2025 UNIVERSAL REGISTRATION DOCUMENT

L'ORÉAL



INCLUDING THE ANNUAL FINANCIAL REPORT, THE INTEGRATED REPORT AND THE SUSTAINABILITY REPORT

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AFR *This information is an integral part of the Annual Financial Report*
CSRD *Sections containing information from the Sustainability Report.*

L'ORÉAL

Universal Registration Document

2025

**INCLUDING THE ANNUAL FINANCIAL REPORT,
THE INTEGRATED REPORT AND THE SUSTAINABILITY REPORT**

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document was filed on 18 March 2026 with the French Financial Markets Authority (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

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"The strength of the L'Oréal model resides within us, more vibrant than ever. It charts our course, with consistency and loyalty to our values."

JEAN-PAUL AGON
Chairman of the Board of Directors

L'Oréal has once again demonstrated its ability to maintain its trajectory of dual performance.

The Group has consolidated its position as the world leader in beauty, sustained its growth and strengthened its margins. Our brand portfolio – already the most diverse in the industry – has been further enriched, opening up formidable new opportunities.

On the corporate citizenship front, our resolve remains intact. This is reflected in the triple A rating awarded by CDP, which L'Oréal is the only company in the world to have achieved over ten consecutive years. I wish to express my immense pride and gratitude to the teams who uphold our commitments on a daily basis.

The strength of the L'Oréal model resides within us, more vibrant than ever. It charts our course, with consistency and loyalty to our values.

Our people are our greatest driving force. Through their unique spirit, their solidarity and their ability to anticipate turbulence, the 95,000 L'Orealians are fully aligned with our ambition, sharing that "extra measure of resilience" so vital for success in today's world.

The determined leadership of Nicolas Hieronimus and his Executive Committee fosters the drive to act and to transform. Under his impetus, new avenues are emerging to combine growth and market conquest with the power of technologies that will shape the future.

The stability of our governance is our strategic strength for the long term. It was further consolidated in 2025 by the enduring bond between the founding Bettencourt Meyers family and L'Oréal, through the presence on the Board of Jean-Victor Meyers and Nicolas Meyers, alongside the Téthys holding company - L'Oréal's primary shareholder, where Françoise Bettencourt Meyers acts as Chair. In the face of shifting market dynamics, the Board rigorously oversaw the strategy, particularly within the Luxe Division and the resilience of our positions in the United States and China. Our annual seminar in India allowed us to witness first-hand its exceptional potential as a future growth engine. The Board also explored the new frontiers of Beauty, from longevity to strategic acquisitions.

Steadfastly, L'Oréal will continue to forge its path, driven by its fundamentals – sustainable and responsible value creation, scientific excellence, a people-first culture and a commitment to leading by example – while turning every transformation into a new source of energy.

I have absolute confidence in our fundamental strenghts They are entirely focused on one unwavering goal: to invent the future of beauty with exacting standards and responsibility.



"2025 was a year of deep transformation, with record investments in building our future growth engines."

NICOLAS HIERONIMUS
Chief Executive Officer

In 2025, we reinforced our global leadership, once again demonstrating the resilience and agility of our company. With solid like-for-like growth of +4%, L'Oréal accelerated quarter after quarter and delivered, together with improved margins. L'Oréal outperformed a dynamic beauty market and stayed well ahead of the majority of its large, listed peers.

I would particularly like to highlight the significant acceleration in our two largest markets, the US and China, and the continued dynamism of emerging markets, which although accounting for only 17% of sales, delivered 40% of our total sales growth.

Beyond our financial results, 2025 was a year of deep transformation, with record investments in building our future growth engines:

A record investment in tech and artificial intelligence (AI): 2025 saw a record investment in tech to leverage L'Oréal's scale with even greater agility. AI is at the core of L'Oréal's new playbook, driving value for our consumers, our functions, our employees and our company.

A record year for innovation: growth in 2025 was fuelled by our "beauty stimulus plan".This year we filed 725 patents, our largest number ever, promising more disruptive innovations to come. And L'Oréal was recognised by Fortune as the "Most Innovative Company" in Europe across all sectors.

A record year for M&A: we strengthened our position by filling strategic gaps in our portfolio with the acquisition of Dr.G, Medik8 and Color Wow. We further cemented our luxury leadership with Jacquemus and Kering Beauté, and we are opening additional growth opportunities in fast-growing beauty adjacencies through our longevity joint venture with Kering and increased participation in Galderma.

Looking ahead, we are ready to surf on the underlying trends boosting our market - from the growth of the middle class in emerging markets and the acceleration of e-commerce, to the increasing sophistication of beauty protocols. Thanks to our multi-division strategy, we are uniquely positioned to win across every category and region and leverage our innovation capabilities to capture new opportunities and expand our boundaries.

L'Oréal is entering 2026 stronger than ever. Our success remains rooted in our unique culture and the passion of our teams. Together, we are ready to accelerate our growth and continue leading the beauty industry into a bright and exciting future.

Watch the full interview with the Chief Executive Officer by scanning this QR code or go to lorealrannualreport2025.com

Presentation of the Group – Integrated Report AFR

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AFR *This information is an integral part of the Annual Financial Report.*
CSRD *Sections containing information from the Sustainability Report.*

This chapter presents the well-balanced business model of the L'Oréal Groupe, its strategic orientations, its 2025 results, its non-financial performance, and its relationships with its stakeholders, particularly in the context of the L'Oréal for the Future sustainability programme[1].

1.1 L'Oréal Groupe fundamentals

1.1.1 Our Sense of Purpose (*raison d'être*)

The desire for beauty has existed since the beginning of humanity.
It's a universal aspiration which crosses time, countries and cultures.

Beauty is a powerful force that moves us.

We know that beauty is more than just looking good.
Beauty gives us confidence in who we are, in who we want to be and in our relationships with others.

For over a century we have been dedicated to one sole vocation: creating beauty.
We remain true to the pioneering spirit of our founder and enjoy the unwavering support of his family, who have always accompanied our development.

Our goal is to offer each and every person around the world the best of beauty
in terms of quality, efficacy, safety, sincerity and responsibility
to satisfy all beauty needs and desires in their infinite diversity.

Because beauty is a permanent quest,
we harness the power of our innovation to continually enhance the performance of our products and services.
Because we value diversity,
we leverage each of our brands to celebrate all expressions of beauty.
Because we strive to be exemplary with a long-term vision,
we anchor our actions in our strong values and demanding ethical principles.

And because we are the global leader in beauty,
we are aware that **everything we do can have a meaningful impact**.

Therefore:

We act to shape the future of beauty
by leveraging the best of science and technology, increasingly inspired by nature.
We act to drive social innovation
by offering the best working conditions,
training and social protection for our employees.
We act to build a business with inclusivity at its heart
by ensuring we are as diverse as the people we serve.
We act to nurture lasting partnerships with our clients and suppliers
based on mutual trust and collaboration.
We act to create value for all our shareholders
by sustaining a robust business model.
We act to champion the cause of women and to strengthen the
communities with which we engage.
We act to protect the beauty of the planet
by fighting climate change, respecting biodiversity
and preserving natural resources.

At L'Oréal, we share a common Sense of Purpose to:

Create the beauty that moves the world.

(1) *See 1.4.2.*

L'Oréal's Sense of Purpose (*raison d'être*) is a core principle, to see ourselves as a high-performing, committed, responsible, inclusive company showing solidarity in decades to come. L'Oréal's *raison d'être* is included in the strategic orientations defined by its Board of Directors and in its business model.

L'Oréal's Sense of Purpose was developed following the work implemented over almost two years, initiated and driven at the highest level by Jean-Paul Agon and Nicolas Hieronimus, as well as several members of the Executive Committee. L'Oréal's Sense of Purpose was the result of dialogues with the Group's employees in three of its key countries (France, the United States and China) and many external stakeholders, including consumers. The progress made was discussed several times in the Executive Committee. For L'Oréal, the aim was to collect and formalise its contribution to the world as a company, its values and its actions in one document.

This *raison d'être* was approved in 2020 by the Board of Directors, who incorporated it into their Management Report published in the 2019 Universal Registration Document and presented to the General Meeting of Shareholders on 30 June 2020.

L'Oréal was presented with the Award for ESG Purpose and Commitments at the 2022 General Meeting and Gender Balance Awards ceremony, organised by the Institut du Capitalisme Responsable.

A single sentence epitomises L'Oréal's Sense of Purpose: "Create the beauty that moves the world". **It is defined in concrete actions** made to consumers, employees, clients, suppliers, shareholders, service providers and communities. L'Oréal aims to combat climate change, by respecting biodiversity and preserving natural resources, and to champion the cause of women. The Group is using its Sense of Purpose to publicise its ambitions through an eponymous media campaign launched in 2021. The majority of the Group's brands have supported their causes since 2018, combatting violence against women with the Abuse is Not Love programme from Yves Saint Laurent Beauty, campaigning against street harassment with L'Oréal Paris and the Stand Up programme, helping women get access to reading with Lancôme's Write her Future programme or supporting environmental causes with Biotherm's Water Lovers programme.

In its Management Report, disclosed in the present document, L'Oréal's Board of Directors reports on the implementation of the ambitions included in its *raison d'être*, and on the progress towards the goals set:

- economic performance is inseparable from corporate social responsibility performance. The results of the Group's sustainability performance, which are reviewed by external auditors along with its financial performance, reflect the achievements of L'Oréal arising from its Sense of Purpose. Chapter 4 reports on the social, environmental and societal policies and progress, inclusion and ethics within the L'Oréal for the Future programme covering the Group's sustainability objectives;
- L'Oréal also presents its progress and achievements in non-financial areas through its annual reporting made to the United Nations Global Compact;
- this chapter also reports on the Group's financial performance, particularly through its business model (see section 1.3); and
- the Group's CSR performance is one of the factors considered in determining the variable portion of the remuneration of L'Oréal's executive corporate officers (see section 2.4) and the Group's principal executives (see section 4.1.1).

1.1.2 The strategy and fundamentals of L'Oréal

1. A clear vision and strategy

L'Oréal has defined a clear vision that is broken down into two points: its Sense of Purpose (*raison d'être*), which is detailed above, and Beauty for each. L'Oréal aims to offer women and men around the world the best in beauty in terms of quality, effectiveness, safety, sincerity and responsibility in order to meet all their needs and all their beauty wishes in their infinite diversity. More than ever, L'Oréal's vision takes on its full meaning and represents a strong anchor in this increasingly unpredictable and complex environment.

L'Oréal's strategy is to combine both Universalisation and Singularisation. **Universalisation** involves the globalisation of brands by taking regional characteristics into consideration in order to serve and retain consumers. **Singularisation**, or "Beauty for each", takes into account a growing global trend towards self-affirmation for both men and women by providing a diverse range of offers and personalisation. The goal is to offer inclusive beauty by responding to the specific aspirations of consumers in every region of the world. In contrast to standardisation, it is based on careful attention to consumers and a deep respect for their differences.

2. One single business: beauty, nothing but beauty and all beauty

For over a century, L'Oréal has dedicated itself to one sole vocation: creating beauty. Beauty is rich in meaning. It allows each person to boost their self-confidence, express their personality and open up to others.

Focusing on a single business represents a major competitive advantage for L'Oréal in a dynamic, resilient market. The Group boasts more than one hundred years of beauty expertise, talented specialists and an in-depth knowledge of consumers. This is built on a detailed knowledge of beauty cultures, needs, desires and aspirations. L'Oréal covers all continents across more than 150 countries, all product categories[1], all distribution channels including e-commerce and Travel Retail, and all price segments.

By focusing its energy on a single vocation, along with a capacity for "seizing what's starting", L'Oréal is able to identify new consumer trends and respond rapidly. The digital revolution in particular, in perfect alignment with "social beauty", connected and shared, acts to speed up the development of the beauty market driven by economic, technological, demographic and sociological developments (see also section 1.3.3).

(1) *Hair colour, skincare, sun care, make-up, perfumes, hygiene products, etc.*

3. The challenge of innovation: the strength of Research & Innovation (R&I), Technology and Artificial Intelligence (AI)

Innovation has been and remains the core of the L'Oréal model: the Group was born from a breakthrough innovation – safe hair dye invented by its founder Eugène Schueller. L'Oréal believes that beauty happens when science and creativity come together to meet the needs of consumers who aspire to new experiences through new products and innovative services. The discoveries of R&I, as well as the unique intuition and creativity of the marketing teams, mean that products are constantly evolving to meet consumers' needs. Because L'Oréal records a significant share of its sales with new product launches every year, the Group has a duty to be the champion of cosmetics innovation.

The beauty of the future is now focused on the Green Sciences programme on the one hand, which covers all the scientific fields on which R&I relies to achieve L'Oréal's objectives in terms of the preservation of natural resources and biodiversity, and on Beauty Tech on the other hand, which seeks to invent the beauty of the future against the backdrop of this century's technological revolutions. Innovation is at the heart of the model and, coupled with technology, is a driving force for growth and discovery of new areas of beauty. Data, artificial intelligence, robotics and nanotechnologies will strengthen and speed up the Group's innovations to help make it a champion of Beauty Tech. L'Oréal also draws on some of the biggest strategic data partnerships, most notably with IBM, to elevate the Group's extensive scientific knowledge base. In 2025, L'Oréal was named "Europe's Most Innovative Company" across all sectors by Fortune 500 magazine.

L'Oréal's leadership in Beauty Tech has enabled it to capitalize on the AI revolution, which is radically reshaping consumer interaction models. Artificial intelligence is also used by employees to increase the capabilities of L'Oréal's various businesses (see section 1.3.5).

L'Oréal invents the beauty of the future while becoming the company of the future (see also "Leveraging Beauty Tech and digital technology to create the beauty of the future" in section 1.3.4.2).

4. Marketing of brands, products, services and of the customer experience

Over the next decade, the beauty market will become more digital and more competitive, with the rise of numerous independent local ("indie") brands benefiting from easy access to social networks on the one hand, and the ramp-up of traditional players in the Luxe sector or companies at the intersection of pharmaceuticals and beauty on the other. In this context, L'Oréal's expertise and excellence in creating and developing major brands that are prized by consumers all over the world are essential assets. L'Oréal has always been able to create star products, from brand-new franchise launches to innovations that evolve into "icons" over time. The ability of the marketing departments for our brands and R&I laboratories to innovate is a key asset in the collaborative, agile design of new products, services and unique consumer experiences.

