

L'Oréal Assigned ESG Evaluation Of 85; Preparedness Strong

LONDON, Dec. 14, 2021 /PRNewswire/ -- (S&P Global Ratings) -- S&P Global Ratings said today that it has assigned [L'Oréal S.A.](#) an ESG Evaluation of 85. The company's ESG Evaluation is the result of an ESG profile of 77 combined with strong preparedness. Higher numbers indicate stronger sustainability in our evaluations.

[ESG Evaluation: L'Oréal.](#)

Our ESG Evaluation of 85 reflects L'Oréal's leadership in the cosmetics industry to put sustainability considerations at the heart of product innovation.

L'Oréal has demonstrated its commitment to advancing the sector's environmental standards through its best practices in sustainable packaging.

It has also pioneered efforts in relation to green chemistry principles to improve the environmental credentials of product formulas. Furthermore, with its global footprint across diverse consumer groups, L'Oréal has a long track record of delivering quality products at affordable prices. We believe these actions are reflective of L'Oréal's advanced awareness of long-term disruptive trends within the beauty industry, coupled with its ability to capitalize on emerging new business opportunities that support its strong preparedness to withstand and adapt to future disruptive trends.

L'Oréal S.A. is a France-based cosmetics company that manufactures and sells beauty products for women and men worldwide. Operating in more than 150 countries, with total revenues of about €28 billion in 2020, L'Oréal is the largest and most diverse player within the beauty industry, operating across four divisions: Consumer, L'Oréal Luxe, Professional, and Active Cosmetics. Its products include skincare, make-up, fragrances, and haircare.

What Is An ESG Evaluation?

S&P Global Ratings' ESG evaluation is a cross-sector, relative analysis of an entity's capacity to continue to operate successfully. It is grounded in how ESG factors could affect stakeholders, potentially leading to a material direct or indirect financial impact on the entity.

Our definition of stakeholders for a particular entity goes beyond shareholders to include employees, the local community, government, regulators, customers, lenders, borrowers, policyholders, voters, members, and suppliers. A high ESG evaluation indicates an entity is relatively less prone to experiencing material ESG-related events, and is relatively better positioned to capitalize on ESG-related growth opportunities than entities with lower ESG evaluations.

First, we establish an ESG profile for a given entity, which assesses the exposure of the entity's operations to observable ESG risks and opportunities, and how the entity is mitigating these risks and capitalizing on these opportunities.

Second, we assess the entity's long-term preparedness, namely its capacity to anticipate and adapt to a variety of long-term plausible disruptions.

S&P Global Ratings currently evaluates more than 85 entities across the globe; they have an average score of 68. Since the first ESG evaluation, published in June 2019, we have finalized ESG Evaluations across 21 sectors globally. By region, the highest average score is 73, for companies headquartered in Europe, the Middle East, and Africa.

Visit spglobal.com/ratings for our latest [sustainable finance research](#) and all of our [publicly available ESG Evaluations](#).

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in the future and is grounded in how ESG factors could affect stakeholders and potentially lead to a material direct or indirect financial impact on the entity. ESG factors typically assess the impact of the entity on the natural and social environment and the quality of its governance. The Product is not a research report and is not intended as such.

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