L'ORÉAL
BRANDSTORM

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I.   Introduction

Dear Brandstormers,

We are happy to share with you all the key information regarding your Brandstorm 2023 mission. It is equally challenging as today's evolving business landscape, so that you can try yourselves on a real case that businesses are facing today! We hope you will learn, innovate, and enjoy this mission!

The different steps & deadlines of the competition will be communicated to you on your country challenge page on brandstorm.loreal.com by your local Brandstorm manager. Do not hesitate to contact them if you have any questions and stay tuned on your challenge page!

II.   Brandstorm mission – what we expect from you

Your Brandstorm 2023 mission is:

<div align="center">

CRACK THE NEW CODES OF BEAUTY
Your playing field: AR VR AI & the Metaverse

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You will explore opportunities for beauty that are unlocked by new technologies, always at the service of creating connection with consumers, even in real life.
We are inviting you to invent augmented products, services, experiences, and solutions, empowered by new technologies: Augmented and Virtual Reality, Gaming, Artificial Intelligence and the Metaverse (and associated technologies such as NFTs[1] and Digital Collectibles)..
Imagine that you were to provide an omnichannel customer experience of the future. What is it going to look like?

- Will you combine **physical, digital, and virtual** for new consumer journeys?
- Will you reinvent how consumers engage with beauty thanks to **augmented products[2], new platforms, services, and virtual ownership**?
- Will you integrate beauty into **gaming and e-sport universes and communities**?
- Will you design more **personalized solutions** using data and artificial intelligence?
- Will you explore the **creator economy** to boost innovation, creativity, and connection in this new world of beauty?
- Will you create new **immersive online, offline & on-chain worlds** thanks to the metaverse and VR?
- Will you widen **representation** to create a more **inclusive and diverse metaverse** for the future? How will you **celebrate self-expression** and inclusive beauty communities?
- Will you explore **NFTs** or Digital Collectibles to give **exclusive access, to unlock XP[3], or to reward loyalty**?

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[1] NFT - A non-fungible token
[2] Augmented product - a product enhanced by the addition of related services and benefits
[3] XP - Experience Point; a point awarded to a player as a measure of their progress within a game

III.   L'Oréal insights for your mission

L'Oréal Digital Acceleration

The consumers' needs are constantly changing. With 5 billion people online today, and that number growing to 7.5 billion by 2030, the future of beauty will be **physical, digital, and virtual as consumers are craving more experiences, and more consumers are able to access those experiences**. This is the intersection of a new paradigm: when societal aspirations meet tech. These two core changes are creating massive opportunities for companies, brands, and people ready to jump at the opportunity for innovation.

The digital transformation is a genuine revolution, and is completely changing our ways of living, consuming, communicating, and working. From booking a bicycle or driver on an app, trying online make-up, buying furniture or clothes through Instagram or WeChat, paying with new crypto currencies, to the way we work; from the office, home, a coworking place or anywhere in the world! These advancements are mainly possible thanks to all the digital tools that have reduced what we used to consider as barriers, but that now empower people - especially you, the young generation.

As digital innovation continues to accelerate, the range of digital experiences that can be as powerful as physical ones are expanding rapidly. Technologies like live streaming, virtual & augmented reality, and virtual digital assistants are creating new opportunities, inspiring new types of e-commerce experiences, and enabling new business models.

In recent years, L'Oréal has become a 'Digital First' company. We have accelerated in e-commerce, accounting for 28.9% of sales in 2021. In the last few years, our websites have also been transformed to create new experiences. To go even further in terms of availability, and to help you find our products on your favourite platforms, we have created partnerships with the major names in e-commerce, from America's Amazon to China's Alibaba. In some countries, like China, more than one in every two products is now sold online, a pattern that is increasingly being driven by social media networks. In fact, this is the future of beauty, known as 'social commerce'.

Our digital transformation is reflected in ever greater opportunities for people with technical and digital jobs and skills: digital marketers, social brand managers, data scientists, VR and AI specialists, etc. We have recruited more than 2,500 digital experts in recent years, and we have trained several thousand employees in the use of digital tech.

We are now entering a second phase of the digital revolution, one that offers new ways of building a special relationship with our consumers and developing new products and services. This digital acceleration is led by L'Oréal Chief Digital and Marketing Officer & Executive Committee Member, Asmita Dubey, who is the President of Brandstorm 2023.

"For the last decade we have been digitalizing the beauty consumer journey, reinventing beauty experiences and elevating beauty journeys," said Dubey. That has entailed adopting new platforms and developing content for those, accelerating e-commerce, and offering new digital services, including augmented reality and artificial intelligence**.**

L'Oréal has developed digital factories[4] with advanced audio-visual capabilities to create responsive, consumer-oriented social content highly personalised according to a user's profile and country. For example, Garnier, with its Garnier Light Complete Serum Cream, a lightening serum cream enriched with yuzu and vitamin C, aimed at specific emerging markets. For the launch in India, Garnier worked with the Indian actress, singer, and influencer Alia Bhatt, to create specific online content that would resonate with local consumers. The Bollywood-inspired music video presenting the qualities of the new product struck exactly the right note. It was an instant success with over 100 million views! Thanks to its 'industrial mastery' of digital, the Group produces a wealth of content. In 2019 alone, its 1 million content posts reached a total of 1.3 billion visitors and 285 million fans.

Digitalization means new touchpoints with customers, that at L'Oréal we call BET – Beauty Engagement Touchpoints. This means new types of partnerships and media that we use to reach our customers. L'Oréal Men Expert teamed up with esports performance brand Fnatic on #PrepToPlay campaign showcasing Fnatic players getting ready before their performances. The series of short videos with #PrepToPlay hashtag showing gamers routine with L'Oréal Men Expert products amassed over 10 million views on TikTok.

The retail experience is also changing rapidly to become more exceptional and experience based. In the first flagship store on the Champs-Elysées, Lancôme offers consumers a host of bespoke services and tailor-made consultations. Shade Finder combines mobile device technology, algorithms, and data with advice from a beauty advisor to recommend a foundation shade that is a perfect match for the consumer's complexion. Le Teint Particulier instantly produces custom foundation in stores, as customers watch, thanks to high-speed machine.

New technologies, like AI and AR, enabled us to give our customers new ways to interact with the products and personalize the offering. Kérastase launched Personalized Hair E-diagnosis - 5-step diagnostic tool Devised and developed in collaboration with the Digital Services Factory by L'Oréal, that uses AI to analyse customer scalp and hair problems and needs and offers a personalized diagnosis and the treatment routine. For a truly integrated beauty experience, the service gives customer the chance to order all or part of the treatment ritual at the end of the diagnosis.

