 26.6% North America
- 7.7% SAPMENA - SSA<sup>(1)</sup>
- 6.2% Latin America

### Business segments



- 40.1% Skincare and sun protection
- 20.2% Makeup
- 15.0% Haircare
- 11.9% Fragrances
- 8.8% Hair colouring
- 4.0% Other<sup>(2)</sup>

(1) South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

(2) "Other" includes hygiene products as well as sales by American professional distributors with non-Group brands.

## E-COMMERCE<sup>(3)</sup>

€10.8 Bn sales in e-commerce

+8.9% growth in e-commerce sales

28% of consolidated sales

(3) Sales on our brands' own websites and with e-commerce pure players + estimated sales by our brands via retailer websites (non-audited data); like-for-like.

(4) Like-for-like: based on comparable structures and identical exchange rates.

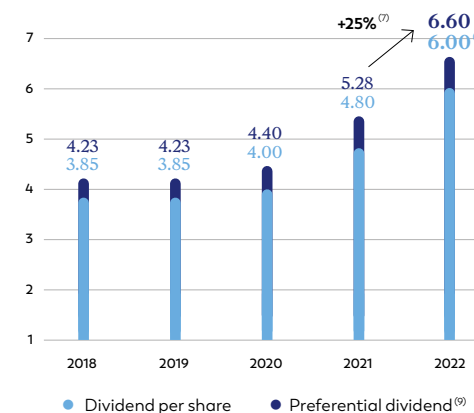
(5) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.

(6) Based on the number of shares at 31 December 2022, i.e. 535,186,562.

## A DYNAMIC SHAREHOLDER RETURN POLICY

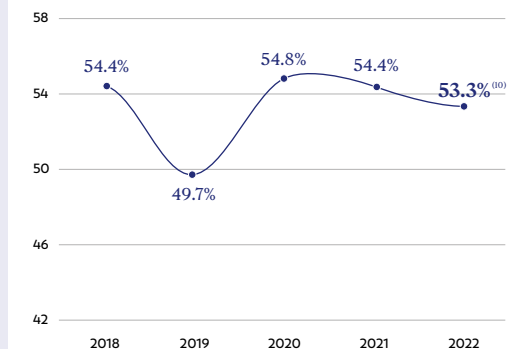
### Dividend per share

(in euros)



### Pay-out ratio

(as % of profit)



(7) Based on the €6.00 dividend proposed at the AGM on 21 April 2023.

(8) Proposed at the AGM on 21 April 2023.

(9) Preferential dividend of +10% for shareholders who continuously hold their shares in registered form for a minimum of two full calendar years, up to a maximum of 0.5% of the capital for the same shareholder.

(10) Pay-out ratio based on diluted earnings per share, excluding non-recurring items, after non-controlling interests. Based on the €6.00 dividend proposed at the AGM on 21 April 2023.

# Social & environmental performance

2022 was the second year of implementation for L'Oréal for the Future, the Group's sustainability programme for 2030.



## L'ORÉAL FOR THE FUTURE

For many years now, L'Oréal has been working to reduce its impact on the environment and make a positive contribution to society.

Building on its belief that financial performance goes hand in hand with environmental and social performance, the Group renewed its commitment in 2020 by launching **L'Oréal for the Future**.

The programme outlines the sustainable transformation L'Oréal aims to complete by 2030 and embodies the three facets of the Group's corporate responsibility goals:

- Reducing our impact and ensuring the Group's business respects planetary boundaries established by the international scientific community.
- Empowering our ecosystem to be a part of the transformation by encouraging our partners, our consumers, our industry and beyond to become agents for change.
- Contributing to solving the environmental and social challenges of the world.

Our aim: to work together to build a more resilient, more inclusive, more sustainable future.

## DISTINCTIONS

<p><b>CDP: Top AAA score for seven years in a row</b></p>	<p><b>ESG assessment 85/100</b></p>	<p><b>83/100 Platinum medal</b></p>
<p><b>Recognised for the 13<sup>th</sup> year by Ethisphere</b></p>	<p><b>Bloomberg Gender Equality Index for the 5<sup>th</sup> consecutive year</b></p>	<p><b>No. 5 in the Universum worldwide ranking (business schools)</b></p>



### Transforming our business

By 2025, **all our sites will have achieved "carbon neutral"**<sup>(1)</sup> status by improving energy efficiency and using 100% renewable energy.

