

MRS Awards 2022 Sustainability Research Finalist

8TH DAY L'ORÉAL

Partnership for a Sustainable Future

Summary

Our work with L'Oréal over the past three years has been pivotal to the development of the L'Oréal Environmental Score – a ground-breaking labelling system that details the environmental and social impact of any product.

Today, the labelling system has been rolled out in 20 European countries for 7 brands (Garnier, L'Oréal Paris, Biotherm, La Roche Posay, Vichy, Mixa and La Provençale) and will continue to be progressively deployed on new brands and new makets.

Ultimately, it will help the Groupe's 1.5 billion consumers make more sustainable choices.

Beyond this, its success has snowballed, inspiring change across an entire industry, with multiple competitor brands now coming together to build a common scoring system: the EcoBeautyScore.

We believe we should win this award not just as a vindication of our ambition, hard work and thinking, but in the hope of inspiring other clients to put sustainability at the heart of their business. We hope to build faith that this can give real value to brands, empower consumers to change their own behaviours, and prove that global brands should not be afraid of a new era of transparency – that, on the contrary, they have everything to gain.

Synopsis

It all began nine years ago

L'Oréal, the world's largest cosmetics company, owner of thirtysix global brands ranging from mainstream to super-luxury, made a decision.

For a long time, since 2002, they had been thinking hard about the future. Not just of their business, or the beauty category, but of the planet. Even before the Paris Climate Accord, it was becoming clear that climate change posed an existential threat to both the future of the environment, and to humanity itself.

As a major global company, L'Oréal determined that it could not sit on the side-lines, and rely on governments and institutions to find answers. They had a duty to implement solutions of their own.

Looking back, they were ahead of the curve. Creating a sustainable future for the cosmetics industry would involve change on a massive scale. Everything from energy usage to carbon emissions, chemical usage to packaging, would need to be assessed.

It was a daunting task

Nevertheless, in 2013, L'Oréal launched its landmark sustainability program, defining the company's environmental and social impact goals for the years to come.

It was the start of a critical journey.

One of the Group's key commitments was to transparency.

To empower consumers to make more sustainable choices, L'Oréal pledged to design an assessment tool to evaluate the environmental and social profile of their products, and then make this information available to the public.

Alongside this was another goal. By ushering in a new wave of transparency, it was hoped that teams could better understand the impacts of what they made; and, crucially, measure this against other products across the group.

This might encourage healthy competition – different teams vying to find better ways to produce and package their products, and so improve their overall impact scores.

It wouldn't be easy. Would it really be possible to measure the 'footprint' of even a single product in the portfolio, over its entire life-cycle? Let alone all of them?

For next three years, the company pushed its ambition to create a tool that could be used across all L'Oréal products and brands.

In 2017, the project came to fruition. SPOT – the Sustainable Product Optimization Tool – was an incredible achievement.

Developed with eleven independent scientific experts, aligned with European Product Environmental Footprint guidelines, it gave an accurate picture of the impact of a L'Oréal product, taking into account fourteen planetary impact factors, from greenhouse gas emissions to water scarcity, ocean acidification to biodiversity.

Impacts were measured at every stage of the life-cycle, not only sourcing, production and transportation but also consumer usage and recyclability.

Now came the biggest challenge of all. How to turn all this into a system that could be easily understood by consumers, and work within the context of different brands?

Transparency would, quite simply, be useless without a simple way to share the information.

And that's where 8th Day comes in. L'Oréal was already a key client of our young agency, with senior leadership relying on us for our critical advice and guidance.

So, in 2020, when they sought an agency to help develop and launch their product impact labelling system, including an Environmental score, they knew who to call.

We quickly got to work, designing a process to explore prototypes with beauty consumers across the USA, France and India. We wanted a methodology that was as close to real world as possible, in tune with how people act everyday.

But at the same time, we wanted to keep it simple – easy to set up and replicate. We decided upon a classic combination of Depth Interviews and Group Discussions, based on digital stimulus – flexible enough to work anywhere, face-to-face, or remotely; vital, considering the looming backdrop of the global Covid pandemic.

Digital prototype product pages were created, under a pilot brand (Garnier.) Consumers were linked to this product page via their mobile phone or laptop, and invited to explore a new Environmental and Social Impact tab individually, browsing the content uninstructed, before discussing the experience in more detail in a group setting.