Garnier is using augmented reality technology empowered by Modiface in their ColorMatch tool, to allow the customer browse through all Garnier hair dye shades and try them on virtually from the comfort of their home. Moreover, ColorMatch is giving the personalized recommendations from hair colour professionals based on customer needs.

Augmented reality and Artificial Intelligence were deployed to create YSL Rouge Sur Mesure, Powered by Perso – device that allows to create thousands of personalized shades and colour-match the shades thanks to a mobile application. Thanks to an app that can be installed on a phone or tablet, and by tapping into the endless potential of AI, users can explore and try on looks.

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[4] Digital factories – departments producing online content

While web2 is still very much in deployment at L'Oréal we are exploring web3 technologies, as described by Asmita:

"If you look at web2, we start thinking about video, live-streaming, Cloud, SAS, voice, AI, machine learning. Web2 is very much in deployment for us, and we are firmly grounded in web2's acceleration. Now, we are exploring web3.

To us, Metaverse and web3 starts with gaming, and there are big audiences there (3.2 billion gamers worldwide, 45% of them are women). For other parts of web3, like AR, we have been pioneers, [including by using] Modiface virtual try-ons and virtual reality. Then there is blockchain, spatial computing, virtual identity of people, even virtual spaces, products and collectibles. We are laying down strong foundations in web3, and that all fits into our 'on-chain beauty' concept."

L'Oréal & web3

Forecasts predict that the potential value of metaverse could reach anywhere from $800 billion by 2024 to $10-30 trillion within the next 10-15 years. How these emerging technologies are regulated could have a significant impact on the Group's new 'on-chain beauty' ambitions and license to operate. In blending aspects of the physical and digital worlds, the metaverse is redrawing our traditional boundaries for notions such as community, privacy, identity, and property.

L'Oréal is responding to those changes and in 2022 appointed Chief Metaverse & Web3 Officer, Camille Kroely, who is a Brandstorm Alumni. Groupe is currently laying the foundations for the evolution to web3, made possible by technologies like blockchain, cryptocurrency, and NFTs. Several of our brands are creating new, immersive experiences using virtual and gaming spaces, in-virtual world advertising, and token-gated experiences (NFT). L'Oréal is shaping the future of beauty across every dimension – physical, digital, and virtual - to create unique, multi-sensory beauty experiences, including by exploring the metaverse and 'on-chain beauty' to reach the next generation of beauty consumers.

L'Oréal has already pioneered some web3 technologies, like augmented reality. In 2018 L'Oréal acquired ModiFace – tech company providing AR[5] and AI[6] services for beauty industry. It was a major step in reinventing the beauty experience and the first time ever L'Oréal acquired a tech company.

Since then, whenever we have a touchpoint with our consumers, ModiFace is there, shared with retail and advertising partners. We've developed unique technologies to show real results in real time: virtual makeup try-on, virtual hair colour try-on and augmented reality shopping.

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[5] AR – Augmented Reality
[6] AI – Artificial Intelligence

Our skin diagnostic analyses your skin condition and produces a customized beauty routine, based on scientific research combined with a ModiFace AI algorithm. With ModiFace Virtual Try-on, you can try on hundreds of looks in a matter of minutes.

With more than 50 engineers, researchers, and scientists, ModiFace is the heart of our digital services innovations for our consumers. Together with our R&I, Digital and IT departments, and our brands, ModiFace is innovating in augmented reality and artificial intelligence at a scale and speed that's unique in the Beauty industry.

Our goal? To surpass expectations, providing a truly immersive and personalized customer experience through technology. From virtual try-on to smart mirrors in stores and to our newest device, Perso, ModiFace empowers you to discover, try and choose products which best match your needs.

Now we are tapping into other parts of web3 by mapping the brands in the metaverse, prioritizing community, moving into 3D beauty and virtual beauty aware that *"In any environment, the transformation is moving from digitalization to virtualization,"- Asmita Dubey.*

Our pioneer brands in web3 in 2022 are NYX, YSL, Armani and Mugler. [NYX Professional Makeup](#) is a brand that is centred around makeup artistry and entertainment, but also around community and social interaction. When beauty was changing and becoming more digital and social, NYX was one of the pioneering brands. The brand is exploring web3 by **becoming the first-ever decentralized record label for creators**. If web2 was closed and centralized, web 3 is going to be open and decentralized. As the first decentralized, autonomous organization, NYX will start to partner with new kinds of 3D creators like animators and software engineers. The intent is to promote growth & innovation within the community while fostering inclusivity & diversity, increase aptitude in digital makeup & ultimately success in the artists careers.

[YSL Beauty](#)'s brand DNA is about pioneering and daring beauty. To play with new forms of beauty the brand opened **10,000 YSL Beauty golden block NFTs** that operate like social tokens. A social token is a customer's permission to operate and unlock experiences and other utilities. If a customer has this token, they can e.g., go to a music concert or go to the website and watch an exclusive video. That serves creating a community of people loving the same brand, participating in those virtual experiences together. YSL is building their long-term Web3 strategy by creating and engaging with a community unlocking new experiences and utilities.

[Mugler](#) is a brand about fashion and beauty. The positioning of the brand was that 'the real world is not enough,' even before the metaverse existed. We believe the brand is very metaverse-native, as a result. The brand is creating **a crypto art collection of 3D angels** called 'We are all Angel,' based on the iconic fragrance Angel that it created in 1992, the same year that the term 'metaverse' was coined. From there, Mugler will start building on-chain loyalty, becoming the first brand to connect beauty, fashion and the metaverse.

[Armani](#) is accelerating in Gaming with a **first activation in Fortnite** that started end of September 2022 with a dedicated virtual world and experiences for CODE launch. It is the first step of the brand entering metaverse and web3.

And we have more brands starting to test & learn, such as [Urban Decay](), who partnered with Paris Hilton and "Paris World" in the Roblox platform for a "Cryptoween" activation. As well as Lancôme and Maybelline with exclusive virtual experience in China.

At L'Oréal, sustainability and DE&I are essential pillars in our drive to bring products and services that create the personalized beauty experiences our customers have come to expect. We are committed to minimizing our tech footprint in the pursuit of disruptive innovation, which is why we created our Tech Sustainability Program.

Accessibility of our products and services is very important for us. L'Oréal commits to making its web sites, intranet and extranet accessible to people with disabilities. Since 2019, more than 380 IT projects validated Design Authority accessibility requirements and 415 websites have a score above 85% of accessibility compliancy[7].