By 2030, **100% of the water used in our industrial processes will be recycled and reused in a loop.**<sup>(2)</sup>

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 formulas will be biobased, derived from abundant minerals or from circular processes.**

By 2030, **100% of the plastic used in our packaging will be either from recycled or biobased sources** (we will reach 50% by 2025).



### Empowering our business ecosystem

By 2030, **3 million people will benefit from our brands' social engagement programmes.**



### Contributing to solving the challenges of the world

By 2023, **we will have allocated 50 million euros** to support the most vulnerable women via the L'Oréal Fund for Women.

#### 2022 RESULTS

#### 2030 GOALS

65% 100%

13% 100%

92%<sup>(3)</sup> 100%

61% 95%

26% 50% 100%

2.5 m<sup>(4)</sup> 3 m

€30 m €50 m

(1) A site can claim "carbon-neutral" status if it meets the following requirements: • Direct CO<sub>2</sub> (Scope 1) = 0, with the exception of: the gas used for catering, the fuel oil used for sprinkler tests, fossil energy consumptions during maintenance of on-site renewable facilities, cooling gas leaks if they are lower than 130 tonnes CO<sub>2</sub>eq./year; and • Indirect CO<sub>2</sub> Market Based (Scope 2) = 0. The renewable energy sources must be located on site or less than 500 kilometres from the site, and be connected to the same distribution network. The "carbon-neutral" status, as defined above, is achieved without carbon offsetting.

(2) At a Waterloop plant, mains water is only used for human consumption and as a raw material in product manufacturing. All water used for utilities (cleaning equipment, producing steam, etc.) is reused or recycled in a loop on site.

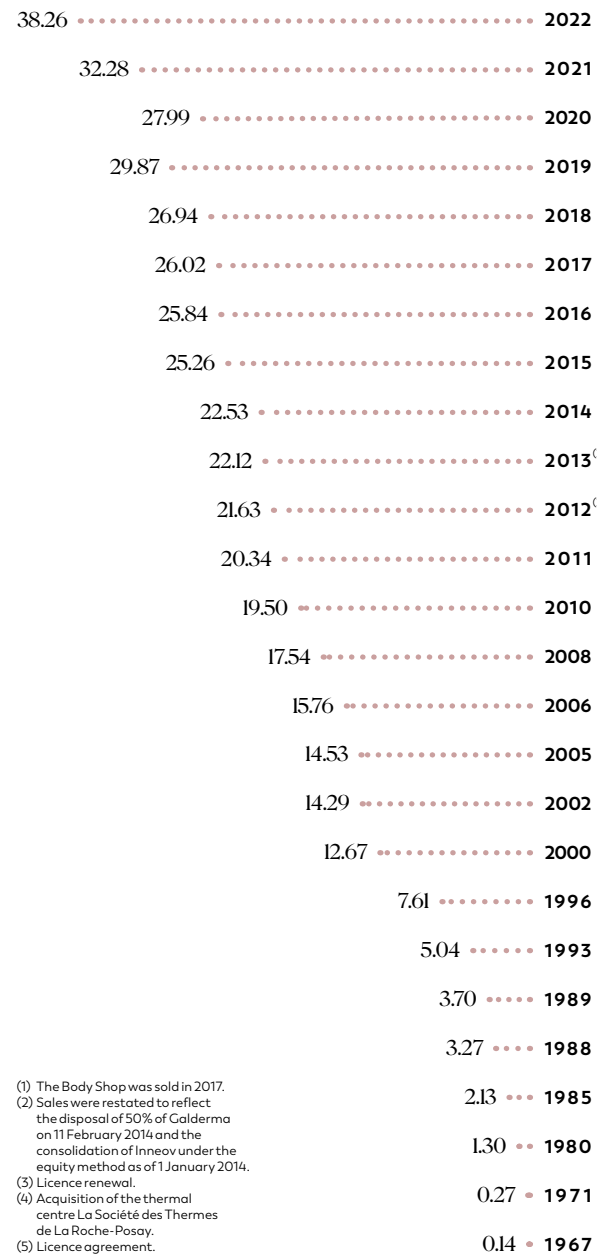
(3) Scope: bio-sourced ingredients of formulas, packaging excluded.

(4) Consolidated data based on statements received directly from NGO partners.

# Acquisitions

L'Oréal has been building a unique portfolio of brands to satisfy all beauty aspirations in their infinite diversity for over a century through targeted acquisitions.

