

SHARING BEAUTY WITH ALL

Dr. Jay R. Harf

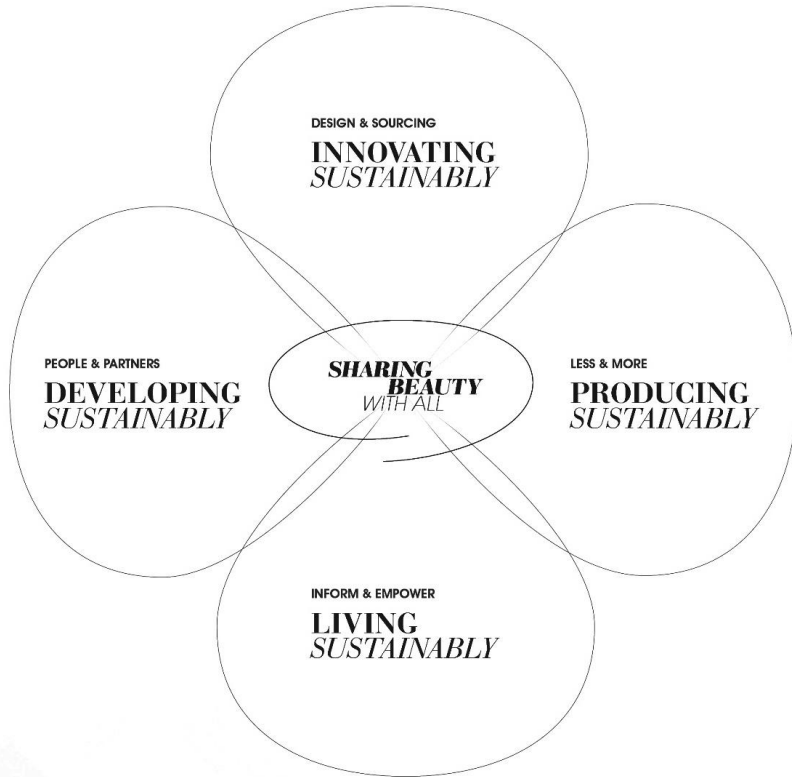
Vice President

Environment Health Safety and Sustainability



How We Got Here

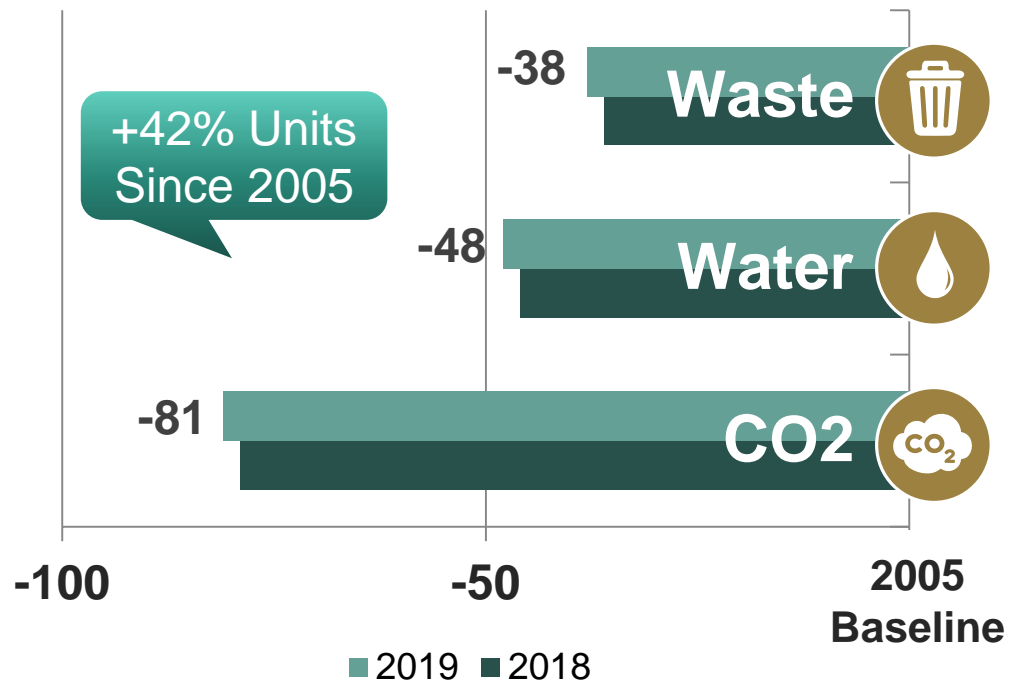
Sharing Beauty With All: 2020 Strategy



Producing Sustainably