Results were immediately encouraging. Not only did the new page invite curiosity, but it made consumers feel far more educated about the impact of their own behaviours.

We understood what information needed to be available, how it should be laid out; the hierarchy of factors and scores, as well as crucial insights on building credibility, even amongst the most cynical users.

Overall, the tool showed strong potential to create a halo around the brand. Consumers loved its honesty, courage and sincerity, even highlighting areas where improvement was needed.

But most interesting of all was another finding. With the ability to compare and contrast scores across products, consumers began to look far more closely at their own behaviours, measuring and adjusting their own priorities.

We had the potential to encourage real behaviour change.

So far, so good.

Our initial project helped validate the whole program, refined the design and informed the content of the tool, results later confirmed in a quantitative stage.

But now, we needed to go further. Could the tool work for a luxury brand in the same way as for a more mainstream one? Could it work in developing markets as well as mature ones?

Further projects pushed all these questions, exploring how the tool might work across different brands, and how they could weave the sustainability story into their own brand narratives.

Finally, came the ultimate challenge – making the tool perform in China, a hugely significant market, but one very much in the early stages of sustainability, and with a very different cultural outlook on the role of the individual in creating change.

Results were hugely encouraging.

Taken together, this workstream has already had a significant impact inside L'Oréal, vindicating their sustainability program, and serving as inspiration to go further.

Today, the L'Oréal Environmental score has been rolled out in 20 European countries on the brand websites for 7 brands: Garnier, L'Oréal Paris, Biotherm, La Roche Posay, Vichy, Mixa and La Provençale. And the Groupe will continue to progressively deploy this system on new brands and new makets.

Ultimately, it will help L'Oréal's 1.5 billion consumers make more sustainable choices.

Through our work with L'Oréal, the system has become far more than just a mechanism for transparency.

It has shown the capacity to educate consumers about the impacts of their own behaviour, and to make them think harder about their own choices.

It has helped brands develop their own sustainability stories, and to talk about them in a more meaningful way.

And it has inspired a virtuous circle within the whole company, with separate brand and product teams striving to improve their scores and so make more sustainable products.

It couldn't have happened without a client relationship built on trust, and optimism, and the confidence to take a leap of faith.

But now, even better, something else has happened – more than we could have ever hoped.

As word spread about the initiative, other cosmetic brands signalled their interest to do something similar.

Would it be possible, they wondered, to develop an industrywide system of labelling, independently verified, that could help consumers quickly and easily understand the footprint of any product, regardless of brand? In 2021, L'Oréal, along with other beauty companies, announced that they would be forming the EcoBeautyScore Consortium, with the aim of developing an industry-wide impact assessment system for cosmetic products. They are now actively cooperating with their competitors to co-create a common science-based footprinting and scoring methodology, empowering companies to eco-design their products, and consumers to make informed choices.

Chapeau!

We're proud to have been pivotal in developing the L'Oréal Environmental score, and to have driven the company forward in its purpose of creating beauty to move the world.

We've demonstrated that research can be used not just to test ideas, but to develop actionable results that can have an impact not just on one brand, but on a whole industry.

It's boosted our confidence as a young agency, and vindicated our work so far. Ultimately, it fulfils the vision we had when we founded 8th Day – to keep looking forward to what's next, and equipping our clients to create a better looking future.

We're thrilled to now be able to share this success story with our industry peers. Because, more than anything else, we want to be part of a desperately important conversation about the future of our planet, and the crucial role of businesses to drive change.

At this pivotal time, we cannot simply rely on governments to take action.

Both brands and consumers need to be at the heart of this story, or we risk catastrophe.

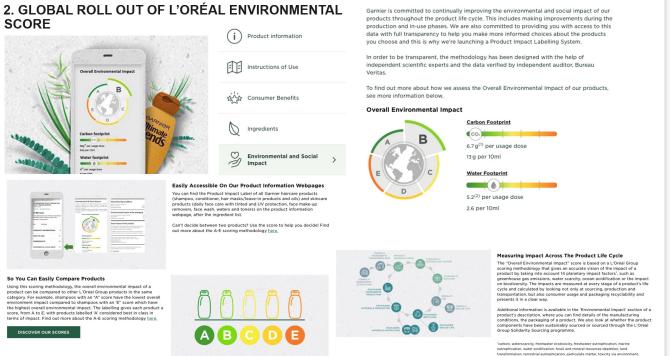
We know that it will take much more than our work with one global company to change the world.