Web3 may become the successor to the internet so as we continue to innovate to shape these new technologies, we have a responsibility to ensure broader accessibility, while embedding safety and ethical standards, into these experiences. We believe this will be key to ensuring a thriving, sustainable, and inclusive web3 ecosystem.

We acknowledge that Metaverse and web3 raise many issues from perspective of sustainability, ethics, Diversity, Equity & Inclusion, and cybersecurity. Therefore, we take action to ensure we choose the most responsible and sustainable solutions and to proactively seek for information and ways to limit any negative effect of those technologies.

The Group is moving on carefully with web3, with a few champion brands at limited scale and aiming at managing the risks linked to this new world. To give an example, for cryptocurrencies that rely on blockchain providers, we have chosen the Ethereum blockchain. Since September, it is one of the most sustainable blockchain: it has changed its protocol and reduced by 99.9% its carbon footprint.

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[7] Audit done on websites home page with automated tool covering 25% of the WCAG accessibility checklist (Thanks to One Report tool)

L'Oréal BeautyTech transformation

L'Oréal has always been obsessed with finding new ways to bring value to consumers: innovation at the heart, embedded in strong commitments as highlighted in the Groupe's Sense of Purpose and out mission "Create the Beauty that moves the world".

Being a Beauty Tech company and embedding tech services within our business model has become a crucial part of how we offer better products and experiences.
At L'Oréal we believe that being ahead of the innovation curve comes with great responsibility, and we want tech to be a force for good and contribute to creating and maintaining a sustainable, responsible, and inclusive digital economy and ecosystem.

There are massive opportunities for tech innovation and commitments in Beauty, since Beauty itself is fundamentally social. As L'Oréal's CEO, Nicolas Hieronimus said:

'We're entering in a new era, marked by 2 main trends: tech & societal commitment'

From strategy to all the departments in the company, L'Oréal is already a 'BeautyTech' business, fluent in digital and with strong commitments at the heart of every decision with our global programs 'L'Oréal for the Future' and 'L'Oréal for Youth'.

With the declared ambition of becoming the number one Beauty Tech company, L'Oréal's transformation programme was ramped up considerably in 2020. The Group is equipping itself to provide consumers with unmatched experience in terms of augmented products and services while helping its employees embrace new ways of working and interacting.
To accelerate the pace of innovation and strengthen the partnership with business, Technology teams have developed a specific programme known as the Tech Accelerator. These centres of expertise based in Paris and Shanghai, and soon in New York, use data science, user-experience (UX) design, platform expertise and technological engineering to build solutions adapted in real time that can be deployed at scale with greater agility.

The TrendSpotter application was launched as part of this programme. Its detection and prediction technology relies on artificial intelligence to identify avant-garde beauty trends on social media at a very early stage. The search engine scrutinises recommendations from trendsetters with the most followers on the web: beauty influencers, celebrities, beauty

professionals and scientific experts. Trends analysed cover everything from ingredients to texture, packaging and lifestyle in makeup, skincare, and haircare. Combined with L'Oréal's expertise, this makes it possible to quickly develop products tailored precisely to consumers' emerging expectations.

In this increasingly volatile and uncertain context, improving sales forecast accuracy, ensuring product availability, optimising stocks, and reducing obsolete inventory, quickly identifying trend shifts and the early signs of an acceleration in sales are essential. All these challenges are addressed by Demand Sensing, another program developed in the Tech Accelerator and a key enabler for the digital transformation of L'Oréal's supply chain. Demand Sensing analyses data using algorithms and artificial intelligence and leverages machine learning to reinvent the demand forecasting process. Accessing multiple data sources via connected platforms optimises understanding and anticipation of sales, allowing machine-driven planning across the entire distribution network and ensuring the right stock is in the right place at the right time. A new technological breakthrough that benefits consumers by revolutionising sales forecasting.

Sustainability at L'Oréal

100%
carbon neutrality across
all our sites by 2025
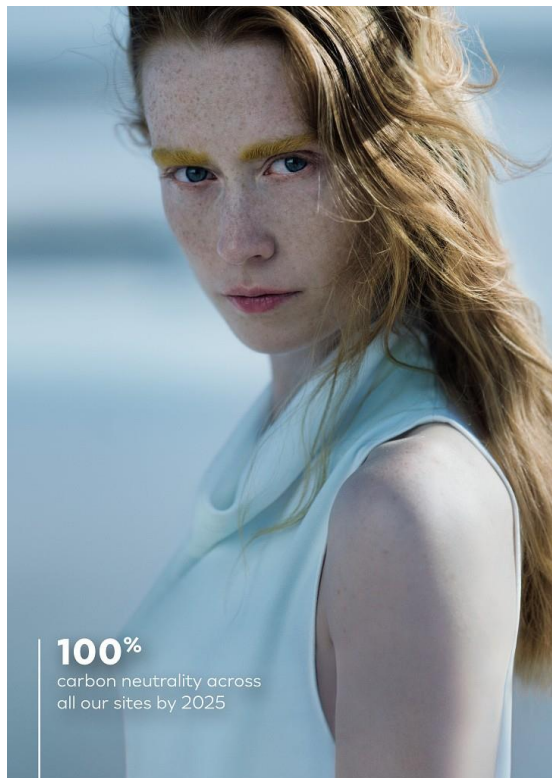
Innovation can also contribute to the sustainable transformation of our activities.

Very early on, L'Oréal became aware of the need to respond to environmental challenges. As an industrial company, it decided that tackling the environmental impact of its factories and distribution centers was the most obvious first step, and a necessary one, to begin its transformation process.

Since 2005, the Group has reduced the CO_2 emissions of its plants and distribution centers by 81% in absolute terms, exceeding its initial target of 60% by 2020, while production volume increased by 29% over the same period.

At the end of 2020, L'Oréal had 72 carbon neutral sites (meaning they use 100% renewable energy), including 19 factories.

L'Oréal for the Future - our sustainability commitments for 2030

Climate change is accompanied by environmental changes that threaten potentially permanent degradation of human and natural habitats. Sea levels, melting glaciers, ocean

warming and acidification as well as extreme weather events are on the rise. With higher stakes must come stronger commitments.

This is the reason why L'Oréal has decided to take its efforts even further through a program called "L'Oréal for the Future". Our commitments towards 2030 mark the beginning of a more radical transformation and embody our view as to what a company's vision, purpose, and responsibilities should be to meet the challenges facing the world.