5. Adapting and seizing every opportunity through multi-polar growth in each Region and Division

L'Oréal's global footprint enables it to optimise its growth by continuously adapting to the context it faces, seize opportunities as they arise and minimise exposure to areas where business is slower. In terms of Regions, Europe remains the historic cradle of the Group's business, and the nerve centre of its operations. North America, currently the world's largest beauty market, is boosted by its demographics, increasing ethnic diversity and therefore expectations of beauty, and the ongoing acceleration of e-commerce. In North Asia, China, where market conditions are gradually stabilising, will remain a major contributor to Group sales, with its consumers representing a significant source of growth for the long term. Emerging markets represent a major accelerator for the Group, with a rapidly growing population and current trends of urbanisation, digitalisation and empowerment of women (see also section 1.3.3.1 "Geographic expansion").

The Group's four Divisions enable it to meet all consumer expectations. The Group's first Division, Consumer Products, aims to give the best of beauty a more premium feel while also making it accessible to more people. It is the Group's main asset in its attempts to conquer emerging markets. The Luxe Division responds to the desire for quality and experiences in the upper-middle classes. Dermatological Beauty meets increasingly high expectations in terms of skincare drawing on its unrivalled network of dermatologists and healthcare professionals. Lastly, Professional Products enhances the sophistication of the market and the salon sector as well as L'Oréal's reputation across the globe.

6. The dual goal: economic and corporate excellence to create lasting value for all

Economic and financial performance is not enough for L'Oréal. Because there will be no economic growth without sustainability in the future, L'Oréal has set itself the dual goal of excellence in both the economic and societal domains. It will be the condition for its success and its staying power. It is because L'Oréal is committed to environmental, societal and ethical performance that it will be even more resilient in the future. The two performances go hand in hand and mutually enhance each other, as L'Oréal has demonstrated to date.

7. Prioritising people and social harmony

As the Group's founder, Eugène Schueller, declared with conviction: "A company is not walls and machines, but people, people and more people." In keeping with the tradition of our founder, individuals and social cohesion are at the heart of L'Oréal and must remain our priority in a climate where attracting talent is becoming increasingly complex. The Group's values have always been humanist in nature. In entrepreneurial culture, passionate and committed teams are strategic intangible assets that always make – and will always make – all the difference.

L'Oréal's human and social project constitutes both the strength and the appeal of its model in an ever-changing world. It is based around two priorities: the attention paid to developing each employee through ongoing learning, accelerated career paths or international careers; and a unique social model that combines competitive social performance and shared growth (profit-sharing, incentives, employee share ownership plan, etc.). Social innovation is at the heart of this approach, with the Share & Care programme being a notable example (see chapter 4).

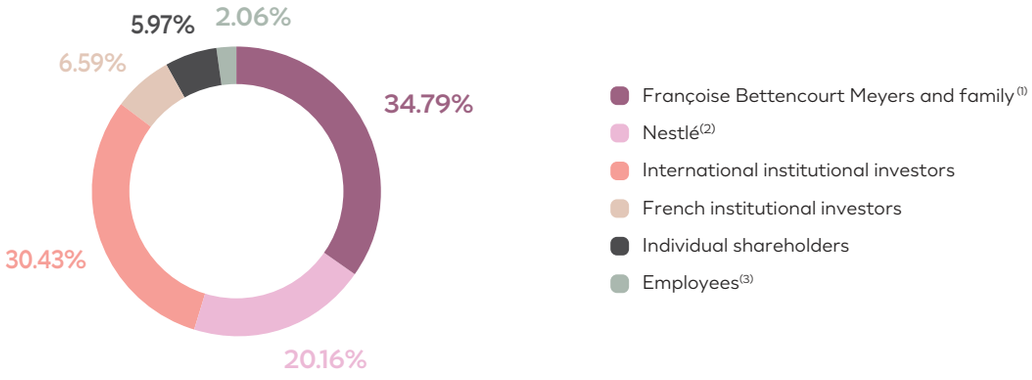
For more than 20 years, L'Oréal has supported diversity, equity and inclusion and is recognised for its actions worldwide. The Group's policy in this area is explained in greater detail in section 4.7.4.1.1.

1.1.3 Stable governance

The stability of the Group's governance in a changing world makes it possible to work towards long-term objectives and to ensure regular growth.

1.1.3.1 Loyal shareholders, stable capital structure

SHAREHOLDERS AS AT 31 DECEMBER 2025



(1) Consisting, in addition to Françoise Bettencourt Meyers, of Jean-Pierre Meyers, Jean-Victor Meyers and Nicolas Meyers, along with Téthys SAS and Financière L'Arcouest SAS.

(2) Nestlé's shareholding is held by Nestlé Equity Holdings Limited, a company owned by NTC Europe S.A. and Société des Produits Nestlé SA, themselves directly or indirectly 100%-owned by Nestlé SA.

(3) Concerns the current and former employees of L'Oréal. The percentage also includes the performance shares granted in accordance with Article L. 225-197-1 of the French Commercial Code. Of which 1.11% of the share capital as part of the L'Oréal Employee Savings Scheme and employee investment funds as defined by Article L. 225-102 of the French Commercial Code.

1.1.3.2 A balanced and committed Board of Directors, which fully plays its role of reflection and strategic impetus

The Board of Directors defines the strategic orientations of L'Oréal and monitors its implementation, in accordance with its corporate interest, taking the social and environmental challenges of its business activity into consideration. It oversees the management of both financial and sustainability aspects, and ensures the quality of the information provided to shareholders and to the market.

The composition of L'Oréal's Board makes it possible to take into account the specific nature of its shareholding structure while guaranteeing the interests of all its stakeholders. At 31 December 2025, the Board of Directors comprised 17 members:

- the Chairman, Jean-Paul Agon;
- the Chief Executive Officer, Nicolas Hieronimus;
- three Directors (one of whom is Vice-Chairman of the Board) from the Bettencourt Meyers family, which owns 34.79% of the share capital – Jean-Victor Meyers, Nicolas Meyers and the company, Téthys;
- two Directors (one of whom is Vice-Chairman of the Board) linked to Nestlé, which owns 20.16% of the share capital – Paul Bulcke and Béatrice Guillaume-Grabisch;
- eight independent Directors: Sophie Bellon, Fabienne Dulac, Aurélie Jean, Ilham Kadri, Isabelle Seillier, Patrice Caine, Jacques Ripoll, and Alexandre Ricard. 53% of the Directors are therefore independent (eight out of 15 excluding the Directors representing the employees); and
- two Directors representing the employees: Thierry Hamel and Benny de Vlieger.

The Board takes steps to ensure that the Directors come from different backgrounds and that they complement one another due to their different professional experience, their skills and their international exposure (see 2.2.1.2) The diversity of skills and expertise on the Board enables it to understand rapidly and in detail the development challenges that L'Oréal faces.

L'Oréal is attentive to compliance with the principle of balanced gender representation on the Board.

COMPOSITION OF THE BOARD AT 31 DECEMBER 2025

57.9	53%*	40%*	8	99.4%
average age of Directors	of Independent Directors	of Directors are women	meetings	attendance



Jean-Paul Agon
Chairman of the Board of Directors
Chairman of the Strategy and Sustainability Committee



Nicolas Hieronimus
Chief Executive Officer



Jean-Victor Meyers
Vice-Chairman of the Board of Directors



Paul Bulcke
Vice-Chairman of the Board of Directors



Sophie Bellon
Chairwoman of the Human Resources and Remuneration Committee



Patrice Caine
Chairman of the Nominations and Governance Committee



Fabienne Dulac



Béatrice Guillaume-Grabisch



Thierry Hamel
Director representing employees



Aurélie Jean



Ilham Kadri



Nicolas Meyers



Alexandre Ricard



Jacques Ripoll
Chairman of the Audit Committee



Isabelle Seillier

Téthys
Represented by Alexandre Benais



Benny de Vlieger
Director representing employees

Strategy and Sustainability Committee	Audit Committee	Nominations and Governance Committee	Human Resources and Remuneration Committee
• 6 members	• 7 members	• 6 members	• 8 members
• 100% attendance	• 67% independence*	• 50% independence	• 57% independence*
	• 100% attendance	• 100% attendance	• 100% attendance

* *Excluding Directors representing employees, in accordance with the French Commercial Code (Code de commerce) and the AFEP-MEDEF Code.*

ACTIVITIES OF THE BOARD AND ITS COMMITTEES IN 2025

The Board of Directors fully assumes its role in defining the Group's strategic orientations.

Thanks to an open and constructive dialogue with the General Management and regular meetings with management, the Directors are completely up-to-date with L'Oréal's economic reality and fully informed of all the Company's activities, its performances and the challenges it faces. They examine the main areas and opportunities for long-term development and material acquisitions in particular.

The Directors make sure that the decisions taken contribute to implementation of the strategy.

Wishing to continually enhance its role to reflect on issues and drive strategic decision-making, in 2025, the Board carried out an evaluation of its modus operandi and organisation, as it has done every year since 1996 (see 2.3.5).

BOARD OF DIRECTORS

8 *meetings in 2025 – 99.4% attendance rate*

MAIN WORK IN 2025

- **Corporate governance:**
  - Changes in the composition of the Board and its Committees, preparation of draft resolutions on appointments and reappointments.
  - Basis for dialogue with shareholders, investors and proxy advisors, including feedback.
  - Evaluation of the modus operandi of the Board and executive session.
- Remuneration policy for corporate officers, human resources including employee shareholding plans, gender balance within management bodies, diversity, equity and inclusion, Long Term Incentives policy.
- **Business activity and results:** definition of strategic orientations, taking into account social and environmental issues; systematic review of the Group's results and analysis of trends in the beauty market; analysis of acquisition projects.
- **Strategic themes reviewed in 2025:** CSR, Ethics, Human Resources, Digital (including AI), Luxe Division, China, United States, adjacent territories, R&I including longevity, One L'Oréal, including transformation projects.
- **Strategic seminar held in 2025:** India

STRATEGY AND SUSTAINABILITY COMMITTEE

7 meetings – 100% attendance rate

2025 MAIN ACTIVITIES

- **Strategy:**
  - Analysis of sales, update on business activities, market trends and competition
  - Analysis of the performance of recent product launches
  - Review of acquisition and partnership projects, as well as financing arrangements
  - Review of the Group's strategic development prospects
  - Review of the proposed dividend
- **Sustainability:**
  - Review of recent initiatives
  - Context and progress report five years after the launch of the L'Oréal for the Future programme
  - Analysis of the Group's resilience in the face of water-related challenges
  - Review of the decarbonisation plan
  - Monitoring of the Sustainable Innovation Accelerator programme

AUDIT COMMITTEE

6 meetings – 100% attendance rate

2025 MAIN ACTIVITIES

- **Oversight of the process for preparing financial information:**
  - Review of annual and interim results, analysis of operating income by Division and Region
  - Review of Statutory Auditors' Reports
  - Review of the Statutory Auditors' audit plan for 2025
- **Internal control, risks and compliance:**
  - Review of internal control and compliance systems
  - Monitoring of Internal Audit activities, including CSR and cybersecurity
  - Risk mapping
  - Update on cybersecurity
  - Updates on legal risks
  - Group insurance policy
  - Group employee benefit obligations
  - Reputational risk management
  - Review of controversial substances
- **Monitoring of the process for preparing non-financial information and non-financial risks:**
  - Update on sustainability reporting regulations
  - Sustainability reporting strategy, review of market standards and practices
  - Omnibus initiatives
  - Sustainability report and sustainability auditors

NOMINATIONS AND GOVERNANCE COMMITTEE

5 meetings – 100% attendance rate

2025 MAIN ACTIVITIES

- **Composition of the Board:**
  - Reflection on the composition of the Board and its Committees in the short and medium term, and definition of the profiles sought
  - Reflection on the skills matrix for directors
  - Onboarding of Isabelle Seillier, Aurélie Jean and Téthys as represented by Alexandre Benais
- **Governance:**
  - Analysis of 2025 voting policies for investors and proxy advisors
  - Review of the independence of Directors
  - Review of the results of the Board's self-assessment
  - Review of the executive session held in December 2024
  - Values Committee: 2025 report
- **Succession plans and emergency plans**: annual review
- **Regulatory updates and knowledge of market practices and expectations:**
  - Women on Board Directive
  - Review of the 2025 General Meeting season
  - Reports issued by the French Financial Markets Authority (AMF) and the French High Committee for Corporate Governance (HCGE)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

5 meetings – 100% attendance rate

2025 MAIN ACTIVITIES

- **Remuneration of corporate officers:**
  - Analysis of the voting policies of investors and proxy advisors concerning remuneration
  - Analysis of the vote on the resolution relating to the 2025 remuneration policy for the Chief Executive Officer at the 2025 General Meeting
  - Remuneration of corporate officers:
    - 2024: performance review
    - 2025: setting of objectives and weightings for criteria applicable to the Chief Executive Officer
    - 2026: recommendations concerning executive corporate officer remuneration policies
  - Say-on-pay: draft resolutions
  - Pay ratios
- **Remuneration of Directors:** Breakdown for 2025 and policy for 2026
- **Annual review of ongoing related-party agreements**
- **Human Resources policy:**
  - L'Oréal remuneration policy
  - Skills-related Learning policy
  - Executive pension scheme
  - Diversity policy and gender balance on management bodies
- **Long-term incentives policy:**
  - Recording of performance relating to the 2021 ACAs Plan
  - Preparation of the 2025 ACAs Plan

1.1.3.3 Composition of the Executive Committee at 1 March 2026

The Executive Committee puts into practice the strategic orientations defined by the Board of Directors and directs L'Oréal's business activities all over the world. Its members head the Operational Departments, the Support Divisions and the Regions, reflecting the complementarity of the Group's expertise. At 1 March 2026, 43% of Executive Committee members were women.