## Consolidated Group revenues in € billions



## History of acquisitions



(1) The Body Shop was sold in 2017.  
 (2) Sales were restated to reflect the disposal of 50% of Galderma on 11 February 2014 and the consolidation of Inneov under the equity method as of 1 January 2014.  
 (3) Licence renewal.  
 (4) Acquisition of the thermal centre La Société des Thermes de La Roche-Posay.  
 (5) Licence agreement.

# Global Brands

The L'Oréal brands are organised in Divisions, each of which has a specific vision of beauty, by consumer universe and distribution channels.

## CONSUMER PRODUCTS



## LUXE



## PROFESSIONAL PRODUCTS



## DERMATOLOGICAL BEAUTY





Lancôme  
 Yves Saint Laurent  
 Giorgio Armani  
 Kiehl's  
 Helena Rubinstein  
 Biotherm  
 Shu Uemura  
 IT Cosmetics  
 Urban Decay  
 Valentino  
 Mugler  
 Ralph Lauren  
 Prada  
 Viktor&Rolf  
 Maison Margiela  
 Azzaro  
 Cacharel  
 Takami  
**Luxe**  
 Diesel  
 YueSai  
 Youth To The People  
 Atelier Cologne  
 Carita



### The Beauty Tech<sup>(2)</sup> champion

Technology is revolutionising the services the Division provides with cutting-edge "diagnosis" tools underpinned by artificial intelligence. Lancôme Skin Screen, which delivers an incredibly accurate additional skin "diagnosis" and recommends suitable beauty routines, is just one example.



### Brands expand environmental initiatives

Division brands remain committed to investing in the future of the planet, as embodied by Biotherm, which forged ahead with Water Lovers, its ocean conservation and marine biodiversity protection initiative. Its IMOCA sailboat set out to gather scientific data, equipped with sensors and captained by Paul Meilhat.

### Fragrances once again secure top spots

L'Oréal Luxe continued to flourish as the leader in fragrances – the fastest-growing category in the selective market – thanks to the success of global mainstays such as La Vie est Belle by Lancôme and Libre by Yves Saint Laurent, and exceptional fragrances like those by Maison Margiela and Armani Privé. Further impetus came from remarkable new launches, epitomised by Paradoxe, the first women's fragrance since L'Oréal acquired the Prada licence, which enjoyed a simultaneous global launch.



**+10.2%**  
 growth in  
 Division sales,  
 like-for-like<sup>(1)</sup>

### High-potential acquisitions

The brands L'Oréal Luxe acquired in 2021 are already living up to their potential. Japanese skincare brand Takami has set out to conquer the North Asia Zone, beginning with China. High-performance skincare brand Youth To The People, based in California, has been a hit with consumers in the United States.



Discover all the highlights of the Luxe Division on [lorealannualreport2022.com](https://www.lorealparis.com/annual-report-2022)

<sup>(1)</sup> Like-for-like: based on comparable structures and identical exchange rates.  
<sup>(2)</sup> New technologies for the beauty industry.

# Consumer Products

L'Oréal Paris  
 Garnier  
 Maybelline New York  
 NYX Professional Makeup  
 3CE Stylenanda  
 Essie  
 Mixa  
 Niely  
 Dark and Lovely  
 Vogue

Carol's Daughter  
 Thayers  
 La Provençale



## Premiumisation and innovation

The Division is pursuing its premiumisation strategy, making high-end products affordable in a supply driven market. The brands continue to democratise high value-added innovations like Revitalift Filler HA 20 Cream by L'Oréal Paris, launched in China this year.

## Makeup's triumphant return

The makeup category rebounded strongly, recording sales above pre-pandemic levels. Formulas now feature active ingredients, like vitamin C, which first appeared in Superstay Vinyl Ink Fresh Tint by Maybelline New York and in Glow Shots eyeshadow by NYX Professional Makeup.

**+8.3%**  
 growth in  
 Division sales,  
 like-for-like<sup>(1)</sup>



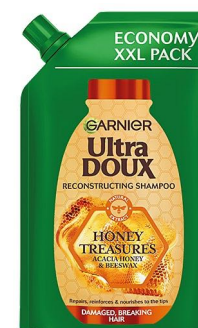
## L'Oréal is restoring the magic of mass-market beauty

The Division is working hard to turn the purchasing experience into a comprehensive introduction to its products by rolling out new concepts in points of sale around the globe. It aims to make its offer clearer, showcase product categories, and provide an omnichannel experience linked to online brand activations.