Over the past few years, we have completely reinvented the way we do business, the way we source our ingredients, and the way we manufacture, design, and distribute our products. It is no longer enough for companies to reduce their environmental impact with objectives that are "self-set". At L'Oréal, our commitment is to ensure that our activities are respectful of the so-called "Planetary Boundaries", meaning what the planet can withstand, as defined by environmental science. We have set ourselves bold, measurable targets for 2030 on climate, water, biodiversity, and natural resources, in accordance with what scientific experts demand and what our planet needs.

In 2020, we improved the environmental or social profile of 96% of our new or renewed products. And through our social inclusion programs, in particular our Solidarity Sourcing programs, we helped 100,905 people from disadvantaged communities gain access to employment. At the end of 2020, we had reduced the carbon emissions of our plants and distribution centres by 51% in absolute terms compared to 2005, while our production increased by 29% over the same period.

Transforming our activities to respect the planet's limits

It is no longer enough for companies to reduce their environmental impact with objectives that are "self-set". At L'Oréal, our commitment is to ensure that our activities are respectful of the so-called "Planetary Boundaries", meaning what the planet can withstand, as defined by environmental science.

To reconcile our needs with the preservation of a resource-limited planet, we are raising the bar and implementing a new internal transformation program. Unlike the first program, our new commitments will not just focus on our direct impact. They will also tackle our indirect and extended impact, for example to the activity of our suppliers and the use of our products by consumers.

On climate, our overarching 2030 objective is to reduce our greenhouse gas emissions of all scopes by 50% per finished product. As members of the 'Business Ambition for 1.5°C' initiative, we have also committed to net zero emissions by 2050. We will pursue extensive work carried out on our sites, which will have achieved carbon neutrality by 2025.

On water, biodiversity and natural resources, our commitments notably include:
-In 2030, 100% of the water used in our industrial processes will be recycled and reused in a loop.
-By 2030, 100% of biobased ingredients for formulas and materials for packaging will be traceable and come from sustainable sources, none will be linked to deforestation.

-By 2030, 95% of our ingredients in our formulas will be biobased, derived from abundant minerals or from circular processes.
-By 2025, 100% of our plastic packaging will be refillable, reusable, recyclable or compostable.
-In 2030, 100% of plastic used in our packaging will come either from recycled or biobased sources (we will reach 50% by 2025).

Our sustainability commitments reflect in our products and actions.
In 2020, Biotherm launched its sunscreen innovation, which is eco-designed and respects aquatic life. Its formula base is 97% biodegradable, and the bottle is 100% recycled and recyclable.
In 2021 L'Oréal partnered with Gjosa, an environmental innovation company, and unveiled L'Oréal Water Saver. This innovation revolutionizes hair washing by reducing water consumption while improving the experience and effectiveness of care, in hairdressing salons and at home. Start-up Gjosa has developed a low-flow shower head (2 litres of water per minute instead of the usual 8 litres) that decreases the flow of water while accelerating the speed of the droplets. To optimize the process, L'Oréal scientists developed easier-to-rinse shampoos applied directly through the showerhead. Certain parameters were adjusted under real conditions of use, to ensure the right rinse and contribute to reducing energy consumption and water use by almost 70%.
Now we want to build on our accomplishments and strive to make significant leaps forward. With one ambition: a more beautiful future for all.

Diversity, Equity & Inclusion at L'Oréal

22,500
possible foundation shades
for greater inclusion and diversity

We believe in beauty that is inclusive, generous, and sustainable. For us beauty is about self-expression, empowerment, and self-confidence. We believe that everyone can express themselves through their own individual beauty. When we feel like our true selves, we can do amazing things and have a positive impact for our loved ones, communities, and the planet.

We see beauty as a universal aspiration, that can be found in many sources and celebrates everyone.

What does inclusion mean for L'Oréal?

As a company of more than 86,000 individuals of 167 nationalities, operating in 150 countries, L'Oréal has been committed and proactive on Diversity, Equity & Inclusion for over 15 years. Our mission is to be the most inclusive beauty leader in the world and to contribute to a society in which everyone can live safely, peacefully, and equally.

We are committed to being as diverse as the people we serve. We are convinced that when people of all identities, cultures and backgrounds are accepted and valued, this makes for a stronger company and more harmonious communities. Diverse teams with diverse perspectives are more adept at understanding different ideals of beauty, serving a diverse range of consumers and seizing opportunities. Diversity, equity, and inclusion fuel the innovation, inspiration and ambition that helps us create the beauty that moves the world.

Our actions cover 4 pillars: Gender Equity and LGBTQIA+; Socio-economic & Multicultural Origins; Health & Disability; and Age & Generations, and they are reflected in:

- **Inclusive workplace** for everyone, enabling disclosure by denouncing any form of discrimination, physical or psychological violence and offenses to human rights.
- Accounting for the needs and preferences of **consumers of all identities, cultures, and backgrounds** in developing our products and marketing to respond to the many and varied ideals of beauty.
- **Hiring, promoting, and developing** people of all **identities, cultures, and backgrounds**; and training them in **leadership**.
- Supporting initiatives and **organizations that work for diversity equity inclusion**, in the commitments of our Group and its brands.
- Embedding DE&I in our **inclusive sourcing strategy** with our suppliers, empowering women, people of all genders, identities, cultures, and backgrounds **all along our supply chain**, in our "extended company".

IV. Examples at L'Oréal

L'Oréal brands are exploring on-chain beauty on Web3 to deepen our connection and engagement with communities, by offering unique beauty experiences, from ownership of collectibles to supporting the aspirations of up-and-coming creators:

[NYX Professional Make Up](#) empowers the next generation of beauty makeup artists by aiming to become a record label for creators in Web3.

