

**Changes in the data of the GHG Balance since 2016 (thousands of tonnes of CO<sub>2</sub> equivalent)**

		COMMENTS	2016	2019	2020	2021
Reported figures	Scopes 1, 2 and 3		114	11,762	11,225	12,526
	Scope 3		unpublished <sup>(1)</sup>	11,682	11,169	12,488
Unpublished data	Scopes 1, 2 and 3	Unpublished 2016 GHG balance results Scopes 1, 2 and 3	9,881 <sup>(2)</sup>			
	Scope 3		9,712 <sup>(2)</sup>			
Restatements of data	Scopes 1 and 2	<b>TOTAL RESTATEMENTS</b>	-55			
		Improvement in the accuracy of the scope (3)	-55			
	Scope 3	<b>TOTAL RESTATEMENTS</b>	3,162	588	791	
		Improvement in the accuracy of the scope <sup>(4)</sup>	1,322	1,014	666	
		Improvement in the precision of the methodology <sup>(5)</sup>	259	258	264	
		Improvement in the precision of the methodology <sup>(6)</sup>	177	27	-139	
		Update of the emission factors <sup>(7)</sup>	1,404	-711		
Like-for-like basis	Scopes 1, 2 and 3		12,988	12,350	12,016	12,526
	Scope 3		12,874	12,270	11,960	12,488

(1) In 2016, the Scope 3 total reported was that of 2015; only the five main items of the 2016 Scope 3 were updated and reported (representing 90% of Scope 3). The work on the 2016 GHG balance continued pursuant to the SBT commitments.  
 (2) Data calculated under the SBT commitments (SBT baseline Scopes 1, 2 and 3).  
 (3) Variation in allocations to leased vehicles and stores, in Scope 3.  
 (4) Improvement in the accuracy of the data (emissions related primarily to services purchased, the POS and IT)  
 (5) Variation in the methodology and external data bases (transport and capital goods)  
 (6) Variation in the methodology and alignment of the internal data bases  
 (7) Variation in the source of the data on the energy mix used for residential water heating in the different countries.

For more information on the changes to the GHG balance data for the above years, together with the restatements published in 2020, please refer to the detailed table in section 4.6.4.

**4.3.1.4.2. Science-Based Targets commitment**

In 2015, L'Oréal undertook to define Science-Based Targets to reduce its greenhouse gas emissions across its entire value chain and over the long term, in accordance with the Paris Agreement on climate change.

In December 2017, the SBT initiative has validated the Group's proposal: Thus, by 2030, L'Oréal is committed to reducing by 25% in absolute value the greenhouse gas emissions of Scopes 1, 2 and 3 (with full coverage of the items of Scope 3, in accordance with the definition of the GHG Protocol), with a reference year of 2016; in particular, the Group is committed in particular to reducing greenhouse gas emissions from all sites it operates by 100% by 2025, through a programme of energy efficiency and a supply of renewable energy exclusively.

These commitments were reevaluated in 2019 over Scopes 1 and 2 by the SBT initiative and considered to be in compliance with the new SBT 1.5°C criteria.

Roadmaps were deployed within the different business lines (packaging, research, sourcing, supply chain, etc.) so that each one contributes to the reduction of CO<sub>2</sub> emissions in Scopes 1, 2 and 3. Specific tracking has been started, which allows each of the segments to monitor its own performance.

**4.3.1.4.3. UN Global Compact Pledge: "Business Ambition for 1.5°C"**

In September 2019, L'Oréal joined the "Business Ambition for 1.5°C" initiative, a call to action launched by a broad coalition of companies, civil society and UN leaders, thus reaffirming its leadership on climate action. The Group has committed to net zero CO<sub>2</sub> emissions by 2050, contributing in this way to limiting the increase in global temperature to 1.5°C above pre-industrial levels, a necessary condition for limiting the worst impacts of climate change according to the latest conclusions of climate science.

**4.3.1.4.4. Adapting the model to the climate emergency: alignment of the Group with the TCFD principles**

Aware of the consequences of climate change, L'Oréal has initiated its transition towards an increasingly responsible business development model in which the non-financial challenges are placed at the same level as the financial challenges that contribute to its overall performance. The ambition is to design an innovative low-carbon business model and to make a contribution to the major collective challenge that is represented by limiting climate change.

The Sharing Beauty With All programme, rolled out globally since 2013 and supported at all levels of the organisation, has helped establish a culture in which environmental impacts and climate change are taken into account, increasingly influencing the decision-making process of each of the Group's "Métiers" (business activities) each day, as well as their major projects, as shown by the policies, programmes and outcomes described above.

As the acceleration of the environmental and social challenges calls for a more radical transformation, in June 2020 L'Oréal announced its new sustainability programme L'Oréal for the Future, with a new series of particularly ambitious objectives for 2030. The efforts to combat climate change is an integral part of the Group's new ambitions and are aligned with the Science-Based Targets commitment validated in 2017.

L'Oréal made a public commitment in 2020 to adopt the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), which encourages companies to include climate issues in their strategy, and to provide consistent, reliable and clear information to allow investors to take into account climate-related financial risks in their decisions.