## Fully committed to protecting the planet

The brands are rolling out concrete initiatives to help reach the L'Oréal for the Future<sup>(2)</sup> targets, such as the enhanced revamp of Ultimate Blends and increased availability of refill systems to reduce packaging.



Discover all the highlights of the Consumer Products Division on [lorealannualreport2022.com](https://lorealannualreport2022.com)

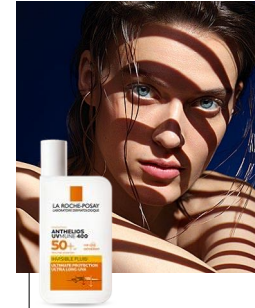
(1) Like-for-like: based on comparable structures and identical exchange rates.  
 (2) The Group's sustainable development programme for 2030.



La Roche-Posay  
CeraVe  
SkinCeuticals  
Vichy

# Dermatological Beauty

Skinbetter Science  
Sanoflore  
Decl or



## Innovating for health and beauty

More than 10 years of research, 31 patents and 68 studies led to the development of Meroxyl 400, the most effective UV filter to protect the skin against damaging UVA rays. La Roche-Posay capitalised on this innovation to launch Anthelios UVMune 400.



## Digital partners and cutting-edge technologies

Vichy began a partnership with Clue, a digital application for tracking menstrual cycles. It helps to better understand the impact of hormonal changes on the skin, in order to better inform and support women.

## Aesthetic brands are booming

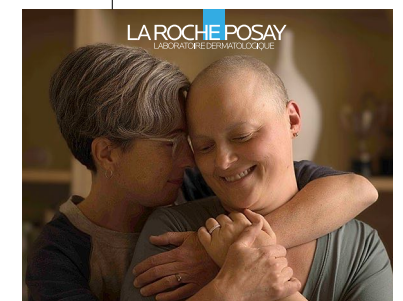
In 2022, the Division strengthened its professional aesthetic focus by acquiring American brand Skinbetter Science. Complementing SkinCeuticals, Skinbetter Science is in tune with the rise of dermatology, aesthetic medicine and professional distribution.



**+21.9%**  
growth in  
Division sales,  
like-for-like<sup>(1)</sup>

## La Roche-Posay commits to improving access to healthcare

La Roche-Posay, which has long supported cancer patients, strengthened its commitment to the cause by partnering with the Union for International Cancer Control (UICC). In 2022, the brand reopened its iconic thermal centre in France, where patients suffering from skin diseases receive dermatological care and well-being treatments.



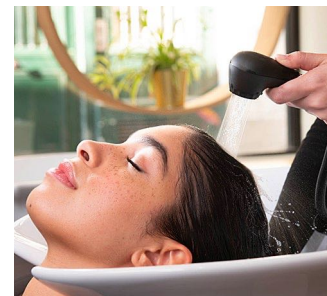
Discover all the highlights of the Dermatological Beauty Division on [lorealannualreport2022.com](https://lorealannualreport2022.com)

(1) Like-for-like: based on comparable structures and identical exchange rates.

L'Oréal Professionnel  
 Kérastase  
 Redken  
 Matrix  
 Biolage  
 Pureology

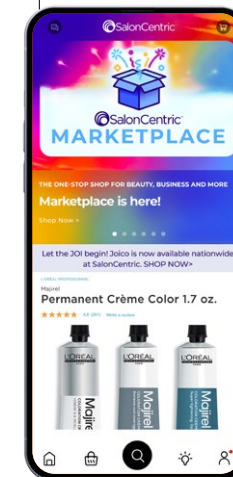
# Professional Products

Pulp Riot  
 Shu Uemura Art of Hair  
 Mizani



## “Hairstylists for the Future”

The Division launched an international programme to involve the whole hairdressing community in the green transition. L'Oréal supports salons as they strive to reduce water use, increase recycling and transition to renewable energy.



## A digital boost for stylists

The Professional Products Division has digitalised sales via the B2B ordering platform, L'Oréal Partner Shop. In the United States, the Division has innovated with the launch of its first digital marketplace exclusively for beauty professionals. The platform sells products by SalonCentric as well as related products and services.

**+10.1%**  
 growth in  
 Division sales,  
 like-for-like<sup>(1)</sup>



## Curls in the limelight

The curl segment is ripe for major innovations, and brands are capitalising on the advances and discoveries made by Research & Innovation. L'Oréal Professionnel brought together a team of international experts to co-develop its hydrating Curl Expression range, which provides exceptional protection and control for curly and coily hair.