And because we are centered around ensuring our community's representation & diversity in Web3; we are collaborating with People of Crypto Lab (PoC) & the Sandbox to create the first beauty immersion in the metaverse to celebrate Pride in the Valley of Belonging. The first-ever hub of diversity, equity & inclusivity in Web3 amplifying creators & communities with diverse stories.
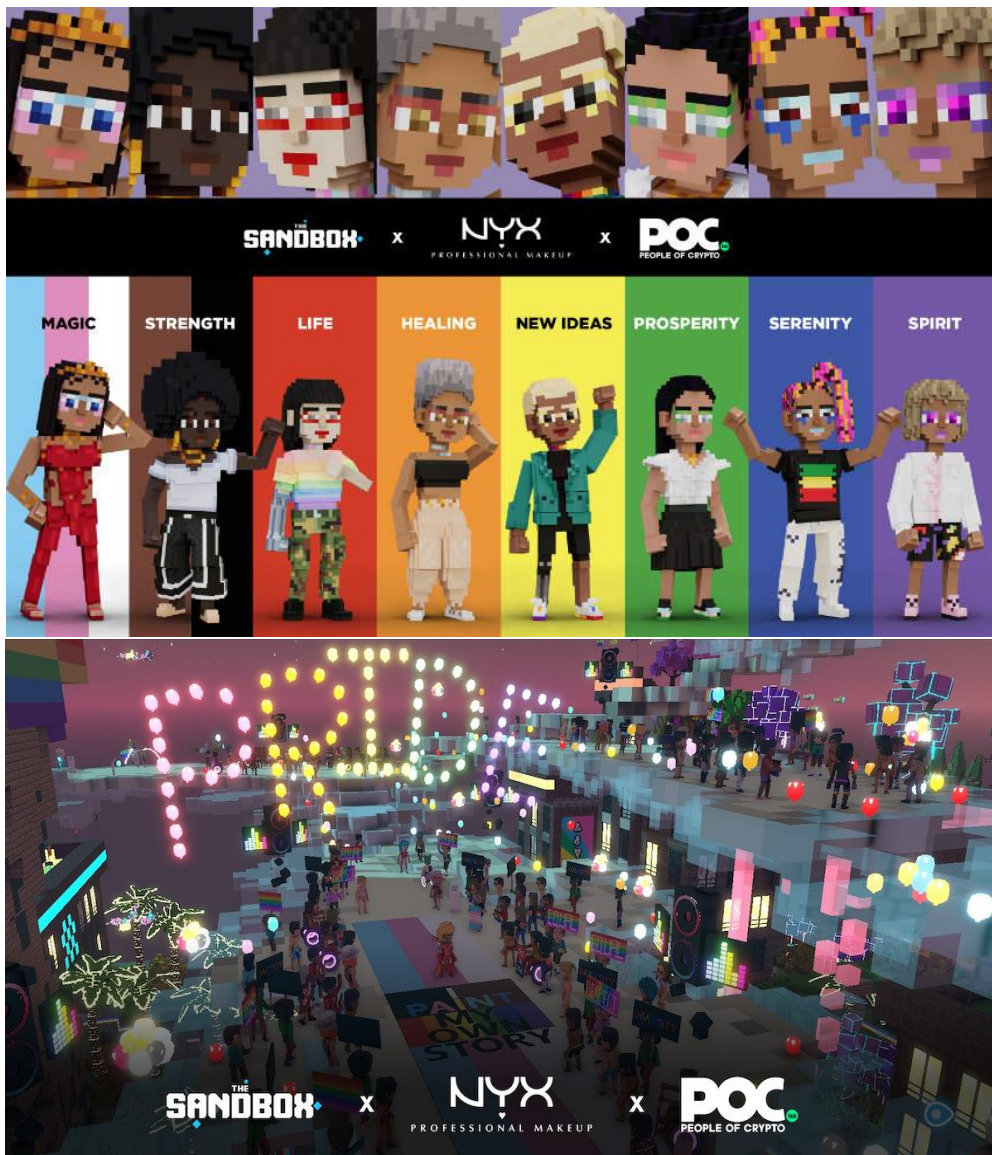
Armani is accelerating in Gaming with a first activation in Fortnite with a dedicated virtual world and experiences for CODE launch.

Inludes O+O+O activation with a physical flagship in China, a virtual flagship to extend the experience in Zepeto (virtual world) to buy skins and looks for Avatars and collect tokens to burn in WeChat program.
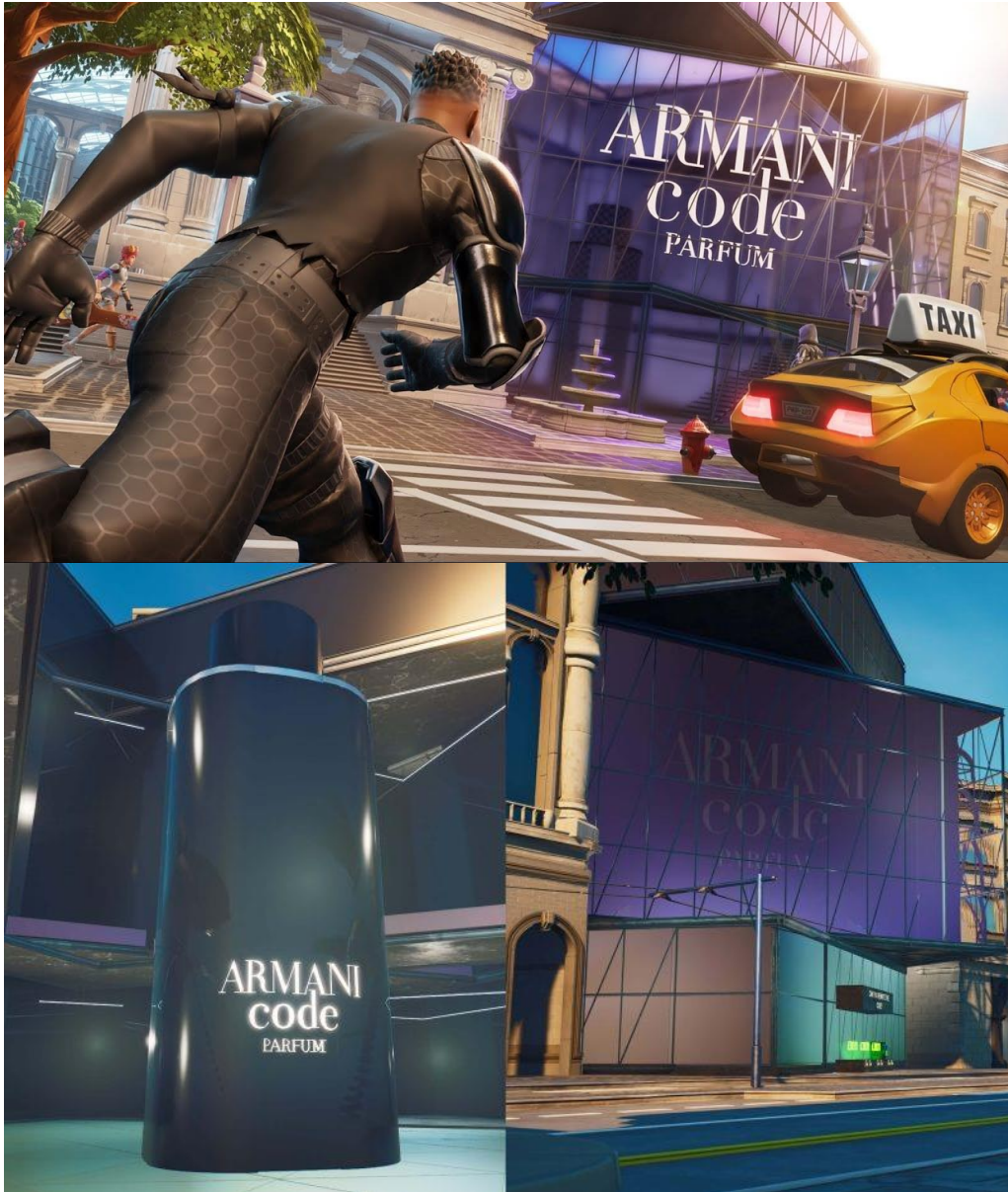
Mugler elevates loyalty 'on chain' with compelling virtual offerings and visionary brand positioning – 'The real world is not enough'.