Reduce our environmental footprint (CO₂, Water, Waste) by **60%** for our Operations facilities

SHARING BEAUTY WITH ALL



SHARING BEAUTY WITH ALL

Water Recycling Projects

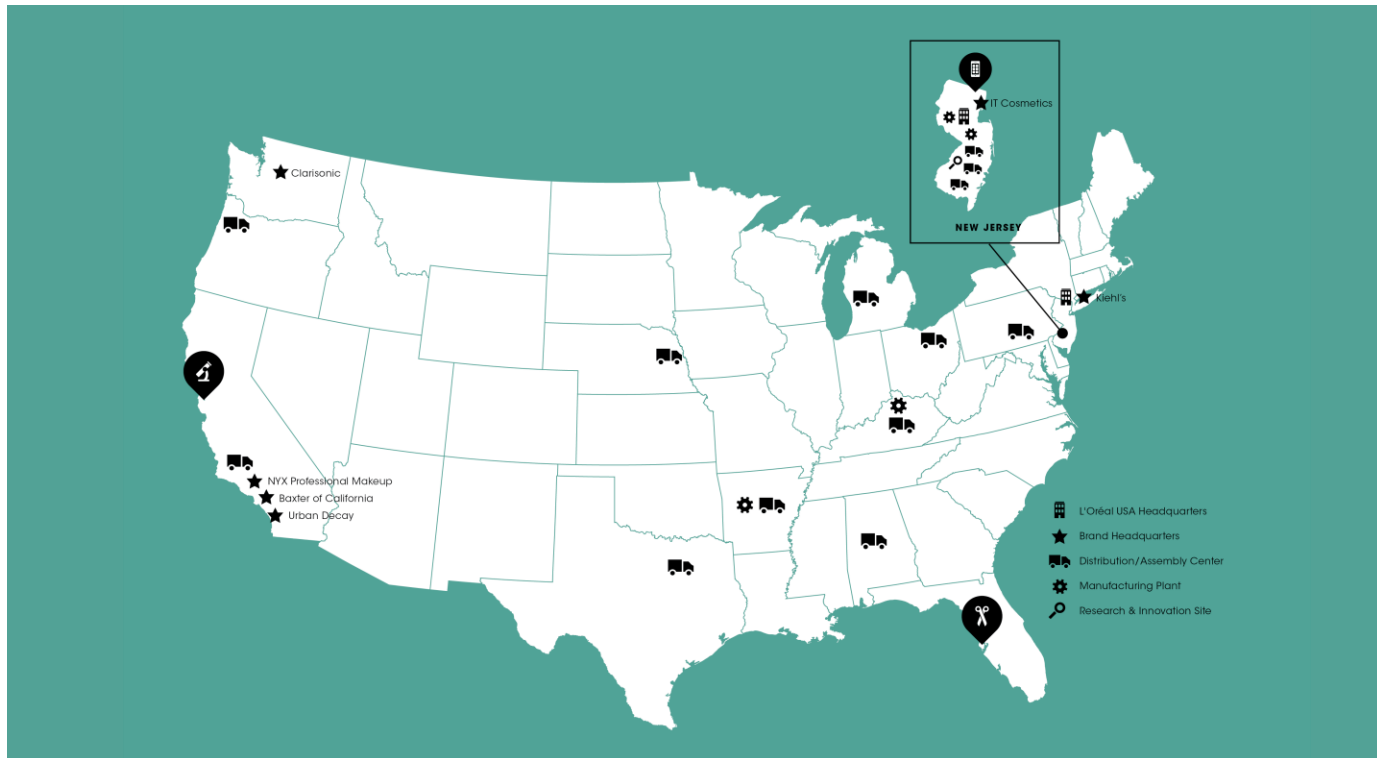
- Florence (Live)
- Piscataway (In Process)
- Cosbel (Live)