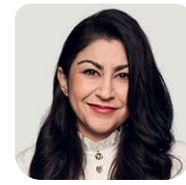
Nicolas Hieronimus
Chief Executive Officer
Nationality: French
Age: 62



Barbara Lavernos
Deputy Chief Executive Officer in charge of Research, Innovation and Technology
Nationality: French
Age: 57



Christophe Babule
Chief Financial Officer
Nationality: French
Age: 60



Ezgi Barcenas
Chief Corporate Responsibility Officer and L'Oréal Foundation
Nationality: Cypriot/American
Age: 41



Kerstin Bird
President – Sub-Saharan Africa
Nationality: German
Age: 48



Vincent Boinay
President of North Asia Region and Chief Executive Officer of L'Oréal China
Nationality: French
Age: 58



Cyril Chapuy
President – Luxe Division
Nationality: French
Age: 55



Myriam Cohen-Welgryn
President – Dermatological Beauty
Nationality: French
Age: 60



Vianney Derville
Chief Global Growth Officer
Nationality: French
Age: 58



Asmita Dubey
Chief Digital and Marketing Officer
Nationality: Indian
Age: 52



Emmanuel Goulin
President - Europe Region
Nationality: French
Age: 49



Omar Hajeri
President – Professional Products
Nationality: French/Tunisian
Age: 49



Blanca Juti
Chief Corporate Affairs & Engagement Officer
Nationality: Finnish/Mexican
Age: 57



Jean-Claude Le Grand
Chief Human Relations Officer
Nationality: French/American
Age: 61



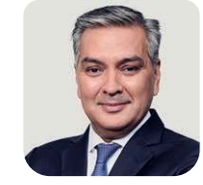
Fabrice Megarbane
President – Consumer Products
Nationality: French/Syrian
Age: 51



Alexis Perakis-Valat
President – North America & Chief Executive Officer L'Oréal USA
Nationality: French/Greek
Age: 54



Ersi Pirishi
President – Latin America Region
Nationality: French/Cypriot
Age: 61



Vismay Sharma
President – South Asia Pacific, Middle East, North Africa Zones
Nationality: Indian
Age: 54



Antoine Vanlaeys
Chief Operations Officer
Nationality: French
Age: 57



Delphine Viguier-Hovasse
Chief Innovation & Prospective Officer
Nationality: French
Age: 53



Eva Yu
President – Travel Retail
Nationality: Hong Kong SAR
Age: 56

1.1.3.4 Ethics, at the heart of the Group's governance and commitments

L'Oréal has built up its business on the basis of strong ethical principles that guide its development and contribute to establishing its reputation: Integrity, Respect, Courage and Transparency. These principles underpin the Group's culture and business model and its compliance, responsible innovation, CSR, corporate philanthropy, Human Rights, and diversity, equity and inclusion policies.

L'Oréal's commitments to act ethically and responsibly are set out in L'Oréal's Code of Ethics. This document, available in 30 languages and as an audiobook in French and English, is made available to all employees worldwide. Country Managers (or for Corporate or Region staff, the members of the Executive Committee to whom they report) are responsible for ensuring compliance with the Code.

1.1.4 A tailored, agile and responsive organisation

The Group's organisation responds to a dual challenge: pursuing the strategy which has enabled L'Oréal to be successful for more than 115 years and at the same time inventing the new L'Oréal of the future, perfectly matched to an ever-changing world.

From an organisational and managerial perspective, L'Oréal is strategically centralised and operationally decentralised with a strong entrepreneurial spirit. This unique model empowers its in-country teams and guarantees flexibility and excellence on the ground. This organisational structure is perfectly suited to the current environment, with Regions aligned more closely with consumers.

L'Oréal SA

L'Oréal SA is a French company, with its head office in France. It acts as a holding company and provides strategic coordination, particularly for brands, as well as Research & Innovation and Tech coordination for the Group throughout the world. It also carried on a sales activity, until this was entrusted on 1 July 2023 to L'Oréal France and L'Oréal International Distribution, as approved by the Annual General Meeting of 21 April 2023 in its 19th and 20th resolutions.

The subsidiaries operate the Group's business activities in the countries or region(s) in which they are located, on the domestic or export markets. To do so, they define the development strategy specific to their market(s), make the most suitable choices in terms of consumer targets and distribution channels, manufacture, directly or indirectly, and market the brands they decide to sell on their market(s).

Almost all of the subsidiaries are owned by L'Oréal SA, which has a holding or control percentage equal or close to 100%(1). The detailed list of these subsidiaries is set out in the notes to the consolidated and parent company financial statements.

Operational Departments

The Group's business activities are organised into four Operational Departments. In the markets, each of these Divisions develops and enhances its brand portfolio with consumers (see below).

By establishing Travel Retail, the Group has given itself the resources to grow this influential segment using a global shopper strategy: a bespoke approach designed, at the destinations favoured by each nationality, to personalise the experience on the basis of the language, culture and beauty rituals of travellers.

Regions

The Group's organisation enables L'Oréal to give more coherence to each Region, particularly in terms of consumer behaviour and market maturity, in order to create the conditions for a cross-functional transformation of the organisation and to maximise growth.

The Regions, each of which has operational responsibility for the subsidiaries in their market, are as follows:

- Europe Region;
- North America Region;
- North Asia Region brings together mainland China, Hong Kong SAR, Taiwan region, Japan and South Korea;
- the SAPMENA Region(2) incorporates South Asia, the Pacific, the Middle East and North Africa;
- the SSA(2) Region, incorporating sub-Saharan Africa; and
- the Latin America Region.

Functional Departments

Several specialist corporate departments provide their expertise and support to the Operational Departments, to the Regions, to the subsidiaries in their markets and to the other business activities (see section 1.3.2).

(1) Furthermore, it should be noted, that pursuant to Article L. 232-1 of the French Commercial Code, L'Oréal SA has branches.
(2) Grouped into the SAPMENA Region for reporting purposes.

A global business focused on beauty

L'ORÉAL'S 4 DIVISIONS AND MAJOR BRANDS

Consumer Products

Democratising the best of beauty.

€16.1bn	36.5%	21.4%(1)
SALES	OF GROUP SALES	OPERATING MARGIN

L'ORÉAL PARIS · GARNIER · MAYBELLINE NEW YORK · NYX PROFESSIONAL MAKEUP · 3CE STYLENANDA · essie · Mixa · Dr.G

Luxe

Creating the best in luxury beauty via breakthrough innovations, meaningful commitments and memorable experiences.

€15.6bn	35.4%	22.4%(1)
SALES	OF GROUP SALES	OPERATING MARGIN

LANCÔME · Yves Saint Laurent · ARMANI beauty · Kiehl's · HR · VALENTINO · Aēsop · PRADA · BIOTHERM · CREED * · shu uemura · it COSMETICS · MUGLER · URBAN DECAY · RALPH LAUREN · AZZARO · Medik8 · Maison Margiela PARIS · VIKTOR&ROLF · TAKAMI · miu miu

40 INTERNATIONAL BRANDS

Dermatological Beauty

Being pioneers in sustainable and life-changing dermatological solutions.

€7.2bn	16.4%	26.1%(1)
SALES	OF GROUP SALES	OPERATING MARGIN

LA ROCHE-POSAY · CeraVe · SkinCeuticals · VICHY · skinbetter SCIENCE

Professional Products

Offering professional beauty to all.

€5.2bn	11.7%	22.9%(1)
SALES	OF GROUP SALES	OPERATING MARGIN

KÉRASTASE · L'ORÉAL PROFESSIONNEL PARIS · REDKEN · matrix · COLORWOW · PUREOLOGY

(1) *As a percentage of sales at 31 December 2025.*
* *Subject to obtaining the customary authorisations and the closing of the transaction.*



ALL PRODUCT CATEGORIES

- Skincare
- Make-up · Hair colourants
- Haircare · Perfumes
- Hygiene products

ALL DISTRIBUTION CHANNELS

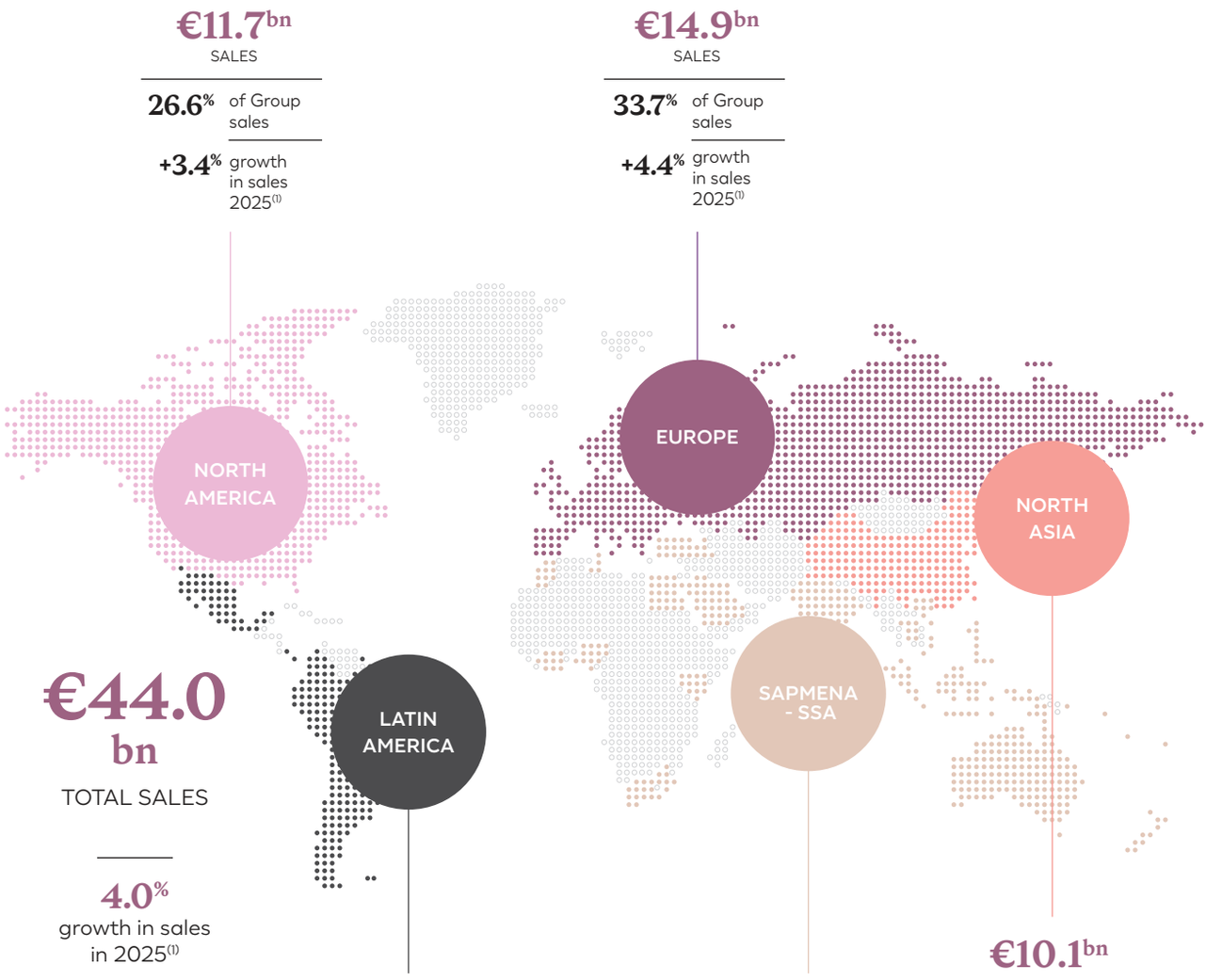
· Hair salons · Local stores in new markets · E-commerce
· Travel retail · Mass market retail
· Department store · Perfumeries · Pharmacies
· Drugstores · Medi-spas · Free-standing stores

THE 5 REGIONS

3 Zones with sales of over €10bn

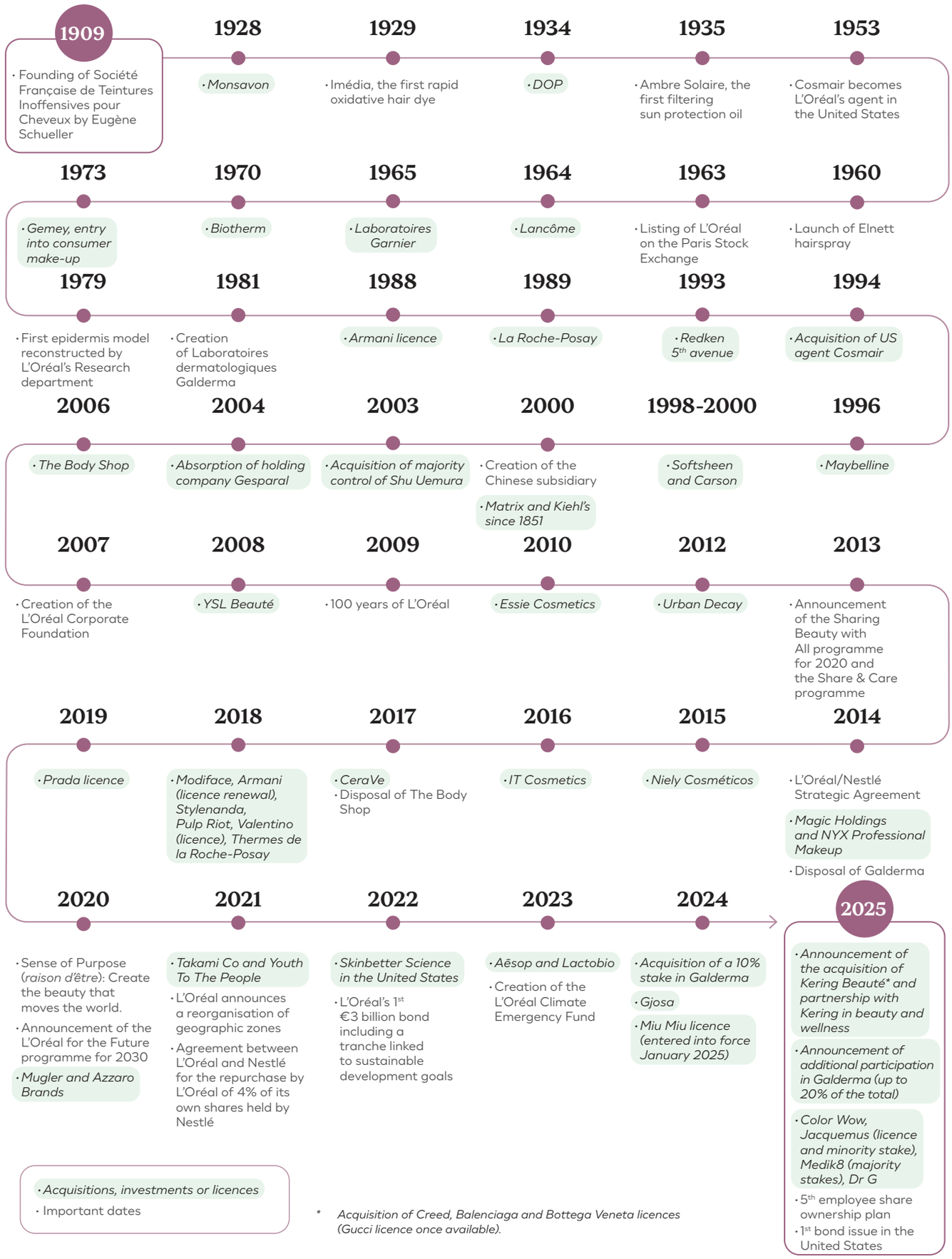
2 Zones as growth engines

150+ Countries International footprint



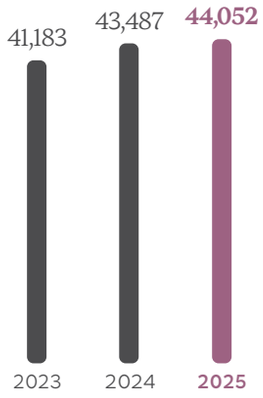
(1) Like-for-like.