A collaboration with Marc Tudisco, a conceptual 3D artist, "We Are All Angel" is a collection of 30 unique Meta Mugler's Angels - limited to 3000 pieces – exploring the augmented facets of femininity, one for each year since 1992. Through an otherworldy play-to-own experience, an NFT Profiler based on various facets of fearless and fantasy personalities unlocking exclusive super powers.
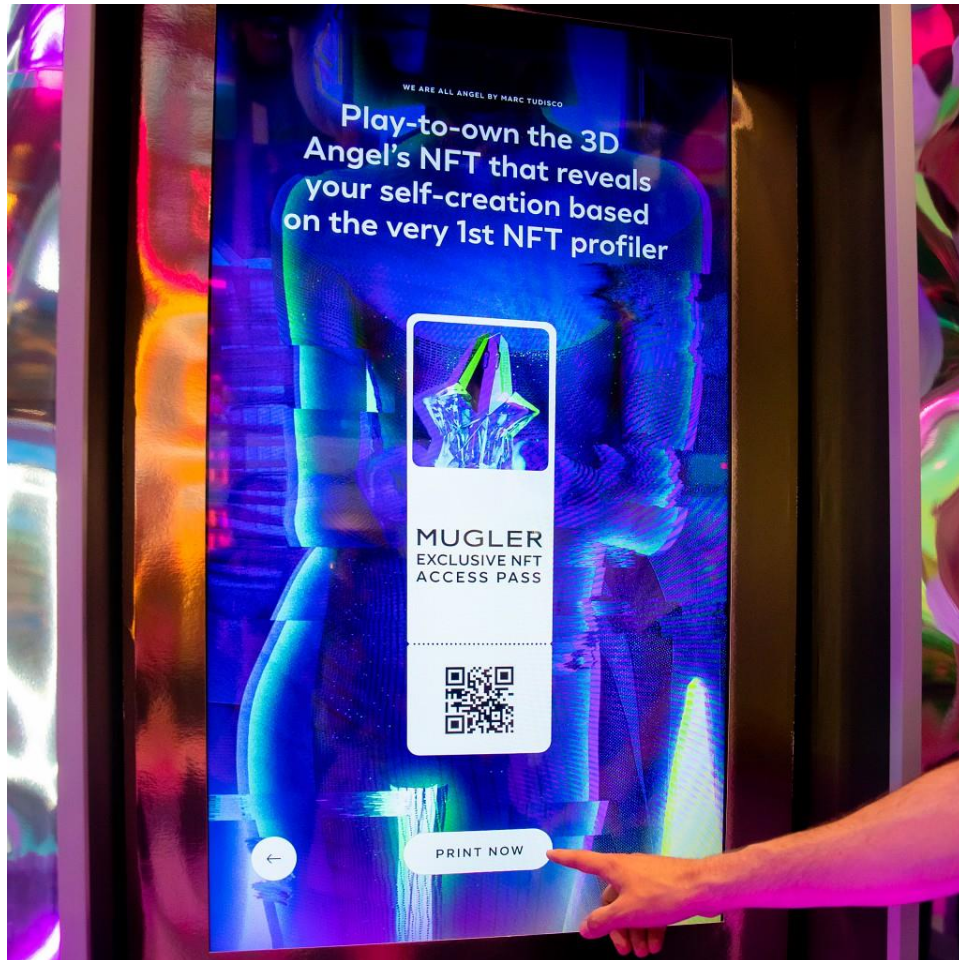
[Yves Saint Laurent Beauté](#) reimagines experiences and products in the virtual world with its cause, 'Abuse is not Love'.

YSL Beauté is opening 10,000 Golden Block NFTs through YSL Beauty's wallet to unlock experiences and utilities. With a branded wallet experience facilitated by Arianee, a French rising start up, YSL Beauté is providing an exclusive access to a token gated Web3 hub starting with an early access to two inspiring music artists on the platform P00ls.
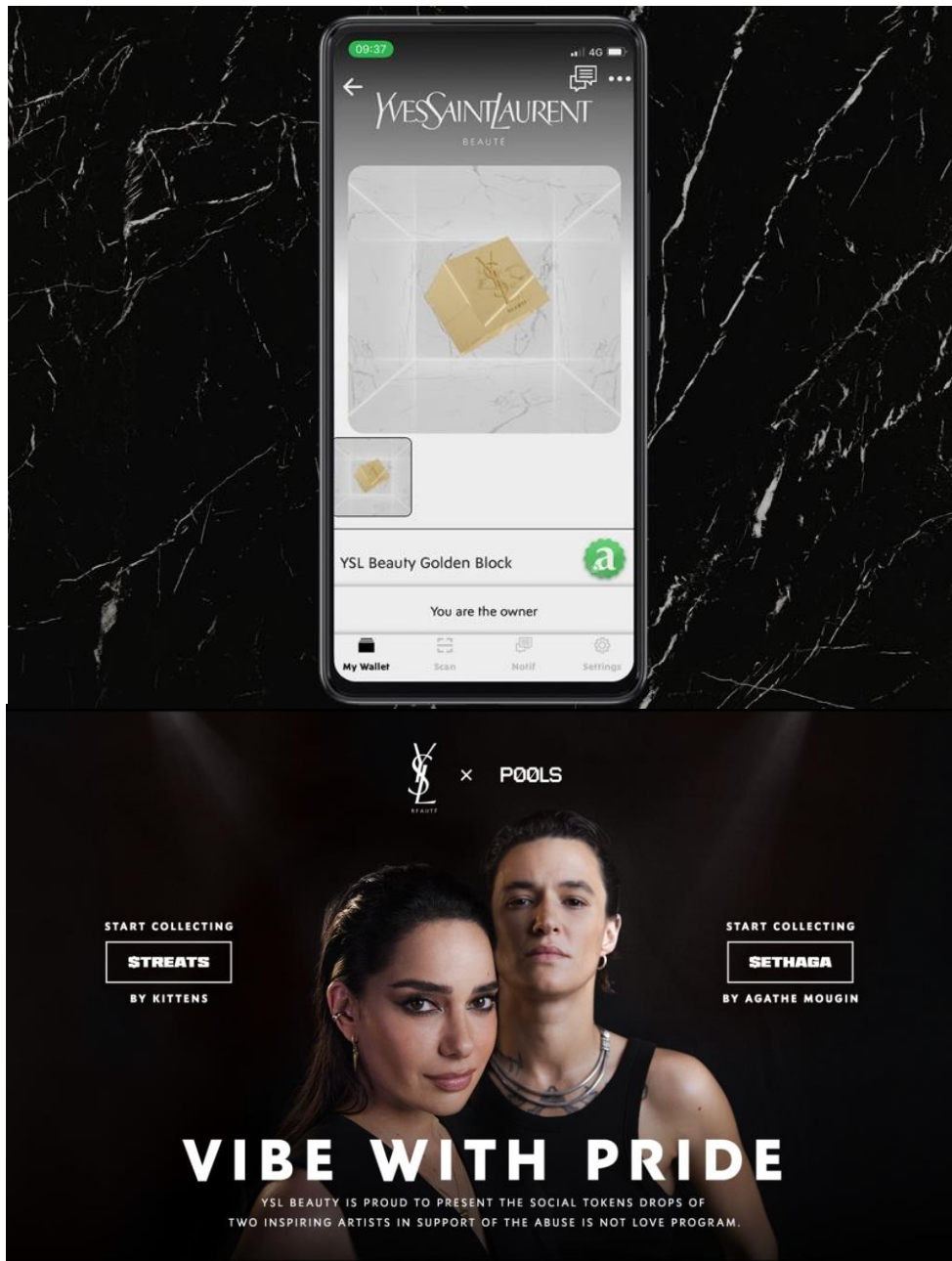
Our Technology Incubator developped [Perso](#), AI-powered, beauty tech device that delivers personalized on-the-spot skincare and cosmetic formulas.