Carbon Neutrality USA

- April Earth Day

PRODUCING SUSTAINABILITY

Path to Carbon Neutrality – Electricity Portfolio



17 renewable energy projects



54 miles of solar panels



85% reduction in carbon emissions



100% renewable electricity

USA OPERATIONS DIRECTED BIOGAS PROJECT 2018 – SUSTAINABLE INNOVATION

Reduction of 20% of global CO2 Footprint for L'Oreal

1

Anaerobic Digester -

- Capital / Time Investment Intensive
- Feed Stock Concerns
- Cost of Stock / Supply of Stock
- Maintenance / Headcount
- Electricity Consumption Concerns

2

Carbon Offsetting -

- Not recommended by Group
- Reputation for “Greenwashing”
- Continuing to burn brown gas
- Need Project

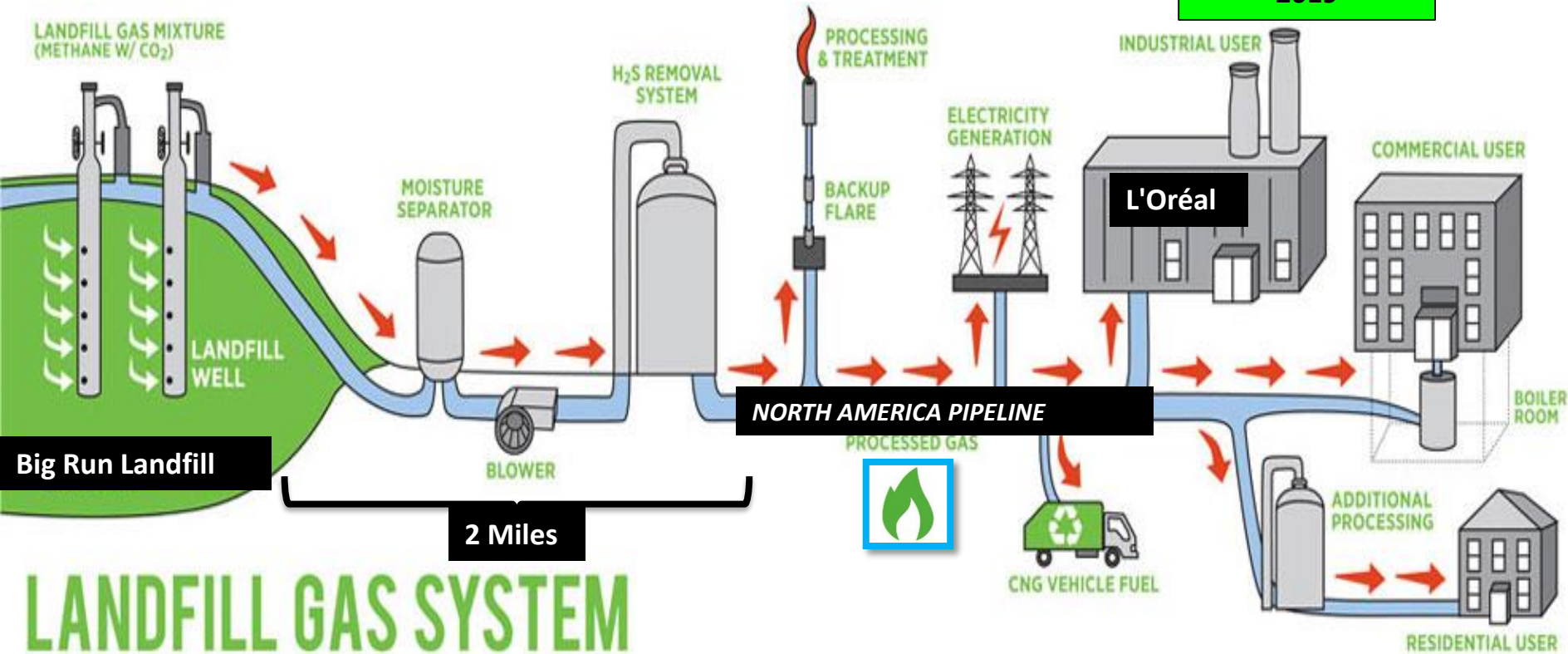
3

Landfill BioGas -

- Single long term solution
- Multiple Agency support
- Community Impact Locally (Jobs)
- Media attention
- Biogas Purchaser / No Capex / limited exposure