1.1.5 Significant dates in the Group's development



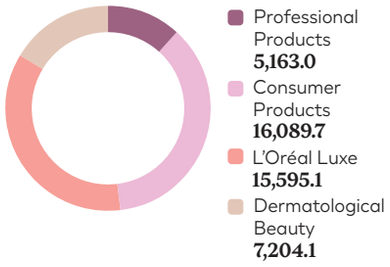
1.1.6 Key figures for 2025

CONSOLIDATED SALES
(€ millions)

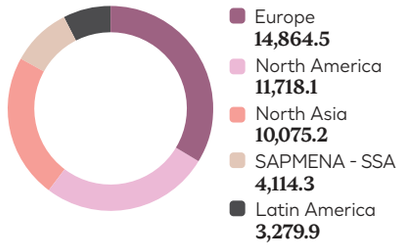


BREAKDOWN OF SALES
(€ millions)

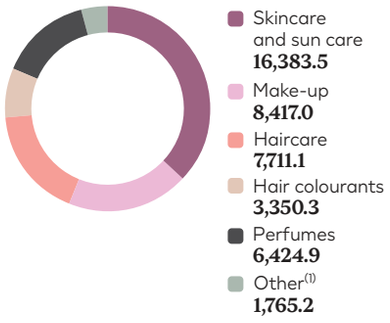
BY OPERATIONAL DIVISION



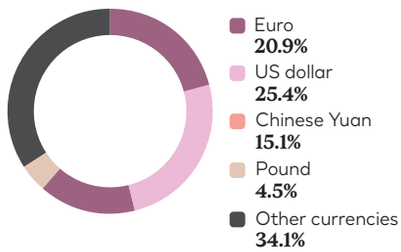
BY REGION



BY BUSINESS SEGMENT

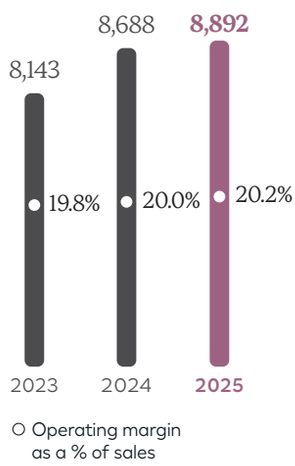


BY CURRENCY



(1) "Other" includes hygiene products and sales by American distributors with non-Group brands.

OPERATING PROFIT
(€ millions)



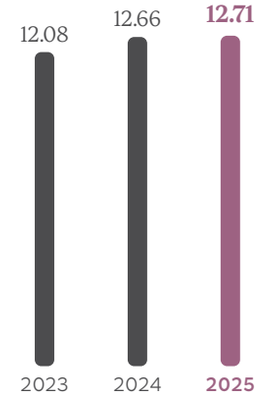
BREAKDOWN OF OPERATING PROFIT BY OPERATIONAL DEPARTMENT



NET PROFIT EXCLUDING NON-RECURRING ITEMS[1] ATTRIBUTABLE TO THE OWNERS OF THE COMPANY
(€ millions)



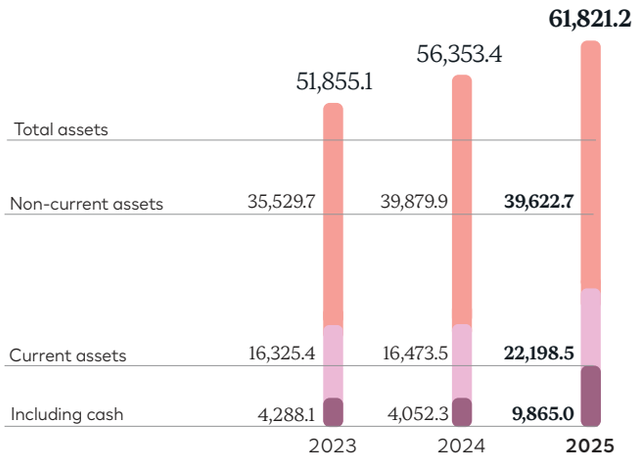
EARNINGS PER SHARE[2]
(€)



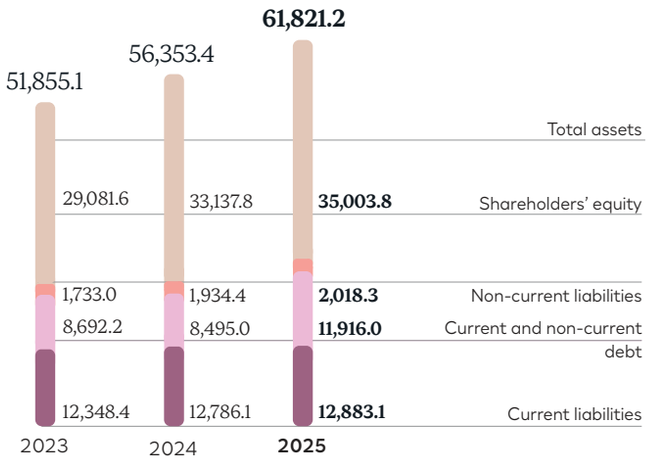
(1) Non-recurring items primarily include capital gains or losses on disposals of long-term assets, impairment of assets, restructuring costs and clearly identified, non-recurring income and expense items that are material to the consolidated financial statements. See note 11.4 to the consolidated financial statements.
(2) Diluted earnings per share excluding non-recurring items, after non-controlling interests.

SOLID BALANCE SHEET
(€ millions)

ASSETS



LIABILITIES



NET DEBT

	31.12.2023	31.12.2024	31.12.2025
Net cash position = Net cash or net debt (€ millions)[1]	(4,404.0)[2]	(4,442.7)[2]	(2,051.0)[2]
Net debt ratio (Net financial position/Equity)	15.1%	13.4%	5.9%
Net debt/EBITDA ratio	46%	43%	19%

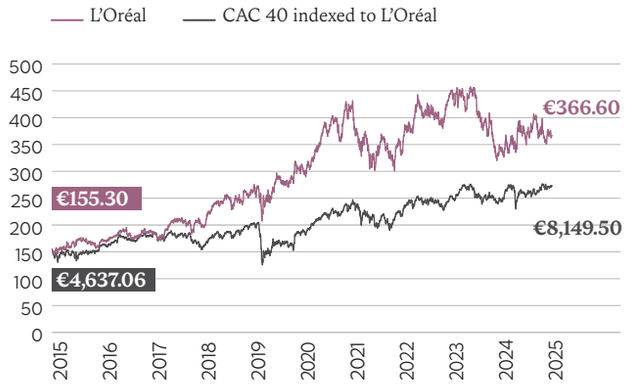
(1) Net cash or net debt = cash and cash equivalents - current and non-current liabilities.
(2) Including IFRS 16 lease liabilities for €1,854 million at end 2023, €1,926 million at end 2024 and €1,797.4 million at end 2025.

SHORT-TERM AND LONG-TERM RATINGS

	Short-term rating	Long-term rating
	A1+ SEPTEMBER 2025	**AA** SEPTEMBER 2025
	PRIME - 1 FEBRUARY 2025	**AA1** FEBRUARY 2025

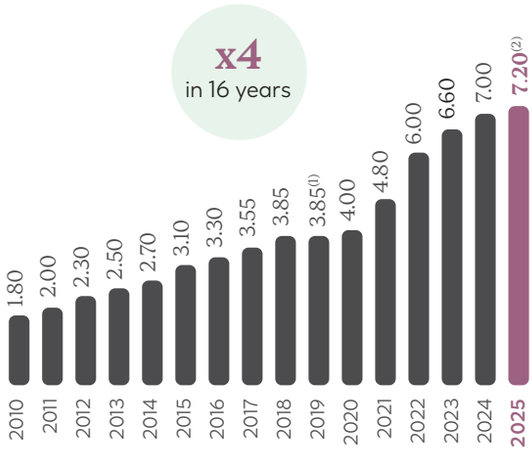
CHANGE IN THE L'ORÉAL SHARE PRICE COMPARED TO THE CAC 40 INDEX

(from 31 December 2015 to 31 December 2025)



STEADY INCREASE IN DIVIDEND PER SHARE

(€)



(1) The L'Oréal Board of Directors met on 12 May 2020 and, in the exceptional context of the Covid-19 health crisis, decided not to proceed with the planned 10.4% dividend increase and to propose a dividend of €3.85 to the General Meeting, identical to the amount paid in 2019.

(2) Proposed dividend at the General Meeting of 24 April 2026.

5-YEAR CHANGE OF A PORTFOLIO OF APPROXIMATELY €15,000 INVESTED IN L'ORÉAL SHARES WITH REINVESTMENT OF DIVIDENDS

Date of transaction	Nature of transaction	Investing activities (€)	Income (€)	Number of shares after the transaction
31.12.2020	Purchase of 49 shares at €310.80	15,229		49
29.04.2021	Dividend €4.00 per share		196	49
	Reinvestment: purchase of 1 share at €343.10	343		50
29.04.2022	Dividend €4.80 per share		240	50
	Reinvestment: purchase of 1 share at €348.90	349		51
28.04.2023	Dividend €6.00 per share		306	51
	Reinvestment: purchase of 1 share at €432.75	433		52
30.04.2024	Dividend €6.60 per share		343	52
	Reinvestment: purchase of 1 share at €439.65	440		53
07.05.2025	Dividend €7.00 per share		371	53
	Reinvestment: purchase of 1 share at €374.40	374		54
TOTAL AS OF 31 DECEMBER 2025		**17,168**	**1,456**	**54**
TOTAL NET INVESTMENT		**15,712**		

Portfolio value at 31 December 2025 (54 shares at €366.60, price at 31 December 2025): €19,796.

The initial capital has thus been multiplied by 1.3 over 5 years (5-year inflation rate = 13.35% - Source: INSEE) and the final share capital is 1.3 times the total net investment.

The Total Shareholder Return of the investment is thus 4.8% per year (assuming that the shares are sold on 31 December 2025, excluding tax on capital gains).

Note: Any income tax that may be paid by the investor as a result of the successive dividend payments is not taken into account.

L'ORÉAL RECOGNISED FOR ITS NON-FINANCIAL PERFORMANCE

CDP: AAA RATING

Securing a AAA rating for the tenth consecutive year consolidates the L'Oréal Groupe's leadership position. Recognition by CDP (a not-for-profit organisation that encourages companies to publish their environmental data) is a testament to L'Oréal's strong sustainability performance in relation to its effort to address climate change, protect forests and ensure water security. *Website: www.cdp.net*

ECOVADIS: SCORE OF 89/100 – PLATINUM MEDAL

The Group was awarded a Platinum medal for the fourth year in a row when it was assessed by the non-financial rating agency EcoVadis. This award puts it in the top 1% of companies evaluated by the rating agency. The assessment considers four broad pillars: ethics; environment; social and human rights; responsible purchasing. *Website: www.ecovadis.com*

SUSTAINALYTICS: SCORE OF 16.6 – LOW RISK

L'Oréal received a score of 16.6 – Low Risk from Sustainalytics. This score places the Group in third place in the "Personal products" sub-category and among the top six companies in the “Personal Products” and "Household products" industry. *Website: www.sustainalytics.com*

MSCI: AA-RATING

L'Oréal was awarded an AA-rating on a scale of AAA-CCC by the MSCI rating agency in 2025. This non-financial assessment is based on an analysis of the ESG risks faced by companies and on how the companies manage these risks compared to their peers. MSCI's assessment of companies' ESG performance aims to provide investors with information to facilitate investment decisions. *Website: www.msci.com*

ISS ESG: "PRIME" STATUS

In 2025, for the 14th year running, L'Oréal achieved "Prime" status in the ESG Corporate Rating by non-financial rating agency ISS ESG, which praised the Company's environmental, social and governance risk management. *Website: www.issgovernance.com/esg*

FTSE4GOOD: INCLUSION IN THE INDEX

The worldwide index provider FTSE Russell has determined that L'Oréal meets the FTSE4Good criteria and is thus eligible for inclusion in the corresponding index series. This recognition highlights the Group's environmental, social and governance credentials.
Website: https://www.lseg.com/en/ftse-russell/indices/ftse4good

2025 FTSE DIVERSITY & INCLUSION INDEX: TOP 10

L'Oréal is listed in the Top 10 of the FTSE Diversity & Inclusion Index in 2025, out of more than 16,500 companies assessed around the globe. This year, the Group ranked fourth in the world and is the only French company featured in the Top 10. *Website: www.lseg.com/en/ftse-russell*

EQUILEAP GENDER EQUALITY REPORT & RANKING

L'Oréal ranks eighteenth in the 2025 Equileap Global Gender Equality Report & Ranking, out of 3,547 listed companies assessed in 24 countries.