Perso's 3-in-1 technology allowes to create custom skincare, lipstick or foundation formulas. Moreover, the level of personalization is optimized over time as the system gathers more data about our customer's skin and personal preferences. The technology was adapted by Yves Saint-Laurent Beauté to create Rouge Sur Mesure Powered by Perso – device that allows to create thousands of personalized shades and color-match the shades thanks to a mobile application.
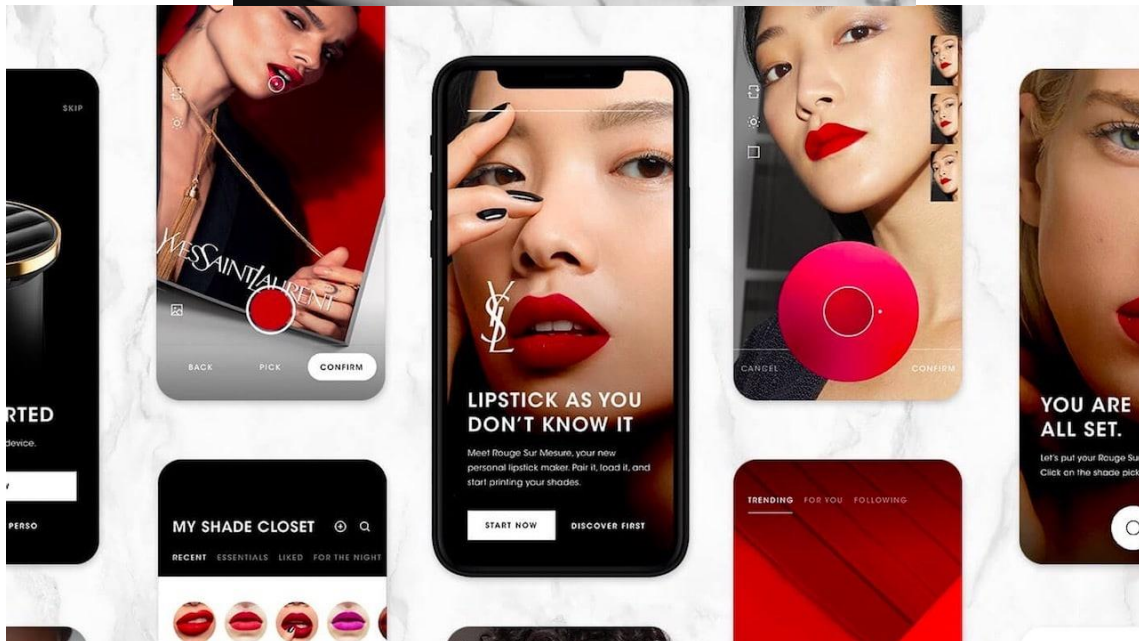
[Lancôme](#) China is exploring the future of virtual shopping in Web3 with Alibaba's Taobao.

Launching a first NFT artwork GWP for Chinese 05.20 (May 20th) Shopping Festival, Lancôme partnered with Alibaba's Taobao (T-Mall) as part of Absolue's marketing and PR campaign to target male gift buyers with the aim to improve performance during the gifting season. The artwork takes the form of Lancôme's rose petal that keeps on changing and flowing, it was given as a GWP with one of the Absolue sets purchase and cannot be bought individually. Built on Antchain, the blockchain technology arm of Ant Group (affiliated with Alibaba), 1000 pieces were provided during the festival.

Building our digital edge from web2 to web3 requires building a strong ecosystem of partnership to equip our brands and deliver the best experiences to people. Step by step, we are bringing Web3 partners that spans artists, communities, tech platforms to enter in that new spaces:

- **We forged a first-of-its-kind, beauty partnership with OpenSea, the world leading peer-to-peer marketplace for NFTs.**

  This partnership will allow L'Oréal to offer unique, virtual beauty products and collectibles, in a brand-specific environment.

- **Women in web3 [BOLD Partnership](#) – because we want tomorrow's world to be fair, diverse, and inclusive.**

  And we want women to be part of shaping it. We have a proud history of empowering women and working with them to build the world of tomorrow. Through BOLD, we invest in new and disruptive business models on Web3, led by women.

- **Arianee, a leading NFT platform for the luxury and fashion industries is partnering with YSL Beauté to provide a branded Web3 experience on-chain.**

  Allowing the community to claim a YSL Beauty Golden Blocks NFT, these 10K NFTs will be minted on Polygon, Arianee's Protocol. This will unlock exclusive access throughout the year to utilities such as premiere launch, allowlisting for NFT drops and much more.