DIRECTED BIOGAS

Carbon Neutral
2019

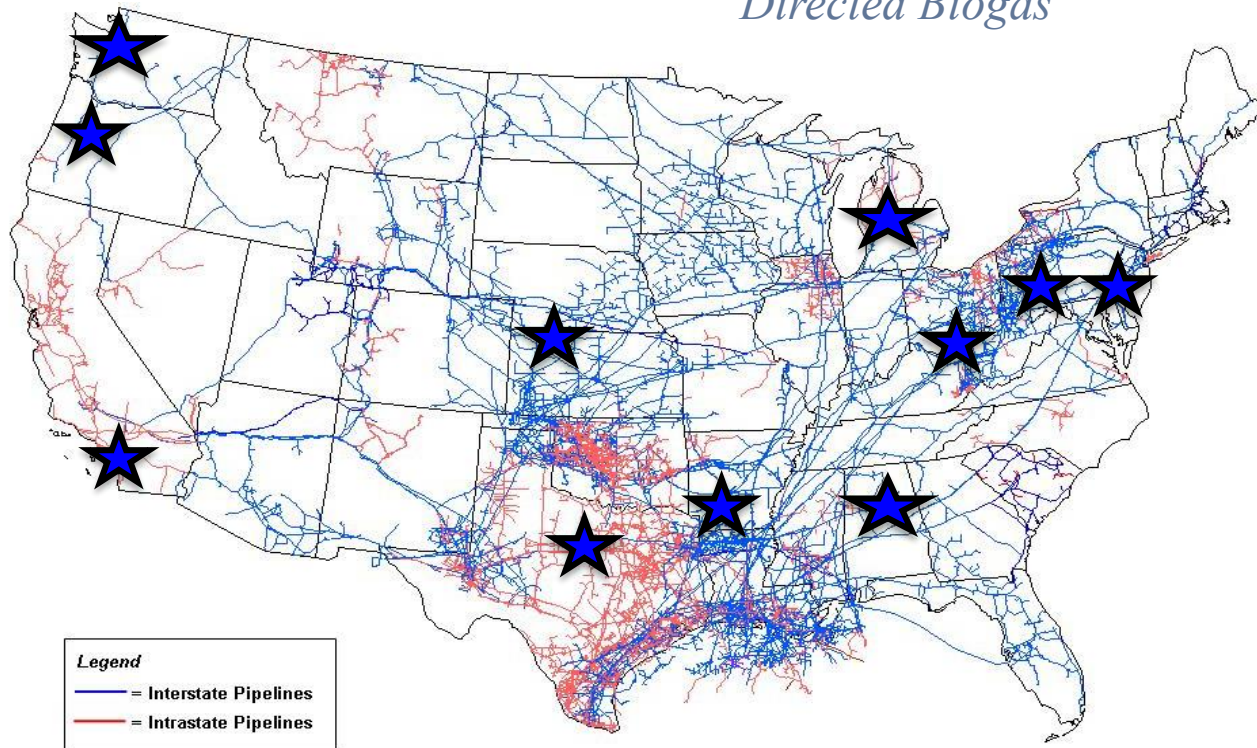


LANDFILL GAS SYSTEM



The Solution

Directed Biogas

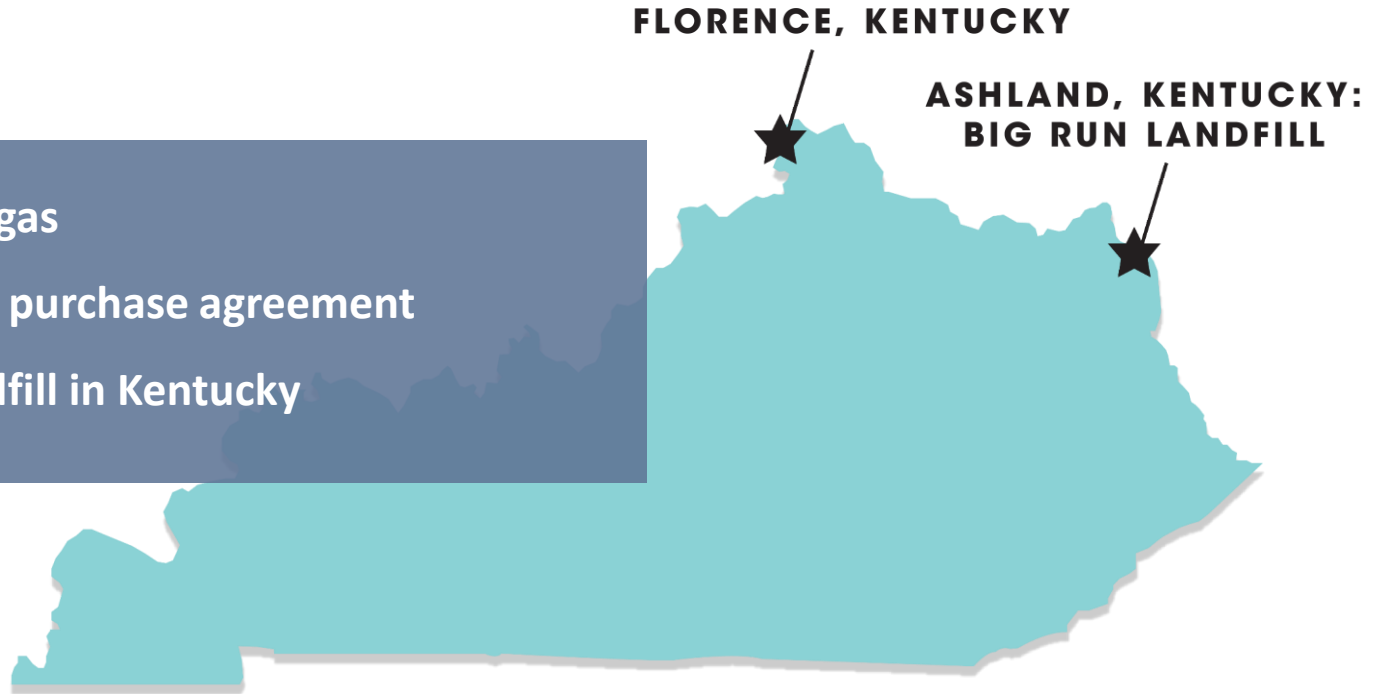


Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System

The Solution

Directed Biogas

- Directed Biogas
- 15 year RNG purchase agreement
- Big Run Landfill in Kentucky