Website: www.equileap.com

ETHISPHERE: HONOURABLE MENTION

In 2025, L'Oréal was recognised for the 16th time as one of the world's most ethical companies. The Ethisphere Institute's ranking recognises the companies with the most advanced business ethics practices. *Website: www.ethisphere.com*

UNIVERSUM: TOP 10

In 2025, L'Oréal maintained its place in the Top 10 of the Universum ranking of the world's most attractive employers for business school graduates[1]. This result underlines L'Oréal's continuing appeal to future employees, cementing its position as Europe's top-ranked company and the only fast-moving consumer goods company in the Top 10 *Website: www.universumglobal.com*

(1) *Last available worldwide ranking.*

1.2 Beauty market

1.2.1 Essentiality of beauty

The desire for beauty is a universal aspiration that transcends time, borders and cultures. Beyond appearances, beauty is a journey that shapes our identity, individually and collectively. From the dawn of humanity to the metaverse, no human culture has existed without beauty[1].

Beauty regimes are an integral part of personal care and also play a role in social interaction. Personal hygiene rituals are a part of our lives from birth until death. All the major stages of life, whether individual or collective celebrations such as birthdays, weddings, births and coming of age ceremonies, with the first shave or application of makeup, are all marked by beauty rituals. Beauty is more than an individual quest; it is a social balm. It connects us to ourselves and to others.

Beauty and health are intimately related. Nearly two billion people suffer from skin problems[2]. The beauty industry plays a key role in preventing skin conditions such as melanoma (saving $250 million a year in the US[3] alone), and in effectively treating other skin conditions such as acne and eczema, which can have a detrimental effect on well-being and mental health.

Beauty gives us a sense of belonging to a community: there are conventions in beauty, makeup and clothing. It is a means of integration, but also of expressing difference. Mastering the language of beauty is a social asset. Beauty plays an important role in self-affirmation and identity: it builds confidence and enhances well-being. It reflects societal changes: it has always accompanied transformation, whether in terms of hair length or attitudes to makeup. It defies norms and stereotypes.

For several years now, we have been living in the era of "social beauty", connected and shared, with the ubiquity of digital technology and social networks acting as a formidable accelerator for the beauty market. First, thanks to the proliferation of tutorials and virtual trials, which is facilitating the adoption and correct use of beauty products. Furthermore, because buying products online has never been easier, the growth of e-commerce allows us to reach more consumers, well beyond the traditional retail sector. E-commerce now accounts for a quarter of beauty product sales worldwide, accelerated by the Covid-19 crisis. It will be the main distribution channel of the 21st century, and has immense potential for development in many countries.

Focused on consumers, L'Oréal acts responsibly throughout the value chain, driven by excellence and technology that enhances its innovation, production and logistics management capabilities. New solutions are being developed to respond specifically to the new challenges of personalisation expected by consumers, and of flexibility and traceability.

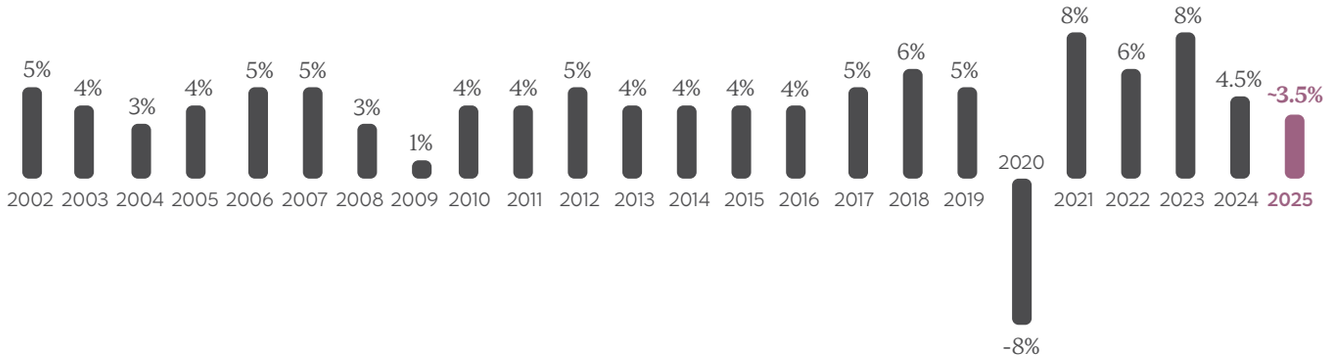
(1) *L'Oréal and the Louvre Museum entered into an exceptional partnership in 2024 to celebrate beauty across the ages. The "De toutes beautés" experience, featuring 108 works of art spanning more than 10,000 years of history, allows visitors to understand and decipher beauty, its practices, representations and role throughout the ages and across cultures.*
(2) *British Journal of Dermatology (2015).*
(3) *National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP) – Health and Economic Benefits of Skin Cancer Interventions.*

1.2.2 The beauty market: a resilient exception amid macroeconomic and geopolitical disruption

Important: *the competitive positions and market shares held by the Group's Divisions and brands mentioned in this Document are based on studies, panels and polls obtained from specialised organisations and companies, or, in the absence of comprehensive studies, are the result of estimates made by L'Oréal on the basis of available statistical data.*

The beauty market continued to grow in 2025 despite mounting macroeconomic and geopolitical headwinds, confirming its role as a safe haven for consumers. The beauty sector remains especially resilient, propelled by technological innovation and Beauty Tech in particular, along with the increasing customisation of products and services to meet the specific needs of each consumer. This trajectory, combined with sustained demand from younger generations – particularly in Asia – and the emergence of new expectations in terms of authenticity and perceived value, is shaping a market in the midst of transformation.

ESTIMATED CHANGE IN THE GLOBAL BEAUTY MARKET FROM 2002 TO 2025[1]



The beauty market continues to distinguish itself as a dynamic sector, driven by constant innovation and sustained demand for high-quality, high-performing and meaningful products.

Worth some €300 billion in 2025[1], the beauty market has proved resilient, adaptable and prosperous, despite the geopolitical and economic upheaval, establishing itself as a refuge for consumers.

This industry benefits from many key growth drivers, including:

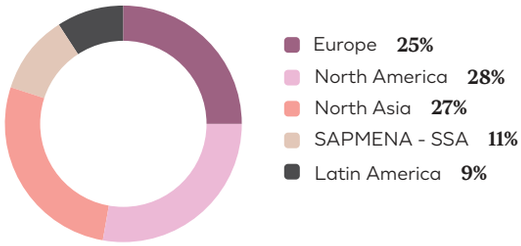
- the increasing global population and the rise of the middle classes in emerging countries[2];
- the ageing population in mature markets and the quest for longevity;
- strong growth in emerging markets, driven by young people's irrepressible appetite for beauty;
- the desire for quality and continued premiumisation combined with readier access to high-performance solutions, making it possible to offer added value at all price levels;
- a dynamic dermocosmetics and Beauty Tech market, positioned at the crossroads of beauty, healthcare and technological innovation; and
- the emergence of greater consumer demand for authenticity, sustainability and ethical commitment.

The beauty consumer always looks for quality and puts a premium on trendy, novel and high-tech products, as well as authenticity and perceived value.

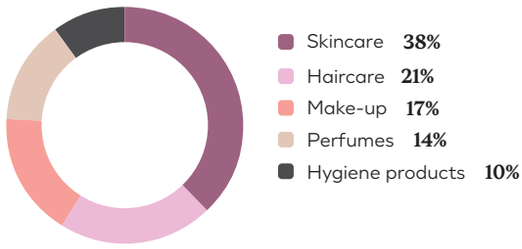
(1) Source: L'Oréal estimates of the worldwide beauty market based on net manufacturer prices. Excluding soap, toothpaste, razors and blades. At constant exchange rates.
(2) According to World Data Lab, 600 million people will join the ranks of the world's middle class by 2030.

ESTIMATED GLOBAL BEAUTY MARKET IN 2025 ~ €300 BILLION[1]

BY REGION



BY PRODUCT CATEGORY



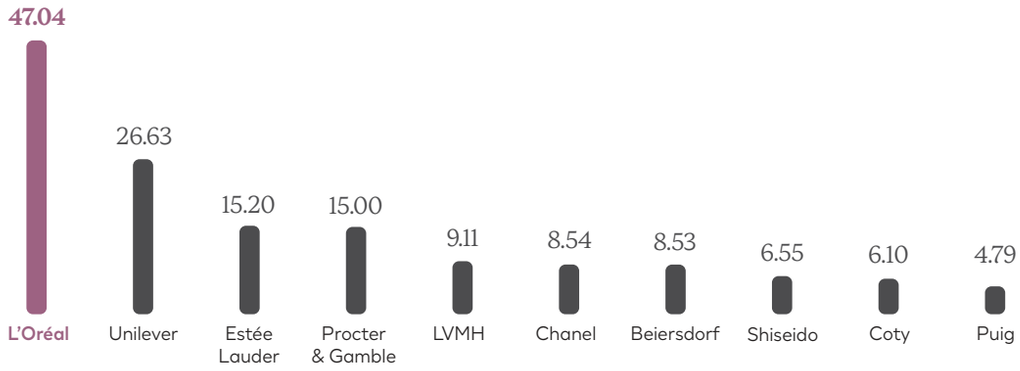
Despite a challenging global environment marked by heightened macroeconomic and geopolitical uncertainty, the sector continues to grow, driven by the vitality of many regions and the unfailing appeal of beauty, confirming its status as a consumer safe haven.

With its rich cultural and economic diversity, the SAPMENA Region continues to emerge as a key growth driver for the industry, drawing strength from the rise of the middle classes, a young and connected population, and a growing appetite for both traditional and innovative beauty products, as well as rising demand for authentic and responsible brands.

Beauty has become an indispensable part of daily life for many consumers, making the industry particularly resilient to economic headwinds. The industry is able to adapt to new market realities by focusing on technological innovation, and especially Beauty Tech, digital technology and the diversification of its distribution channels, while also meeting the growing need for authenticity and perceived value.

THE MAIN WORLDWIDE PLAYERS

2024 sales in USD billions. Companies are ranked by volume of sales of beauty products for the 2024 calendar year. Estimated figures are given for companies whose financial year did not run from 1 January 2024 to 31 December 2024.[1].



In 2024, the top 10 beauty companies generated aggregate sales of approximately USD 147 billion, or 58.5% of the total revenue of WWD Beauty's Top 100.

(1) *Source: Beauty's Top 100, WWD, April 2025.*

1.3 Value-creating model

1.3.1 Business model CSRD [1]

The Beauty Market

Outlook

A resilient, growing market

Beauty is an essential need for humanity

Increasing demand from the middle classes in emerging countries

Premiumisation of beauty

Increasing digitalisation towards a personalised, connected and shared beauty

Sustainability Topics

Need for an ecological and inclusive transition in the context of limited natural resources and climate change

Consumer orientation towards more sustainable choices

Responsible marketing and advertising

Impacts, risks and opportunities

(see double materiality assessment in section 4.1.3)

Our Sense of Purpose *(raison d'être)*

Create the beauty

Our Strengths

NO. 1 IN BEAUTY

Our sole business: beauty, nothing but beauty and all beauty

A unique portfolio of brands

A balanced, multi-polar model (Regions, Divisions, categories, distribution networks)

A global industrial footprint

Economic and financial performance

Recognised social and environmental performance

(see chapter 4 and section 1.1.6)

Committed and qualified employees

Loyal shareholders and stable governance

(see section 1.1.3.)

Culture of ethics, based on four Principles: Integrity, Respect, Courage and Transparency

Our Strategy

UNIVERSALISATION AND SINGULARISATION

Universalisation involves the globalisation of brands by taking regional characteristics into consideration in order to serve and retain consumers.

Singularisation takes into account a growing global trend towards self-affirmation for both men and women by providing a diverse range of offers and personalisation. The goal is to offer inclusive beauty by responding to the specific aspirations of consumers in every region of the world. In contrast to standardisation, it is based on careful attention to consumers and a deep respect for their differences.

BEAUTY FOR EACH

L'Oréal aims to offer women and men around the world the best in cosmetics in terms of quality, effectiveness, safety, sincerity and responsibility in order to meet all their needs and all their beauty wishes in their infinite diversity.

(1) *This paragraph incorporates by reference the information required by the CSRD (ESRS 2 SBM-1) for the sustainability report (see 4.1).*

that moves the world

Our Strategic Drivers

6 DRIVERS

Research & Innovation and the Green Sciences programme *(see section 4.5.3.1.2)*

Creativity at the service of our brands

Operational and safety excellence

Digital and Beauty Tech

Multi-channel distribution

Sustainability goals

(see section 1.4.2.)

L'ORÉAL POUR LE FUTUR

STEWARDING THE CLIMATE TRANSITION

SAFEGUARDING NATURE

DRIVING CIRCULARITY

SUPPORTING COMMUNITIES

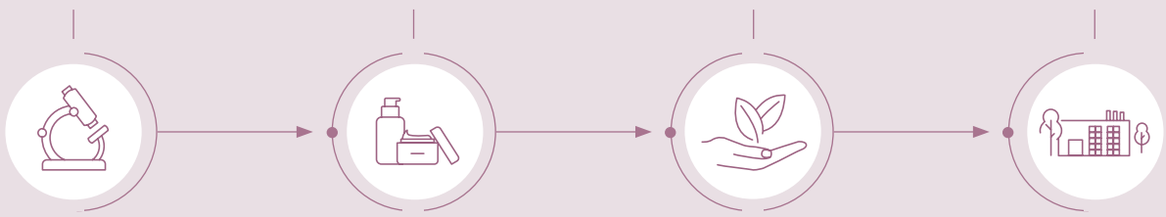
Our Dual Objective

ECONOMIC AND CORPORATE EXCELLENCE

to create sustainable value for all

1.3.2 Value chain CSRD [1]

Value chain



- 725 patents filed in 2025
- €1,380m in 2025 expenditure (3% of sales)
- 22 cosmetic research centres, 13 assessment centres
- More than 4,300 employees in the Research team

- In 1989, end of animal testing for finished products
- Development of predictive method with the production of reconstructed skin

- 1,499 social audits were conducted in 2025

- 37 factories worldwide
- In 2025, 100% of the Group's plants were ISO 9001 certified and 100% were ISO 22716 certified (see section 1.3.5.)