## Responsible brands



REDKEN

Each Division brand has committed to a particular social or environmental cause. For example, Redken has partnered with It Gets Better to provide training opportunities and run online campaigns in which hairdressers share their own personal stories to make the industry an inclusive place.

Discover all the highlights of the Professional Products Division on [lorealannualreport2022.com](https://lorealannualreport2022.com)

<sup>(1)</sup> Like-for-like: based on comparable structures and identical exchange rates.



# Shaping the **future**

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Thanks to its multipolar model, unique culture and ability to capitalise on the power of data and artificial intelligence, all while pursuing its environmental transformation, L'Oréal continues to strengthen its lead, create sustainable value and share it with stakeholders.

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of  
**beauty**

Highlights



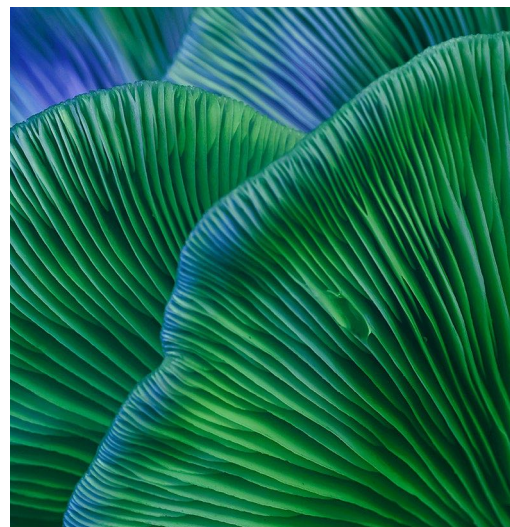
Exploring new fields of research

Green Sciences are opening up unprecedented new fields of exploration: Dutch startup Microeos helped to develop medical treatment Lipikar Eczéma MED by La Roche-Posay by sharing a lysin molecule which targets bacteria that are harmful to skin flora without harming the rest of the skin microbiome.<sup>(2)</sup>



Research to boost inclusiveness

Research & Innovation launched a major study of 15,000 people of all ages, genders, complexions, hair types and ethnic origins in eight countries to strengthen the Group's diversity expertise and use it to develop increasingly inclusive services.<sup>(3)</sup>



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# The Green Sciences<sup>(1)</sup> revolution

Using Green Sciences to revamp its formulas, Research & Innovation is creating increasingly high performance, inclusive and sustainable beauty.

(1) Wide range of disciplines, from sustainable cultivation to biotechnologies, upon which L'Oréal relies to meet its sustainable development goals all while creating safe, high-performance products.  
 (2) An invisible ecosystem of microorganisms living inside and on the surface of the skin whose balance is crucial for its well-being.  
 (3) In line with applicable regulations.

Highlights

# Beauty augmented by technology

As it expands beauty's horizons, Beauty Tech<sup>(1)</sup> constitutes a new field of growth and innovation for L'Oréal at the intersection of science and technology.



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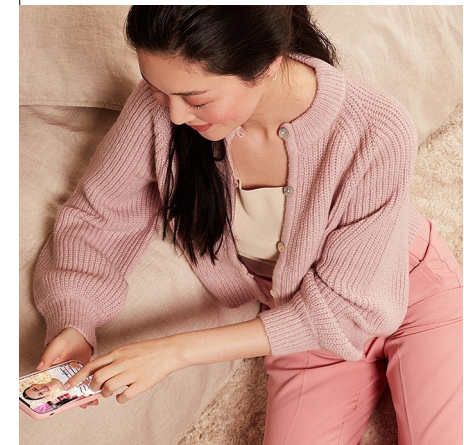


Strategic partners

L'Oréal expands its expertise and knowledge by working with first-rate partners. Climate tech company BreezoMeter, which specialises in exposure to UV rays and air pollution and explores how the environment impacts skin ageing, is just one example.

E-commerce goes social

Influencers, beauty advisors and dermatologists boost brand awareness by providing advice directly to consumers. These social experiences create a more seamless path to purchase, incorporating more and more personalisation and entertainment. L'Oréal already has a very solid footing in this online sales model and was number one in terms of share of influence in 2022.<sup>(2)</sup>



(1) New technologies for the beauty industry.  
 (2) Source: Traackr MIM data, January to December 2022.