- **Ready player me, the leading cross-game avatar platform for the metaverse, is partnering with two of the Group's leading brands, Maybelline New York and L'Oréal Professionnel to offer exclusive makeup and hair styles for avatar creation that can be used on more than 4,000 platforms and apps worldwide.**

- **Meta has launched a startup acceleration program dedicated to creativity in the Metaverse in partnership with L'Oréal Groupe.**

  The programs takes place in Station F, in Paris France and will start in January 2023. The selected group will include projects from 3D production to AR/VR/MR technologies, avatar creation and their portability, user experience, token economy, and other topics related to Web3 subjects.

V.   Glossary

O+O+O – offline + online + on-chain (on the blockchain)

BET – Beauty Engagement Touchpoints; additional touchpoints in beauty consumer journey

ModiFace – augmented reality tech company acquired by L'Oréal in 2018, ever since has been implementing AR & AI to create try-on, beauty analysis and augmented shopping services for L'Oréal's brands; learn more here

Web3 - The next iteration of the web being ushered in as we speak, which leverages blockchain technology, open-source applications, and the decentralization of data and information. Web3 aims to remove control of the web from monopolistic tech companies and return ownership of data and content to its users. Also referred to as the "read-write-trust web."

AR (Augmented Reality) - Real world overlayed with 3D digital objects. Allows participants to experience the relationship between digital and physical worlds.

VR (Virtual Reality) - Immersive digital environment. Fully enclosed and synthetic with no sense of the real world, other than people's physical motion.

AI (Artificial Intelligence) – Computer system performing the tasks normally requiring human intelligence, such as visual perception, speech recognition, and decision-making.

Metaverse – Today, it is the internet in 3D, very much led by the gaming acceleration. In the future, it is the vision of a Persistent & user defined virtual space; interconnected & limitless 3D virtual world where users can live the digital experiences. The next generation of this online reality will be across many metaverses with unique characteristics and communities.

NFT - A non-fungible token, or a unit of unique data stored on the blockchain system that can be traded and sold. Most digital files can become NFTs, but in the fashion industry, most NFTs have been in the form of imagery.

Skins - Digital garments that exist in-game. Unlike NFTs, skins are rarely transferable through metaverses. They encompass anything that an avatar (online persona) is wearing.

Cryptocurrency - Different currencies that are used to trade digital items. The most popular are defined by three verification systems: proof of work like Ethereum, which has come under fire for using large amounts of energy until recently; proof of stake, where a person with a corresponding number of network coins verifies a block of information; and proof of authority, where users are required to make themselves known to the network. The most popular cryptocurrency is Ethereum, although many others exist that are tailored to specific value environments.

Wallet - A software application or hardware device used to store the private keys to blockchain assets and accounts. Unlike a traditional wallet, a blockchain wallet does not actually store the coins or tokens themselves. Instead, they store the private key that proves ownership of a given digital asset.

DAO (Decentralized Autonomous Organization) - is an online community that jointly controls a cryptocurrency wallet to pursue common goals, such as running a business or charity.

Blockchain - The system that allows NFTs to be verified through a record of transactions across several linked computers. What makes the blockchain unique is that records cannot be altered, making it a perfect system for traceability and transparency.

Proof of work/proof of stake - Blockchains typically run on one of two types of consensus algorithms: proof of work (PoW) and proof of stake (PoS).

Minting - The process of validating information, such as domain ownership, and registering that onto the blockchain.

Ethereum - A public blockchain serving as the foundation for decentralized applications. Ethereum is a Turing complete language, allowing for users to write and deploy complex, self-executing smart contracts which live on the blockchain.

VI.   The evaluation criteria

Evaluation criteria at every step of the competition:

At each step, the projects will be evaluated out of 12 points. The criteria are detailed below.

EVALUATION CRITERIA	MAX POINTS
INNOVATIVE	2
TECH-DRIVEN	2
SUSTAINABLE	2
INCLUSIVE	2
FEASIBLE	2
SCALABLE	2
TOTAL GRADE	**12**

What are we expecting from you?

Innovative - we want you to **be bold** and bring to the table the **products and solutions never seen before**

Tech-driven – we want you to incorporate into your project **the newest technology developments**

Sustainable – we want you to take the responsibility and be mindful of the impact that your project will have on the planet and to be aligned with **L'Oréal for the Future commitments**

Inclusive – we want you to be mindful of diverse needs in our society to **not exclude** any particular social groups, and to make your project **as equally accessible as possible** to all potential users

Feasible – we want your project to be **realistic and possible to implement**

Scalable – we want your project to be **achievable on a big scale**

VII. Deliverables & The framework

For the first stage of competition, you are asked to produce 1min pitch video and 3 slides explaining your idea. **Both deliverables are complimentary, which means you should not repeat the information from the video on the slides and other way around.**

In the **video** focus on pitching your idea, be as creative as you want, and make sure that you intrigue the viewer with your concept. You do not have to be present in the video, as well as all members of the team are not obligated to be present together – the format is your choice.

Use **slides** to give more information about the solution, e.g., how it is feasible and scalable, how does it align with sustainability and inclusivity.

Use the frame below to help you develop and pitch your project:

OBJECTIVE	EXPLANATION
Focus your project on a L'Oréal business scope (remember that it must be scalable)	Please choose what of the below scopes your project will cover: o L'Oréal Groupe (project scalable to all the group) o L'Oréal division (project focus only to a division of the group) o L'Oréal brand (specific focus on a brand) o L'Oréal products & services axis (focus only on a business axis, e.g.: the fragrances, the skincare diagnosis…)
Elevator pitch: Describe your innovation in one simple paragraph	In few sentences present your concept and explain what makes your solution innovative
Why and **how** is your solution tech-driven? What technologies will it utilize?	Explain your choice of technology for the solution and how it will enable or enhance it
Does you solution align with **sustainability** and **inclusivity** commitments of L'Oréal?	Show how your solution is sustainable and inclusive e.g., choice of materials, target group
Is your solution **scalable** at a worldwide level?	Explain if it would be possible to introduce your solution globally and why
Would it be **feasible** in term of cost and profitable? What would be approximately the selling price?	Be aware how realistic your solution is, but don't focus on the price, it can be based on estimations You don't have to build a business plan; we are interested in hearing your idea more!
Describe the **Key Performance Indicator (KPI)** you will use to assess the success of your innovation.	How will you measure success of implementation of your solution, e.g., number of users, sold units, engagement