Performance of the L'Oréal for the Future programme in 2025 (See section 1.4.2)

67% of ingredients in formulas are sourced from nature[3] or recycled materials

100% renewable energy at operated sites and stores[4]

44% of all materials used in product packaging either from recycled or biobased sources

56% recycled or reused water for industrial purposes in factories

Creating value for our stakeholders

Employees

- Nearly 45,000 employees are L'Oréal shareholders
- 25,000 job opportunities created for young people under 30 each year

Scientific community and start-ups

- €1.3bn invested in Research & Innovation
- More than 30 minority investments made by BOLD over the beauty value chain including brands, tech, platforms and biotech

Suppliers

- €50 million invested in the Solstice debt fund, co-created with Chenavari to support the decarbonisation of industrial suppliers
- 25% of strategic suppliers have signed a living wage pledge with a time-bound action plan

Customers and distributors

- Partnerships with customers and distributors as part of the *Green Joint Business Plans* to encourage more sustainable consumption habits, for example using refillable products and the decarbonisation of product transportation

(1) This section incorporates by reference the information required by the CSRD (ESRS 2, SMB-1) for the Sustainability Report (section 4.1 and 4.1.3.3).
(2) COMvergence ranking.
(3) From plant or mineral sources.
(4) With a directly-held electricity subscription.
(5) Over the 2020-2030 period.

Digital and marketing



- 40 international brands
- 79.2% of our media investments are digital
- 4th largest advertiser worldwide, across all industries(2)
- Responsible communication commitment: Member of the Unstereotype Alliance
- L'Oréal's Influencer Value Charter
- All the Group's brands committed to diversity, equity and inclusion

Distribution channels



- More than 7 billion products distributed
- 160 distribution centres

Use and end-of-life of products



- The 3 "R"s approach to the eco-design of packaging: Reduce packaging intensity; Replace with materials with a better environmental footprint; Recycle by creating packaging that will contribute to the circular economy

95% of biobased materials in formulas and packaging are sustainably sourced

Help **109,674** people from disadvantaged communities gain access to employment(5)

37% reduction of the use of virgin plastic for product packaging in absolute terms, compared to 2019

Consumers

- Over 7 billion products distributed in more than 150 countries
- Member of the EcoBeautyScore consortium which creates a common display system to provide consumers with a clear, transparent and comparable assessment of cosmetic products' environmental impact

Consumers and planet

- CDP AAA rating for the 10th consecutive year for initiatives to combat climate change, protect forests and ensure sustainable water management
- More than 5 million people benefiting from the Group's brands' social commitment programmes since 2020

Public authorities

- €3.3bn taxes and duties paid to governments and local authorities in 2025

Shareholders and investors

- 4.8% annual shareholder return over the past 5 years
- A dividend that has never declined in over 60 years
- L'Oréal is part of the CAC 40 Index

(see section 7.5)

SUPPORTED BY THE FUNCTIONAL DEPARTMENTS

providing the essence of the Group's strength

FINANCE AND LEGAL

Financial policy, investments, management, financial communication, M&A, consolidation, legal and compliance

HUMAN RELATIONS

Recruitment, development and social innovation (including social dialogue)

CORPORATE AFFAIRS AND ENGAGEMENT

Corporate communications, public affairs and coordination of brand communications

CORPORATE SOCIAL RESPONSIBILITY

Sustainable development with the L'Oréal for the Future programme, sponsorship and the L'Oréal Corporate Foundation

ETHICS, RISK AND INTERNAL CONTROL

Code of Ethics available in 30 languages, and as an audiobook in French and English

Internal control

1.3.3 Driving tomorrow's growth through market share expansion across all global regions and across all traditional segments of the beauty market

L'Oréal's growth strategy is built on two pillars: capturing new growth drivers in its traditional market (new geographies, consumer groups, sub-segments), and exploring adjacent territories that are reshaping the beauty industry (beauty supplements, smart devices, aesthetics). This strategy is based on a multi-division category approach.

1.3.3.1 Geographic expansion

Expansion opportunities in emerging markets

Our ambition to win over new consumers in emerging regions is framed by a significant demographic shift. L'Oréal believes that a significant proportion of potential consumers for its products now live in these regions. The consumers in question are increasingly affluent. They are young, connected and passionate about beauty – all factors that will underpin strong growth in the beauty market going forward.

L'Oréal's future is also taking shape in its established markets.

The Group aims to exploit growth opportunities in mature markets, home to most of the world's high-income consumers.

L'Oréal believes that **China** harbours great potential for the future. The country's sheer size opens up a host of opportunities for customer acquisition. The ambition is to make further inroads into medium-sized towns, where the Group has traditionally had a smaller market share than in the biggest cities.

Europe remains the Group's stronghold and nerve centre, and it is where L'Oréal's positions are well-established and the Group's organisational structure simplified. The vitality of the European beauty market over the long term will be driven by two mutually reinforcing core trends: an ageing population and the medicalisation of the skincare market.

The United States is the only mature market showing dynamic demographic trends, with a multi-ethnic population that has tripled over the past decade. L'Oréal is ideally placed to meet the wide range of new beauty needs.

1.3.3.2 New consumer groups

Generation Z today represents a tremendous opportunity for L'Oréal, given Zoomers' appetite for beauty, combined with their growing influence on social networks and huge presence in emerging markets.

To harness this momentum, targeted strategies are being deployed in all Divisions, and products and services are being adapted to win over this beauty-hungry generation.

At the other end of the age spectrum, **the over-60s** are also a very attractive group for L'Oréal. As the population ages, they will represent a significant proportion of potential consumers by the end of the decade. These consumers, who are mainly in mature markets, have strong purchasing power, enabling them to satisfy their growing appetite for beauty products.

Men also represent a major opportunity for L'Oréal. Although men's products account for less than 10% of the global market, they account for 25% of the global consumption of beauty products, and L'Oréal remains under-represented in this territory. The Group's ambition is to further accelerate growth in men's fragrances and to ramp up innovation in skincare.

1.3.3.3 Segments and sub-segments of the traditional beauty market

The **multi-division category strategy** aims to use the power of its brand portfolio to satisfy consumers' beauty expectations at several price levels and across all channels. By way of illustration, L'Oréal has been able to take advantage of the sophistication of hair care needs with differentiated innovations in professional products, mass market products and Dermatological Beauty. In fragrances, L'Oréal has built up a unique portfolio of brands covering all market aspirations and trends. In make-up, the Group's creativity and ability to innovate in line with cultural changes enable L'Oréal to respond to and instigate trends through marketing activation plans. In skincare, L'Oréal is aiming to capitalise on its strength in Research & Innovation to stimulate innovation and meet "ageing better" aspirations.

Several sub-segments of the traditional beauty market still harbour significant potential for L'Oréal, which has relatively low market share in some of these markets. In particular, the body-care segment is gaining in value and is increasingly attractive to L'Oréal, which is expanding its reach in the market thanks to product innovation.

1.3.3.4 Exploring new frontiers in beauty

L'Oréal is always attentive to consumers' new beauty aspirations. To meet these aspirations, particularly in terms of holistic beauty, the Group has begun to invest in fast-growing markets that complement its core business.

The **beauty supplements** market is booming and represents an opportunity for L'Oréal. Its entry into the nutricosmetics market has already begun, with product launches including Bio Rewind by Skinbetter Science.

In line with its Beauty Tech strategy, L'Oréal is stepping up the design and deployment of **smart beauty devices** at the forefront of innovation.

These devices aim to provide an increasingly personalised and effective beauty of the future, with the AirLight Pro hairdryer a perfect example.

The **aesthetics** market holds a particular attraction for L'Oréal, especially the rapidly growing market for non-invasive procedures. These are gradually becoming mainstream, particularly among the younger generation.

The investment in Galderma's capital along with the scientific partnership and stakes in beauty clinics in China and North America are helping deepen L'Oréal's know-how in this new segment.

1.3.4 Strategic pillars accelerating growth

1.3.4.1 Research & Innovation (R&I): responsible, inclusive innovation, in complete safety

The beauty market is an offer-driven market boosted by innovation. L'Oréal's success is fed by its permanent obsession for innovation, which feeds into its performance in all its forms.

With more than 4,000 researchers and spending of approximately 3% of sales, L'Oréal has the top R&I force in the beauty industry. This is indisputably a competitive edge, with a level of expertise and a wealth of unique scientific and technical data. The fundamental values that inspire the Group's labs each day are the performance and absolute safety of ingredients, the superior quality of the products and the sincerity of their claims.

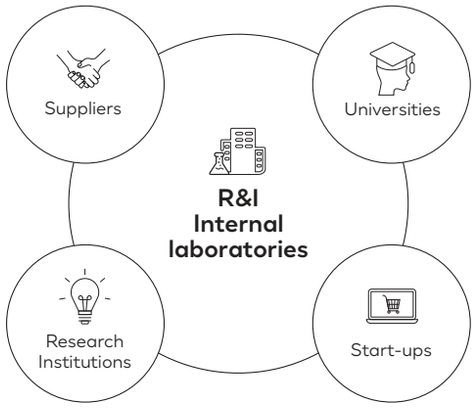
From upstream to downstream

Advanced Research teams create, develop and identify raw materials, drawing on the knowledge of skin and hair from around the world. The Application Domains teams develop formula architectures that improve the performance of active ingredients. The Development Laboratories create innovative formulas with a proven superiority for each brand. This innovation model is nurtured by a constant dialogue between the laboratories and marketing to respond to the expectations of consumers, supporting them with the latest scientific and technological breakthroughs.

Research facilities around the world

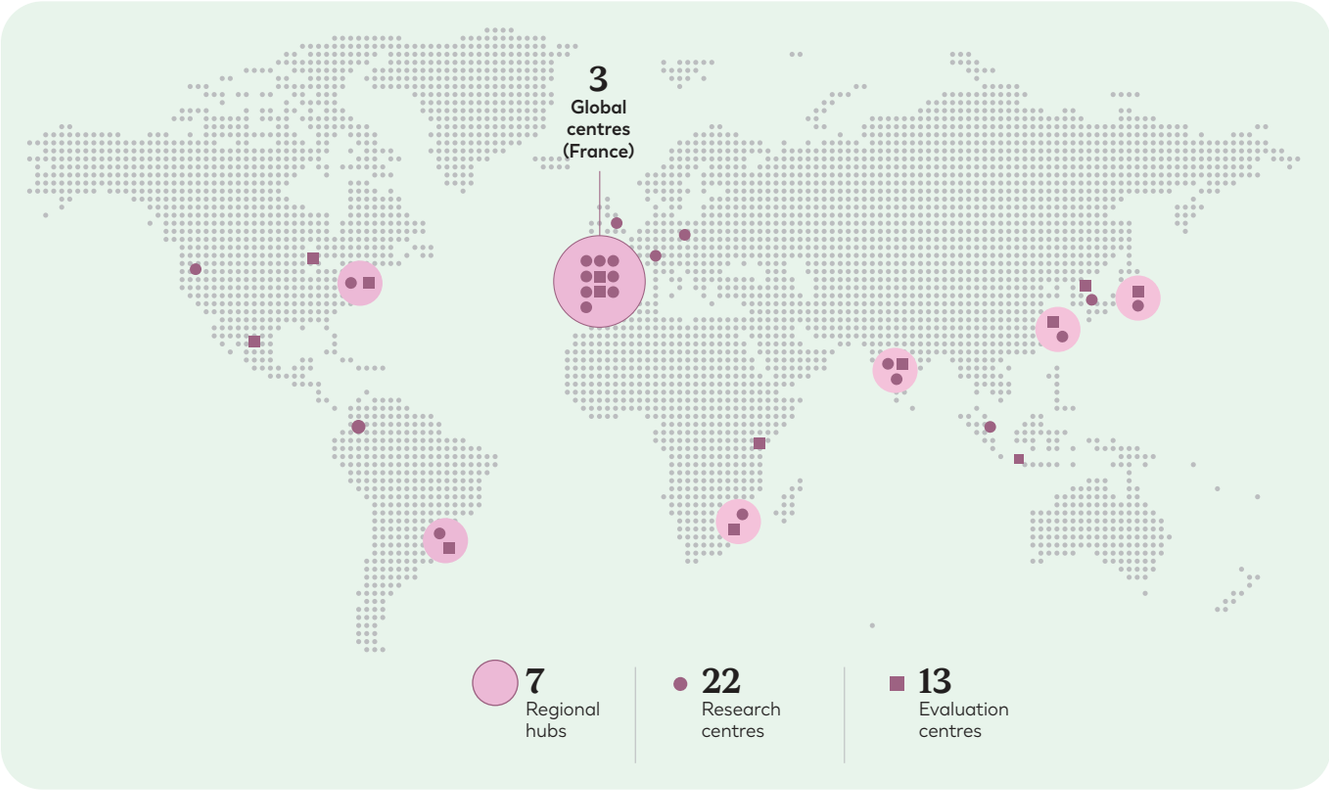
In order to adapt to consumer expectations worldwide, L'Oréal's Research teams work in seven regional research hubs[1] bringing together 22 beauty research centres and 13 assessment centres. R&I teams build on this rich seam of local scientific ecosystems to develop collaboration agreements and partnerships of excellence. The data generated enables researchers to develop new beauty products or experiences, that are in tune with market needs and local expectations.