Highlights



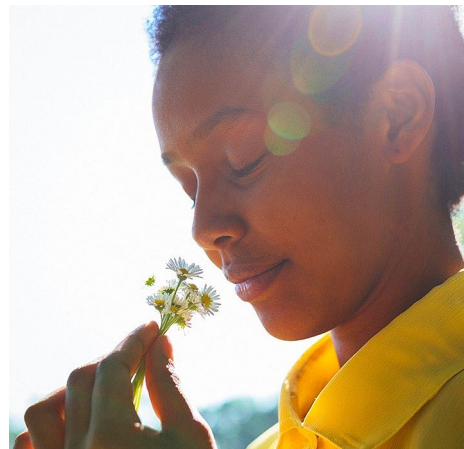
L'Oréal for the Future

Launched in 2020, the L'Oréal for the Future programme embodies the Group's corporate responsibility ambitions and its conviction that companies have a concrete role to play in rising to the challenges of our time. In 2022, the Group continued its efforts to contribute to a more sustainable and equitable transition. *(Learn more on page 12.)*



Rising to social and environmental challenges

The Group is bringing its commitments to life through many concrete initiatives. For example, the L'Oréal Fund for Women, which supports women at risk and aims to prevent violence against women, has provided direct assistance for over 1.2 million beneficiaries since it was founded in 2020. With the Fund for Nature Regeneration, L'Oréal invested in the startup Rize, which aims to accelerate the transition to low-carbon agriculture. This investment will help to make Rize a pioneer in regenerating agricultural land in France and Europe.



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# Towards a more sustainable model

L'Oréal is accelerating its sustainable transformation to help create a more responsible and inclusive model, and engaging its stakeholders in the process.

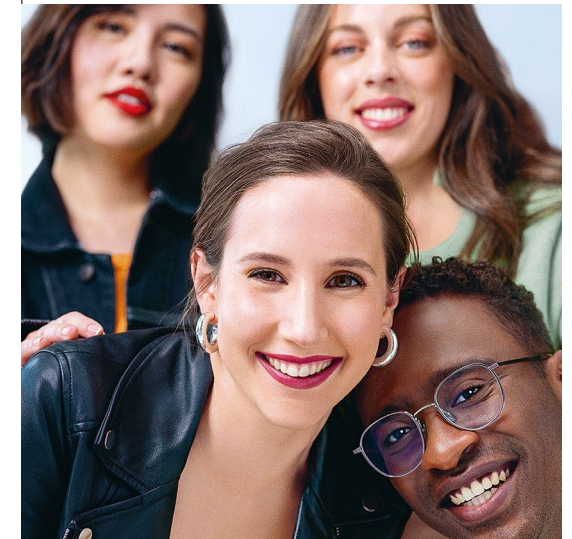
Highlights

# Talent and Diversity

The Group's employees are at the heart of L'Oréal's success. With them and thanks to them, L'Oréal is shaping the future of beauty based on strong human values.



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Committed to youth employment

With its L'Oréal for Youth programme, the Group provides job opportunities for 25,000 people under 30 every year. In 2022, it also launched the L'Oréal BOOST programme in partnership with leading online training provider Coursera to give 20,000 students a year access to a selection of online courses essential to acquiring skills for the future.

Third Employee Share Ownership Plan

As part of its third Employee Share Ownership Plan, rolled out in more than 60 countries, L'Oréal gave its employees the opportunity to buy Group shares on special terms to involve them more in its success and its future. 35% of employees have subscribed, evidence of the commitment and trust among staff worldwide.



Highlights

# A responsive and responsible supply chain

Across the entire value chain of products and services, the Operations teams work with their partners to develop the most responsive and efficient solutions.



### Innovative eco-design

L'Oréal has been committed to eco-designing its products for over 15 years. The Group relies on innovation in packaging design and use, such as refillable containers, which are now available in all product categories. To give just one example, the iconic fragrance La Vie est Belle by Lancôme now comes in a refillable bottle.



### Performance and innovation

The success of dermatological beauty brand CeraVe illustrates the agility of L'Oréal's industrial model, which made it possible to ramp up production in the United States, Europe, Latin America and China in record time. CeraVe successfully increased production eightfold in France between 2019 and 2021.



To learn more, scan this QR code or visit [lorealannualreport2022.com](http://lorealannualreport2022.com)

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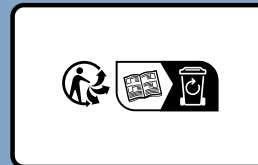
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