L'ORÉAL

OPERATIONS

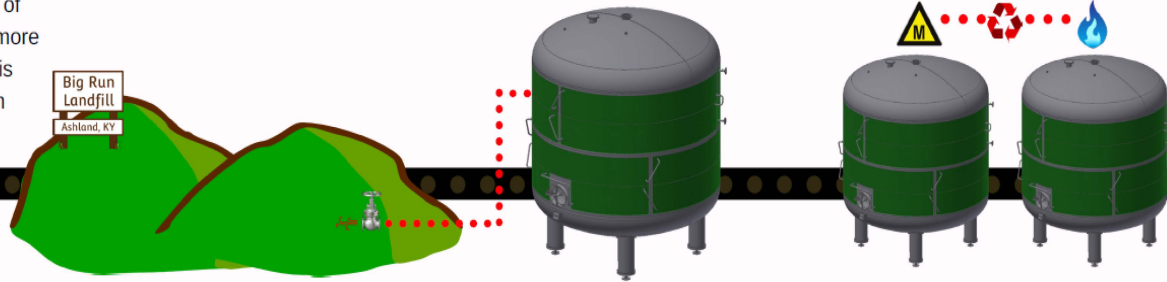
Biogas Transformation

L'Oréal USA Operations has signed a 15-year purchase agreement for renewable natural gas (RNG) from a Kentucky landfill. RNG or biomethane, is derived from many abundant renewable sources, including decomposing organic waste in landfills, wastewater treatment, and agriculture. This scalable, financially viable solution will propel L'Oréal USA Operations, including 21 manufacturing and distribution facilities across 12 states, to be carbon neutral by 2019.

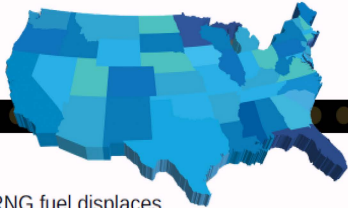
Landfill gas, predominantly consisting of methane – a greenhouse gas 25 times more damaging to the climate than CO₂ – is collected from the Big Run Landfill in Ashland, Kentucky.

Big Run
Landfill
Ashland, KY

The RNG is injected from the Big Run Landfill processing plant into the natural gas pipeline network.



The collected landfill gas is then processed to remove impurities to produce pipeline quality renewable natural gas (RNG).



The RNG fuel displaces conventional natural gas, reducing carbon emissions.



This RNG transformation further diversifies L'Oréal's renewable energy portfolio and is a key element of the global Sharing Beauty With All sustainability program.

RENEWABLE NATURAL GAS IMPLEMENTATION TIMELINE

COMPLETE



RNG PROGRESS

- USA Ops – 16,000 Tons CO2
- 80,000 ACR CO2 Carbon Offsets
- Renewable Thermal Collaborative
- EPA LMOP Program Member
- Contract Amendment – June 12th
- Begin Storage of RNG for registration
- Refrigerant Management Plans

IN PROGRESS



EPA REGISTRATION

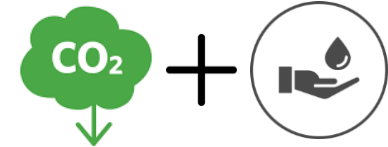
- Site Engineering Review (Complete)
- In Process
 - Certificate of Analysis (COA)
 - RIN Protocol by BRPP
 - Affidavit Contract Summary
 - EPA Registration Electronically
 - EPA Submission - August 25
 - **Need Equal Production Match**

