

Paris, October 2023

Dear Palm Supplier,

Following our e-mail dated March 07th, 2023 regarding the establishment of an Exclusion Mills List and a list of refineries, we would like to share with you a new updated version of this list of Mills to Exclude as we have refined and adjusted the mill selection methodology during this first year. In the future, L'Oréal plans to share the updated version of this list each year at the beginning of the last quarter.

As a reminder, as part of L'Oréal Forest policy, and in particular through the "NDPE compliant sources" pillar, L'Oréal is committed to sourcing 100% of its palm volumes from NDPE verified sources by 2024. In addition, we note that external stakeholder expectations are rising and regulatory frameworks are becoming stricter, notably with the EU Regulation on Deforestation Free Products coming into force in 2023. The introduction of this exclusion list will enable us to progress towards our commitments in terms of "NDPE-compliant sources" and reduce the risk of non-compliance vs. new regulations against imported deforestation. As a key partner of L'Oréal, you play an essential role in this sustainable sourcing process.

Please find attached an Excel document "*Exclusion list of mills*".

The MILL LIST FOR EXCLUSION, gathering 201 mills identified:

1. Because of their links to open grievances categorized as high risk per L'Oréal.
2. Based on their high probability to be linked to deforestation using the Nusantara Atlas satellite monitoring tool (the methodology is available in the first tab of the attached document).

As a supplier, how should you use this tool?

- If you are an **integrated player** with direct business relationship with refineries:

We require you to suspend any further sourcing of volumes from mills in the MILL LIST FOR EXCLUSION for L'ORÉAL products. Once the suspension date is effective, please provide us with a company document dully signed by authorized representatives and ideally certified by an independent third party confirming that you no longer use any palm oil or palm-derivatives that can be traced back to any of those mills.

Please note that mills can re-enter L'Oréal supply-chain in the future if we have third-party proofs of clear progress (remediation actions have been taken and grievance is closed).

- If you are a **surfactant or oleochemical producer with no direct business relationship with refineries**:

We require you to cascade L'Oréal request to your direct suppliers asking them to suspend any further sourcing of volumes from mills in the MILL LIST FOR EXCLUSION for L'Oréal's products.

L'ORÉAL

The Purchasing and Sustainable Sourcing teams are at your disposal in case you have any questions.

We thank you in advance for your continuous support in this sustainable sourcing journey.

Best Regards,

Hervé Mas
Corporate Purchasing Director
Raw Materials