R&I: A VAST ECOSYSTEM OPEN TO THE WORLD



(1) *France, United States, Brazil, South Africa, India, China and Japan.*

Group laboratories established around the world



	Research & Innovation expenses *(€ millions)*	Research & Innovation workforce	Number of patents filed
2023	1,288	4,194	610
2024	1,354	4,271	694
2025	**1,380**	**4,311***	**725**

* *Including around 4,000 researchers.*

Innovation at the heart of the business model: the beauty of longevity, a new scientific and strategic frontier

L'Oréal has made beauty a fundamental pillar of longevity, recognising the crucial importance of healthy skin for a longer, healthier life. Drawing on cutting-edge scientific breakthroughs that address the root causes of ageing rather than simply correcting its visible signs, L'Oréal's Longevity Integrative Science™ offers consumers access to corrective and now preventive care.

This vision marks a scientific and social paradigm shift, in which beauty and longevity are intimately linked. By going beyond chronological age to decode the skin's invisible mechanisms, L'Oréal enables everyone to design their own beauty journey: anticipating, proactively addressing the causes of skin ageing, or embracing the marks of time at every stage of life. The beauty industry plays a major role in "healthy ageing", and L'Oréal is a forerunner in this field.

The L'Oréal Longevity Integrative Science™ approach is based on three major pillars:

1. **Understanding the root causes of skin ageing**

Based on skin ageing markers, L'Oréal's Longevity Integrative Science™ helps to understand and provide specific answers to the root causes of skin ageing before they become visible, by optimising cell structure, metabolism and communication. After 15 years of advanced research and over 40 publications, L'Oréal has created the "Wheel of Longevity for Beauty" and the unique Longevity AI Cloud™ technology. This platform, based on computational biology, analyses over 260 biomarkers to precisely and exhaustively map the causes of skin and hair ageing – an industry first.

2. **Development of cutting-edge integrated solutions**

Solutions include advanced diagnostics and high-performance products:

- Advanced diagnostic solutions: Cell BioPrint, developed with NanoEntek, measures skin biomarkers in less than five minutes. The TruDiagnostic partnership explores the link between beauty and epigenetics.

- New active ingredients: in 2024, L'Oréal invested in Swiss biotech Timeline (via BOLD), which has developed Mitopure®, a mitochondrial rejuvenation molecule. A partnership with Veminsyn aims to develop longevity bio-actives using biotechnology.
- Consumer product innovation: Lancôme Absolue Longevity Soft Cream contains Absolue PDRN™ (protected by seven patents). Vichy Laboratoires Neovadiol Longevity Revolumising Cream incorporates Longevisia technology to reset the key markers of skin ageing.

3. **An Open Innovation ecosystem**

L'Oréal's longevity ecosystem combines cutting-edge internal research with an external network of leading partners in longevity science (Senisca, Dr. Andrea Maier, Professor Andor Pivarcsi, Professor Benjamin Loos, Professor Rob Knight, Dr. David Luu), accelerating knowledge acquisition and the development of predictive diagnostics.

Sustainable innovation powered by the Green Sciences programme

The Green Sciences programme continues to guide L'Oréal's strategy towards more sustainable, high-performance beauty, marking a year rich in innovation and strategic advances. Green Sciences cover all the scientific fields on which R&I relies to achieve L'Oréal's objectives in terms of the fight against climate change, the preservation of natural resources and biodiversity.

As part of its Net Zero pathway and the L'Oréal for the Future programme, L'Oréal is seeking to reduce the carbon impact of its raw materials. The Group is refining its understanding of the carbon footprint of its products, clarifying the sources and identifying the key levers to be pulled at every stage, from procurement through to production and processing. Under the Green Sciences programme, the Group is actively reducing the fossil-based inputs in its raw materials portfolio and reducing the carbon impact of its ingredient production processes. L'Oréal has joined the Carbon to Value initiative in the United States.

A milestone was reached with the in-depth study of the biobased raw materials portfolio through the lens of agricultural production and the projection of the Group's evolving resource requirements through to 2030. This analysis enables us to define an appropriate strategy to ensure the resilience of supplies of existing or future biobased raw materials, taking into account the impact of climate change. Key partnerships have been forged in this regard, for example with Genesis to establish the health of the soils of major oil and sugar crops, or with Interstellar Lab to develop high added-value ingredients using controlled-environment farming.

The impetus of the Green Sciences programme also drives innovation in future formulas. A challenge was launched in collaboration with the BioInnovation Institute (BII), a key player in supporting bioscience, to identify disruptive technologies aimed at replacing certain functional ingredients.

Lastly, the Group's detailed water footprint was established with Quantis using an innovative methodology. The approach makes it possible to study the dependence of the value chain on access to water, as well as the impact on the quantity and quality of the historically treated water volume. L'Oréal has therefore been able to quantify the dependence of the upstream value chain on rainwater that is absorbed and evapotranspired by plants (green water) and the downstream value chain on water taken from rivers or aquifers (blue water). This last point has enabled the Group to reformulate its L'Oréal for the Future target for water, thereby reinforcing our water stewardship goals.

Inclusivity at each stage of L'Oréal's innovation model

Inclusivity is a strategic pillar underpinning in every stage of L'Oréal's innovation efforts, and celebrates the diversity of individuals and their beauty needs. This vision draws on an in-depth understanding of demographic trends and global market dynamics. By 2040, forecasts indicate that two-thirds of the world's population will have melanin-rich skin[(1)], while 43% of the world's population will have hair ranging from wavy to very curly, hair types that require specific care and cutting-edge expertise[(2)]. The men's personal care market is booming[(3)], confirming the growing importance of male beauty. These trends are particularly noticeable in emerging markets such as Latin America (especially Brazil) and India.

Study of the biology of skin and hair diversity

L'Oréal's conducts critical scientific research into the biology of skin and hair diversity. This involves analysing reconstructed human skin using the Skin Technology by L'Oréal platform to decipher variations in fibroblasts and collagen, as well as the in-depth study of capillary mechanisms and types. This type of research is essential for developing solutions tailored to specific dermatological and hair care needs.

Knowledge of consumers

To optimise its understanding of consumer expectations, L'Oréal conducted an international study on the typology, diversity and representativeness of individuals around the world. The study involved 15,000 people, covering various genders, ages, skin tones, hair types and origins. These data enhance the Group's expertise, particularly as regards melanin-rich skin and textured hair, and help guide the development of digital labelling systems for foundation (light, shade, saturation) for specific and inclusive product ranges, such as the L'Oréal Paris True Match Super-Blendable Make-Up range.

Innovation driving advanced and inclusive beauty

L'Oréal adapts its products to changing demographics and specific needs (melanin-rich skin, textured hair, male beauty, Generation Z, etc.). L'Oréal Research & Innovation is at the forefront of this development, with products such as Anthelios UV Air sun protection and Dream Length Sleek Elseve smoothing serum. The patented ingredient Melasyl, resulting from nearly 20 years of research and named one of TIME's "Best Inventions of 2025", intercepts melanin precursors to reduce pigmentation spots and even out skin tone.

L'Oréal's aim is to offer inclusive, bespoke beauty, fuelled by cutting-edge science and an in-depth understanding of the different needs of each individual, in order to meet the challenges shaping the beauty of the future.

(1) Euromonitor 2022, UN Demographic Statistics - National Census/CTG 2020-2040.
(2) REF-Global Usage Tracker/Hair Care & Styling US 2023/Female population in millions/CTG 2023-2040.
(3) Grand View Research; Future Market Insights.

1.3.4.2 Leveraging Beauty Tech and digital technology to create the beauty of the future

L'Oréal's ambition is to invent the beauty of the future amid the technological revolutions shaping our century, namely artificial intelligence (see section 1.3.5.), robotics, smart devices, 3D printing, nanotechnology, biotechnology, and so on.

Continuous digital transformation

Digital technology has radically transformed the Group and today is fully integrated into the business across all brands, jobs and countries.

L'Oréal has over 8,000 in-house digital, tech and data experts.

E-commerce is an additional source of business and a growth accelerator, and is part of the Group's omnichannel strategy. E-commerce as a proportion of the Group's sales increased almost six-fold between 2015 and 2025, hitting the 30% mark[1] for the first time.

Digital technology improves precision marketing and returns on media investment. New tools such as AI-powered BETIQ, are helping to optimise the Group's marketing investments.

Digital technology creates experiences, new services and personalisation. The acquisition of ModiFace is a major strategic asset for the Group. Virtual make-up or colour trials, skin diagnostics and tailor-made product recommendations are critical when it comes to choosing products.

Beauty Tech leadership

L'Oréal's leadership in Beauty Tech along with its artificial intelligence and data expertise should enable it to become a data-augmented company.

This expertise runs through all of the Group's activities and business lines:

- Research & Innovation: moving into a new augmented era to invent the beauty of the future;
- Operations: accurate forecasts, real-time inventory management, augmented products and personalised customer service;
- Digital: social networks, programmatic advertising, precision marketing, web searches, organically generated content;
- E-commerce and its impact on both distribution and production;
- Online + Offline (O+O) and ever greater synergies between points of sale and digital technology, with points of sale becoming experience spaces;
- Finance: predictive models, bot-driven automation, blockchain, cryptocurrencies;
- Smart devices, including IOT (Internet of Things) applied to beauty.

Beauty Tech represents a major transformation of both the business and its products. In recent years, L'Oréal has unveiled a number of new technological innovations, such as Cell BioPrint, a device that delivers an accurate analysis of the biological age of the skin.

Beauty Tech is helping to forge a new relationship with consumers. In particular, technology helps L'Oréal in addressing sustainability and inclusivity challenges, and in delivering personalised beauty. L'Oréal innovates in inclusive beauty (Lancôme Hapta), sustainable beauty (Water Saver) and personalised beauty (L'Oréal Paris Beauty Genius, La Roche Posay Spot Scan, Giorgio Armani Meta profiler) technologies. Two major innovations won awards at CES 2026 in Las Vegas, held in January 2026:

- Light Straight+Multi-styler, a device that uses near-infrared light, just beyond the visible spectrum, to penetrate to the heart of the hair fibre and remodel the molecular structures that determine the hair's shape and texture, while preserving its integrity and health;
- LED Face Mask, an ultra-thin, flexible, transparent silicone mask developed with iSmart, a global leader in LED device innovation. Presented in prototype form, it integrates a skin-safe microcircuit to precisely control the emission of two selected wavelengths of light – red light and near-infrared light – directly onto the face, with the aim of helping to visibly firm and smooth the skin while evening out skin tone.

L'Oréal has signed agreements with Bakar Labs, the pioneering biotech incubator at the University of California, Berkeley, and with Trudiagnostic, a leader in epigenomics testing and research, based on cutting-edge scientific advances from foremost academic institutions (Harvard, Duke, Stanford, etc.).

1.3.4.3 Operations: a key driver of the Group's growth

L'Oréal's Operations teams create innovative, inclusive and sustainable beauty in collaboration with their partners. They harness the power of technology and strive for excellence to design, develop, supply, produce and distribute products and services worldwide. Consumers are at the heart of the decisions made by the Operations teams, which seek the most agile and effective solutions, and ensure compliance with strict standards on quality, safety and CSR across the globe.

Expertise and responsiveness to drive growth

Building on years of operational excellence, the expertise and commitment of the Operations teams have boosted the Group's growth. In a volatile and challenging global context, they have demonstrated their responsiveness and resilience, while pursuing their digital, sustainable and innovative transformation, by putting in place the best technologies.

Thanks to science and technology, the Operations teams are constantly innovating to enhance the personalisation, responsiveness and traceability expected by consumers. Digitalisation is a major lever for simplification, ergonomics and real-time access to information.

(1) *Includes sales on L'Oréal's brand websites, sales to online pure players, and the e-commerce portion of sales to traditional retailers (based on non-audited declarative data); like-for-like.*

Quality and safety: a priority

Offering consumers the highest quality product is an absolute priority. Over several decades, L'Oréal has set up a single, global and structured quality and safety management system that applies to all its plants and subsidiaries worldwide. Detailed information is provided in paragraph 4.10.

This unique system guarantees the products' quality with the same high standards applicable everywhere in the world. 100% of the Group's plants are certified to ISO 22716[1] and ISO 9001[2]. The ongoing quality improvement process resulted in a low rate of consumer complaints in 2025: 100 complaints per million products sold.

Employee safety is central to L'Oréal's business model. The Group has developed a global Safety Management System, which applies to its employees and all administrative sites, laboratories, plants, distribution centres and stores across the world. In 2025, 66 Group sites had been recognised by RoSPA[3].

Innovative, more sustainable packaging is a cornerstone of design and development

Thanks to their packaging design expertise, L'Oréal's teams create packaging that provides a better consumer experience with a lighter environmental footprint. Packaging design is a core differentiating factor and source of value creation for the Group. The L'Oréal teams, distributed over five Packaging Expertise Centres around the world, specialise in design, consumer experience, innovation and product development. They are also supported by the Group's materials science research hubs. L'Oréal filed 67 patents for packaging in 2025.

Since 2007, L'Oréal has used an environmental design process for its packaging based on the 3Rs: Reduce packaging volumes and therefore resource use; Replace materials and processes with others that have a better environmental footprint (renewable, post-consumer recycled, lower carbon impact processes, etc.); and Recycle by creating packaging that contributes to the circular economy.



At the end of 2025, L'Oréal reduced the intensity of packaging used for its products by 12% compared with 2019.

At the end of 2025, L'Oréal reduced its use of virgin plastic for product packaging by 37% in absolute terms compared with 2019.

At the end of 2025, 44% of materials used in product packaging came from either recycled or biobased sources.

A purchasing programme that combines economic, environmental and social value

To accompany the Group's growth, Purchasing teams select suppliers with the best economic, environmental and social performance in accordance with L'Oréal's responsible purchasing policy. Supplier performance is monitored thanks to precise indicators relating to respect for human rights, environment, business ethics and diversity, equity and inclusion, and to their ability to innovate and meet the Group's requirements in terms of quality, agility, service and competitiveness.