But we also know that from little acorns, big trees can grow.

We're proud to have planted this one.

1. EVOLUTION OF L'ORÉAL ENVIRONMENTAL SCORE TOOL WITH 8th DAY **Environmental & Social** 2 韵 Impact 3 **** Gamier is committed to continually improving the impact of their products throughout the product lifecycle, including the usage phase, and gives you access to this data with full transparency. The data is certified by scientific experts and independent auditors. HOW to a me? how dispose m WHAT's inside me? MY impa HOW per 10ml per usage dose * QR Carbon footprint: 85g* 8,5m^{3**} 81g ••••• 8,15m³ Water footprint: Manufacturing conditions • Made in the US in a responsible plant • • 100% Recycling of waste: Recycling of water: 92% Environmental impact of the packaging GARNIER FRUCTIS tis Force & Brillance poing fortifiant 2 en 1 Made from recycled materials: Recyclable***: Refillable: 19% yes **** VOIR LES 81 AVI Social impact of the product 100% of the components are sourced from suppliers committed Q to the 4 fundamental principles declared by ILO 0 2 inclusive suppliers have contributed to this product, allowing people from underprivileged communities to gain access to or retain employment B -A **Q** *grams of CO₂/ category average = 95 g **water m³/ category average = 11 m³ ***if recycling facilities are available LEARN ABOUT RECYCLING YOUR LANCÔME PRODUCTS

2. GLOBAL ROLL OUT OF L'ORÉAL ENVIRONMENTAL SCORE



3. INDUSTRY-WIDE IMPACT: ECOBEAUTYSCORE CONSORTIUM PRESS RELEASE

Press Releases / Commitments / The EcoBeautyScore Consortium is now live with 36 industry players in _ The EcoBeautyScore Consortium is now live with 36 industry players in a breakthrough initiative to enable more sustainable consumer choices

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The purpose of the EcoBeautyScore Consortium: enable consumers to make sustainable choices through an environmental impact assessment and scoring system

The EcoBeautyScore Consortium is developing an industry-wide environmental impact assessment and scoring system for cosmetics products. The approach has a global scope and may help provide consumers with clear, transparent, and comparable environmental impact information, based on a common science-based methodology. This will contribute to meet growing consume demand for greater transparency about the environmenial impact of cosmetics products (formula, packaging and usage), indeed, a significant proportion of consumers (242%) is interested in buying transfit share concentrate on circular and sustainable practices[]).

The work plan of the EcoBeautyScore Consortium: to co-build a scientific methodology for the environmental impact assessment and scoring system

The Consortium is working with the experienced sustainability consultancy Quantis to ensure a robust and scientific approach to co-build an assessment methodology and scoring system that are guided by and articulated around:

- 1. A common method for measuring environmental impacts throughout the lifecycle of products, backed by the principles of the "Product Environmental Footprint" (the European Union's PEF scientific method based on life cycle assessment (LCA) for quantifying the
- environmental tootprint of products).
 2. A common database of environmental impact of standard ingredients and raw materials used in formulas and packaging, as well as during moduli travel.
- A common tool that enables the assessment of the environmental impact of individual products, usable by non-experts.
 A harmonized scoring system that enables companies, on a voluntary basis, to inform consumers about the environmental footprint of their cosmetic products. The methodology, data base, tool and scoring system will be verified by independent parties.
- Operationally, the EcoBeautyScore Consortium is also supported by Capgemini Invent (project management) and Mayer Brown (legal counsel),

The EcoBeautyScore Consortium next steps

The 36 members of the EcoBeautyScore Consortium have started to work together organized in thematic working groups. A footprinting and scoring prototype is targeted for end of 2022, providing the environmental scoring for a selection of product categories at first. It will then be verified by independent parties.

The EcoBeautyScore Consortium is calling on cosmetics and personal care companies and professional associations to join this unique initiative

This Consortium is open to all cosmetics and personal care companies, regardless of their size or resources. Other stakeholders will be Informed and consulted throughout the process. Al companies will benefit from the pre-existing work and are inteled to contribute with their own operinence. The Consortium will also consilt external experts, including scientists, academics, and NO26 to make sure the process is as includive as possible. The work developed by the Consortium will be published and may be used on a strictly voluntary basis by both Consortium participants and all other interested parties.