

L'ORÉAL

L'ORÉAL FUND FOR NATURE REGENERATION ACCELERATES BIODIVERSITY PRESERVATION EFFORTS WITH THREE NEW INVESTMENTS

High-impact projects tackle biodiversity loss through reforestation and the restoration of ecosystems

Clichy, 20th April 2023 – Ahead of Earth Day, L'Oréal today announced three new recipients of its Fund for Nature Regeneration. NetZero, ReforestTerra and Mangroves.Now were chosen for their innovative approaches to carbon capture in soils, reforestation and mangrove restoration, and for their potential to have a far-reaching, positive impact on the environment and local communities.

According to the COP15¹, one million species are already threatened with extinction and 75% of the earth's surface has been significantly altered. With the Intergovernmental Panel on Climate Change (IPCC) calling for more global cooperation in biodiversity preservation efforts², L'Oréal is accelerating its longstanding commitment to biodiversity beyond its own value chain. Through the fund, which has committed EUR22 million in projects to-date, L'Oréal is engaging with partners with proven expertise to support in the regeneration of degraded lands and mangroves, as well as the restoration of marine areas and forests.

The latest projects were selected following due diligence and based on key criteria including business model readiness, economic viability, and positive environmental and social impacts:

NetZero is a French climate venture operating in tropical areas such as Cameroon and Brazil, that specializes in long-term carbon removal from the atmosphere by turning agricultural residues into biochar. Biochar is a stable, non-polluting carbon that can be added to improve degraded soil. It is recognized by the IPCC as a viable solution with the potential to remove one-to-two billion tons of CO₂ emissions from the planet's atmosphere each year.

ReforestTerra aims to restore 2,000 hectares of land degraded by pastures – one of the greatest challenges facing the Amazon. The project will engage with smallholder farmers to directly plant new trees and create a favorable environment for natural regeneration in the lower Rio Jamari basin of Rondônia, covering 75 per cent of the project area. The remaining 25 per cent will benefit from strategic planting in small clusters that attracts wildlife to naturally propagate new forests. This project is one of the largest Afforestation, Reforestation and Revegetation (ARR) projects in Brazil.

Mangroves.Now will facilitate community-based mangrove restoration projects in South Asian countries such as Bangladesh, India and Sri Lanka. This region has been the most affected by mangrove deforestation in the last thirty years. Mangroves.Now will provide access to financing for small-scale projects with local NGOs. The aim is to restore approximately 20,000 hectares of previously degraded land and provide equitable benefit-sharing with local communities.

"At L'Oréal Groupe, our environmental duty goes beyond our business. It is our responsibility to address today's most pressing challenges, like the erosion of biodiversity and its social and ecological impact," said **Rachel Barré, Environmental Leadership Director, L'Oréal Groupe**. *"The L'Oréal Fund for Nature Regeneration is an important vehicle in our efforts towards a more sustainable future for all. With the new projects signed, our aim is to help restore the planet's biodiversity and preserve its abundant ecosystems."*

"Our vision for value creation is one where financial performance and environmental and socio-economic impact are inextricably linked," said **Muriel Atlas, Chief Investment Officer, L'Oréal Groupe**. *"The L'Oréal Fund for Nature Regeneration is a catalyst for sustainable value creation through private capital, enabling the acceleration of environmental solutions with long-term benefit. Through our impact investing strategy, we can play an important role in tackling biodiversity loss with expert local partners."*

The L'Oréal Fund for Nature Regeneration was created in 2020 and is endowed with EUR 50 million for impact investment. In 2021, L'Oréal announced the first two recipients of funds: the Real Wild Estates Company (RWEC), the UK's first rewilding business; and RIZE carbon financing, which helps accelerate France's farming sector towards

¹ UN Biodiversity Conference (COP15), Montreal, Canada, December 2022

² Climate Change 2022: Impacts, Adaptation and Vulnerability, IPCC, February 2022

sustainable practices. The fund is managed by Mirova Natural Capital, a subsidiary of Natixis Investment Managers, one of the pioneers in natural capital investment.

About L'Oréal

For over 110 years, L'Oréal, the world's leading beauty player, has devoted itself to one thing only: fulfilling the beauty aspirations of consumers around the world. Our purpose, to create the beauty that moves the world, defines our approach to beauty as inclusive, ethical, generous and committed to social and environmental sustainability. With our broad portfolio of 36 international brands and ambitious sustainability commitments in our L'Oréal for the Future programme, we offer each and every person around the world the best in terms of quality, efficacy, safety, sincerity and responsibility, while celebrating beauty in its infinite plurality.

With 87 400 committed employees, a balanced geographical footprint and sales across all distribution networks (e-commerce, mass market, department stores, pharmacies, hair salons, branded and travel retail), in 2022 the Group generated sales amounting to 38.26 billion euros. With 20 research centers across 11 countries around the world and a dedicated Research and Innovation team of over 4 000 scientists and 5 500 tech and digital professionals, L'Oréal is focused on inventing the future of beauty and becoming a Beauty Tech powerhouse.

More information on <https://www.loreal.com/en/mediaroom>

About the L'Oréal Fund for Nature Regeneration

The L'Oréal Fund for Nature Regeneration (LFNR) is a 50 million euros impact investment fund, managed by Mirova Natural Capital, the asset management company affiliated to Natixis Investment Managers and dedicated to sustainable investment. LFNR is dedicated exclusively to L'Oréal and its shares cannot be subscribed to third parties. This document cannot be construed as marketing (as such term is defined in the Alternative Investment Fund Manager Directive) of LFNR.

LFNR aims to support projects conserving or restoring natural habitats. More specifically, the portfolio will include projects that support the regeneration of degraded lands and mangroves, as well as the restoration of marine areas and forests. Beyond ecological restoration, these projects will also help address the social needs of surrounding communities through the development of sustainable livelihood opportunities (sustainable agriculture and fisheries, ecotourism, commercialization of carbon credits). They will live in a healthier environment, benefit from new economic opportunities and enhanced resilience to climate change:

- By 2030, the L'Oréal Fund for Nature Regeneration will have helped restore one million hectares of degraded ecosystems.
- By 2030, the Fund will have helped capture 15 to 20 million tons of CO2.
- It will have created hundreds of job opportunities.

"This press release does not constitute an offer of sale or solicitation of an offer to purchase L'Oréal shares. If you wish to obtain more comprehensive information about L'Oréal, please refer to the public documents registered in France with the Autorité des Marchés Financiers, also available in English on our website www.loreal-finance.com.

This press release may contain forecast information. While the Company believes that these statements are based on reasonable assumptions as of the date of publication of this press release, they are by nature subject to risks and uncertainties which may lead to a discrepancy between the actual figures and those indicated or suggested in these statements."

CONTACTS L'ORÉAL

Switchboard
+33 (0)1 47 56 70 00

Individual shareholders and market regulators

Pascale GUERIN
+33 (0)1 49 64 18 89
Pascale.querin@loreal.com

Financial analysts and institutional investors

Françoise LAUVIN
+33 (0)1 47 56 86 82
Francoise.lauvin@loreal.com

Media

Noëlle CAMILLERI
+33 (0)6 79 92 99 39
Noelle.camilleri@loreal.com

Christine BURKE
+33 (0)6 75 54 38 15
Christine.burke@loreal.com

For further information, please contact your bank, stockbroker or financial institution (I.S.J.N. code: FR000012031) and consult your usual newspapers or magazines or the Internet site for shareholders and investors, www.loreal-finance.com, the L'Oréal Finance app or call the toll-free number from France: 0 800 66 66 66. 0 800 66 66 66

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