FINAL STAGE



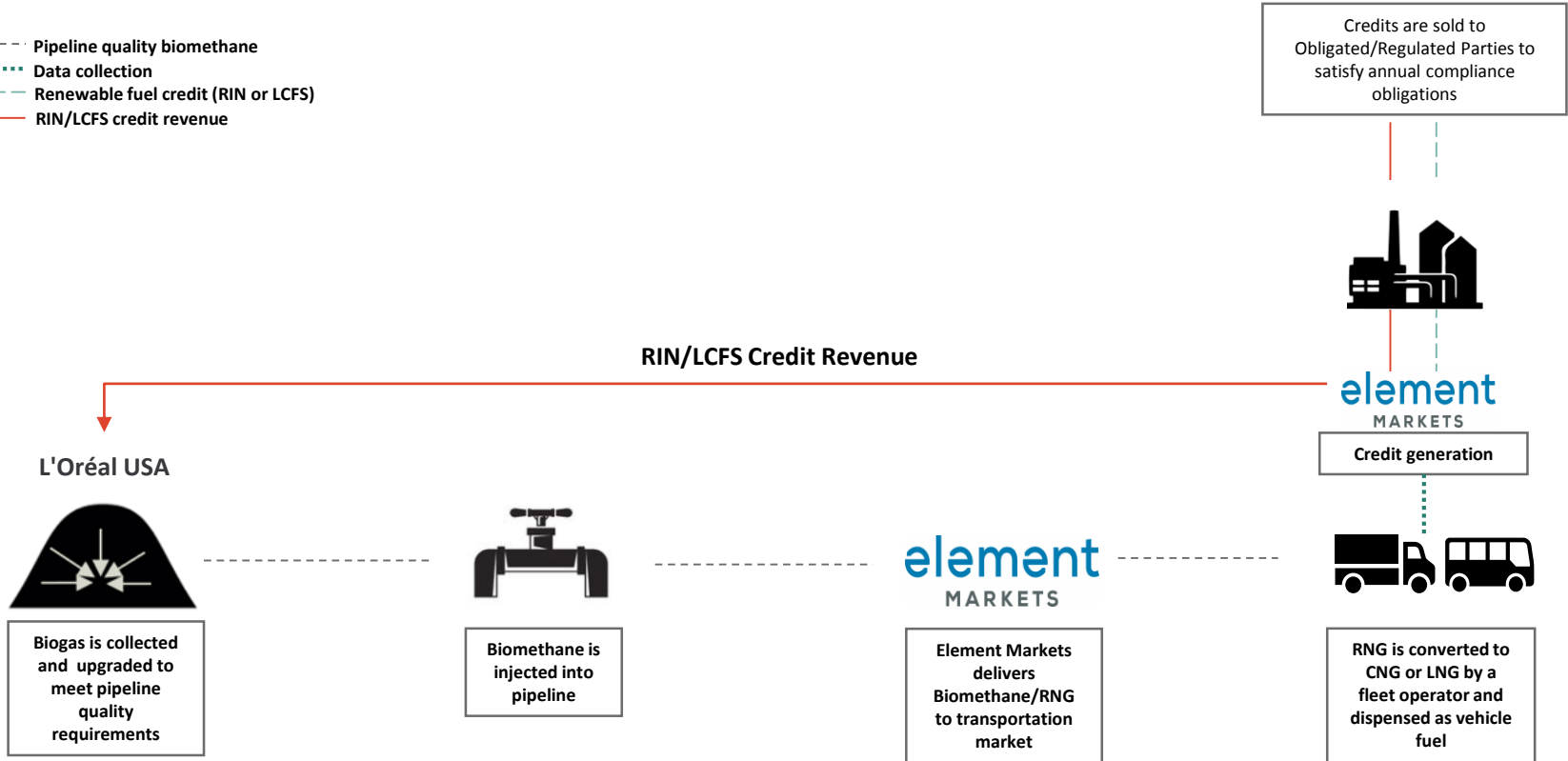
CARBON NEUTRALITY

- Carbon Neutrality
- Revenues \$\$
- Announcement
- Coincide with KY Water



RNG TO VEHICLE FUEL MARKET

- Pipeline quality biomethane
- Data collection
- - - - - Renewable fuel credit (RIN or LCFS)
- RIN/LCFS credit revenue



CARBON NEUTRALITY

Results from communication efforts



Initial announcement made to **450** influential sustainability stakeholders, businesses, policy, experts, NGOs, and media.



Press coverage in **44** national and regional outlets including U.S. News, World Report, and The Washington Times.



Recognition in news articles from CERES, C2ES, Alliance to Save Energy, High Line, RNG Coalition, **U.S. Department of Energy**, and the Kentucky Economic Development Cabinet.

Multi-tiered communication strategy receiving over **52 million** impressions, **1,357** online mentions, and **694** unique posts.

In The News

“L’Oreal is obviously, very much an early adopter in procuring renewable natural gas”

NPR

“It’s significant for such a large beauty manufacturer to commit to RNG”

Cosmetics Design

“L’Oreal’s latest innovation doesn’t come in lipstick tubes or compact cases but rather in sustainability”

Bloomberg



L'ORÉAL USA
OPERATIONS

**17 Carbon neutral
facilities in 12
states**

- In question CC11.3 companies shall report total MWh of energy, including certified biogas. Therefore, the use of certified biogas will be considered to be equivalent to “zero” Scope 1 emissions for the purpose of reporting to CDP.