L'Oréal builds solid relationships with its suppliers to ensure that it sources products and ingredients responsibly, and to improve the flexibility, reliability and traceability of its supply chain. To ensure responsible supplier practices, 1,499 on-site audits were carried out in 2025. L'Oréal is also committed to decarbonising its value chain, helping its partners adopt low-carbon practices. For the eighth year running, the Group was recognised as a Supplier Engagement Leader by the CDP. Lastly, since 2010, L'Oréal has also been running an Inclusive Sourcing programme, providing access to employment for vulnerable communities. At the end of 2025, almost 110,000 people had benefited from this programme.

Manufacturing performance that relies on a global system combining responsiveness with operational excellence

L'Oréal has 37 factories around the world, located close to its markets.

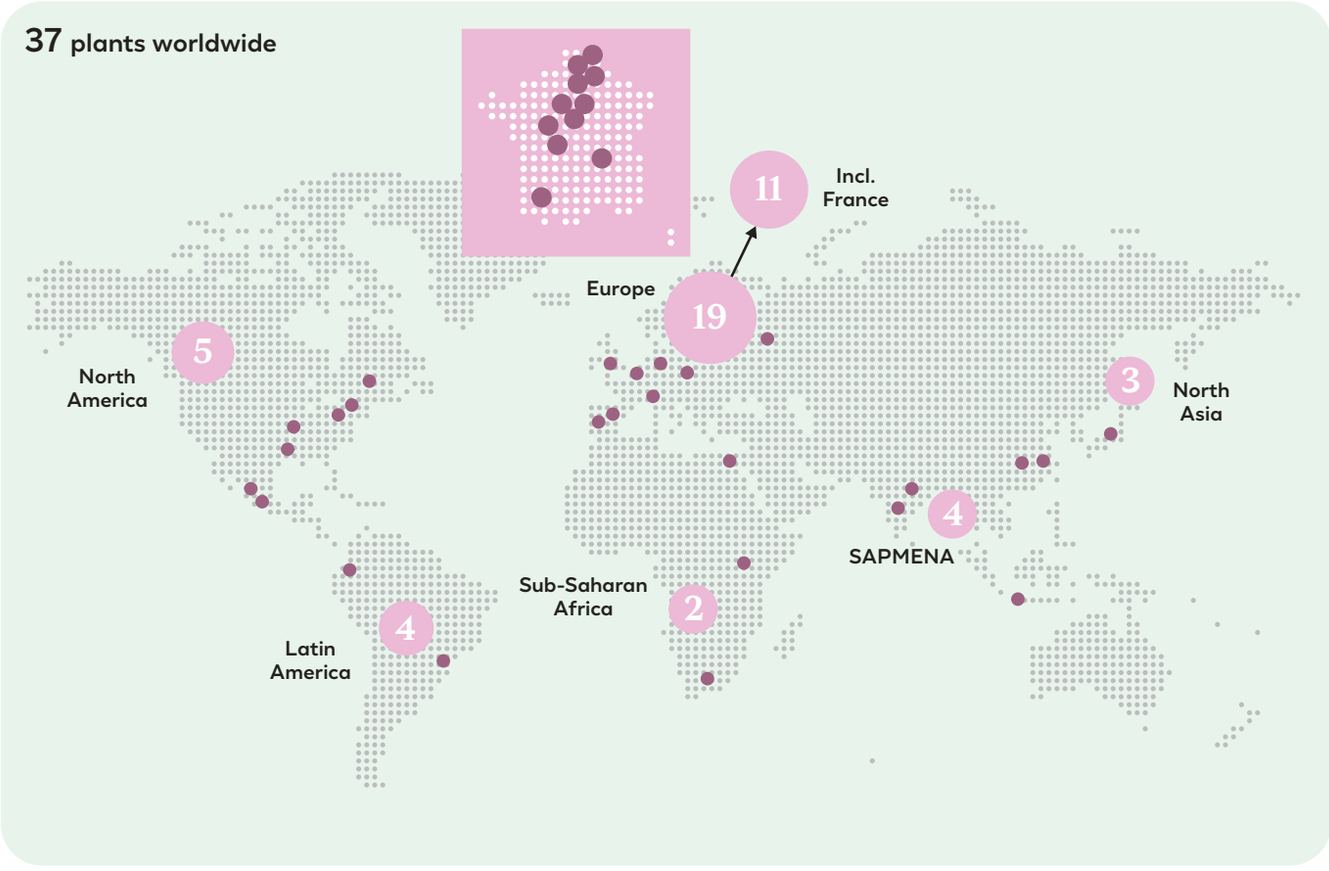
The plants, which use the most advanced technologies such as robotisation, automation, cobotics (collaborative robotics) and artificial intelligence, are constantly evolving to accommodate the Group's growth, integrate acquisitions, embrace external innovations and adapt to rapid changes in the beauty market. This system is supported by a network of subcontracting partners to deal with cyclical peaks in demand.

The Group's manufacturing organisation is based on specialisation by technology[4] to maximise best practices, increase agility, improve productivity and optimise investments.

L'Oréal is constantly investing in its industrial facilities to keep pace with market growth, support the scalable production of new launches and meet its environmental and industrial performance imperatives. In 2025 in particular, significant investments were made in the Gauchy plant in France, which produces the majority of L'Oréal Luxe's fragrances. Production capacity was doubled thanks to a major extension, confirming the local roots of the Group's industrial facilities. The Operations Department also made significant investments in haircare, with major projects in Latin America and Europe in response to strong growth in this category.

(1) *Good manufacturing practices.*
(2) *Quality management systems.*
(3) *Royal Society for the Prevention of Accidents.*
(4) *Haircare, skincare, makeup, perfumes, hygiene products, etc.*

MANUFACTURING FOOTPRINT BY REGION



The Group's geographic manufacturing footprint is based on plants throughout the world which, depending on the type of product manufactured, can bring production closer to its distribution market.

The Group's Operational Excellence System, deployed in all its plants, is based on the commitment of all Operations employees to guarantee safety, health, quality, product availability, productivity, ergonomics and an improved environmental impact.

At the heart of production: environmental protection

The Group's environmental policy aims to roll out best practices in sustainable production so as to limit the direct impact of the Group's business activities on the environment, and to preserve biodiversity and resources: energy efficiency, use of renewable energy, optimisation of water withdrawals and reuse, reduction of waste generation, etc. In 2025, L'Oréal continued to prioritise programmes designed to reduce its environmental footprint[1].

AT 31 DECEMBER 2025, COMPARED TO 2019:

- 58% reduction in CO_2 emissions (Scopes 1 & 2, as defined by the GHG Protocol in absolute terms);
- 100% renewable energy use on operated sites and stores[2];
- 56% of water used for industrial purposes came from reused or recycled sources.

A responsible, omnichannel supply chain strategy

L'Oréal's supply chain aims to satisfy its customers and consumers across all its brands and distribution channels, by ensuring the availability and delivery of more than 7 billion products worldwide. Its responsiveness and resilience in 2025 supported the Group's growth in a volatile market. L'Oréal is constantly seeking to improve lead times and costs by optimising its information and physical goods flows.

Digitalisation and data management are at the heart of L'Oréal's AI-enhanced supply chain programme. These technologies enable us to constantly improve product availability at the point of sale and manage flows to optimise lead times and costs.

The Group's distribution network of 160 distribution centres – some of which are being transformed into automated, data-driven fulfilment centres[3] – ensures responsive coverage of requirements, an expanded range of services (personalisation, box preparation, bespoke delivery) and enhanced traceability. One example is the new smart fulfilment centre in Suzhou, China, inaugurated in 2024.

Lastly, L'Oréal is also working with its carriers to develop low-carbon multi-modal solutions to reduce its environmental footprint.

(1) *Continuation of renewable energy projects around the world.*
(2) *Operated stores that hold an electricity subscription.*
(3) *Distribution centres specially adapted for e-commerce distribution, where packages sent directly to consumers are prepared.*

Global economic performance at the service of the brands and the commercial entities

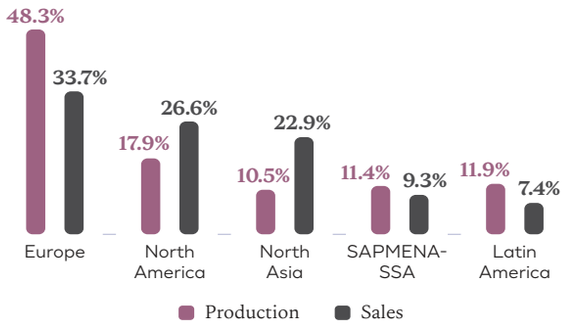
In a climate of short and long-term global tension, the Operations teams play a key economic role for all brands and markets, which affects the overall cost of products and their distribution.

Economic optimisation efforts led by Operations involve tracking the total landed cost of finished products and point of sale advertising, i.e., the final full cost of a product, which includes the cost of packaging and raw materials, the value added by the plants and all supply chain costs. They are also based on optimised management of the Group's indirect purchases.

COMMITMENT TO INVEST IN OPERATIONS
(Production and supply chain commitments in € millions)



PRODUCTION AND SALES OF THE OPERATIONAL DIVISIONS BY REGION IN 2025: PRODUCTION CLOSE TO ITS MARKETS



1.3.5 Continuous transformation

L'Oréal continues its development by relying on its fundamental assets and transforming itself to respond to the new aspirations of consumers, employees and society, to become the company of the future.

"One L'Oréal": reconciling scale and agility

The Group places overwhelming emphasis on fostering cross-functionality throughout the organisation around a "One L'Oréal" backbone, while preserving teams' agility and autonomy. "Scale and agility" is the underlying mantra of this vision, which involves pooling some of the organisation's resources.

In particular, L'Oréal intends to equip itself with state-of-the-art, secure information systems (NEO project) to ensure Group processes are standardised and simplified, and to support all its businesses and functions in a digital world. With this in mind, the Group is pushing ahead with the creation of shared service centres to capitalise on the use of big data and free up time for local teams.

More streamlined structures have enabled L'Oréal to:

- simplify the organisation, by creating six internal shared service centres and nine geographic clusters. An operating profit and loss account has been set up for each cluster, thereby reducing the reporting burden;
- perform an annual review of each Division's portfolio;
- simplify the catalogue for each brand, reducing the complexity of Research & Innovation.

Artificial intelligence

L'Oréal sees artificial intelligence (AI) as a key driver of its transformation and competitive advantage. The Artificial Intelligence strategy is holistic and based on three pillars: putting AI at the service of (i) consumers (diagnostics, recommendations, online retail), (ii) L'Oréal's business lines (R&I, Operations, Digital Marketing and media management) and (iii) its employees. This is illustrated by the following examples.

Enhanced Research & Innovation (R&I)

L'Oréal harnesses AI to drive faster, more in-depth R&I processes, from initial discovery to scientific validation:

- discovery and advanced modelling, reduced lead times and costs;
- predictive formulation: development of the first predictive AI model for beauty formulation, based on massive data sets, enabling a reduction in time-to-market;
- scientific value creation: AI helps in the evaluation of products and in the justification of scientific claims, making processes more efficient and data more reliable.

Enhanced marketing and consumer services

- Enhanced content creation: the CreAItech GenAI Beauty Content Lab is a central platform for the rapid, large-scale generation of content for campaigns. It is specified that L'Oréal does not use AI-generated models resembling humans to promote the benefits of its products.
- Strategic and media marketing: AI optimises market strategies, the effectiveness of advertising campaigns and media deployment.
- Consumer experience: "Beauty Genius" is an AI personal assistant that delivers personalised interactions, speeding up response times and improving engagement.
- Optimising visibility: L'Oréal is adapting its supplier referencing strategy to incorporate the impact of generative search engine responses.

Internal AI adoption and talent development

L'Oréal is adopting a human-centred approach to AI, which must enhance employee development. The priority is to support everyone in this transformation and to continue to develop employees' skills.

- An AI assistant for all**:** L'Oréal has made available a secure internal Generative AI platform with the aim of making it easier for employees to adopt the technology on a daily basis. This tool helps employees to simplify their tasks and to familiarise themselves with the technology in a controlled environment. Thanks to this platform, employees can have "assistants": genuine personalised aids that help them save time on repetitive tasks.
- Adoption driven by competence: the rollout of this tool goes hand in hand with an extensive training programme. More than 65,000 employees worldwide have already been trained in AI fundamentals.

By systematically linking the tool to training, L'Oréal ensures that its teams have the technology and skills to use it, thereby developing their transferable skills and making AI an opportunity for everyone.

Sustainability

Sustainability has been an integral part of the Group's strategy for many years now, as illustrated by its Sharing Beauty With All programme launched in 2013.

At the end of 2020, in response to urgent environmental and social challenges, L'Oréal sought to ramp up its efforts and desire for transformation through its L'Oréal for the Future programme. This programme is based on ambitious objectives in terms of the fight against climate change, the preservation of biodiversity and resources, the use of water and social issues.

In the fight against climate change, in 2024 the Group developed and submitted its new short- and long-term decarbonisation pathway with new targets for 2030 and 2050, in line with the emerging requirements of the Science Based Targets initiative (SBTi) Corporate Net Zero Standard. These targets were validated in April 2024.

In 2025, halfway through the programme launched in 2020, the Group assessed the progress made, drew lessons from its experience, fine-tuned its roadmaps and decided to further its ambition. Several of its initial objectives are now systematically integrated into operating practices and policies. Some of the roadmaps have been adjusted and new targets set on key issues, including the reduction of virgin plastics, nature regeneration and resilience to water stress.

The L'Oréal for the Future programme is now based on four key pillars:

- stewarding the climate transition;
- safeguarding nature;
- driving circularity;
- supporting communities.

All results and KPIs relating to the 15 key objectives of the L'Oréal for the Future programme are detailed in section 1.4.2.

Introducing the Sustainable Innovation Accelerator

Building on its long-standing culture of innovation and in line with its ambitions, L'Oréal has launched its sustainable innovation accelerator, dubbed "L'AcceleratOR". The five-year, €100 million programme, is designed to meet the industry's strategic challenges in terms of sustainable innovation, by identifying solutions and speeding up their implementation in order to achieve the Group's environmental ambitions.

In strategic partnership with the Cambridge Institute for Sustainability Leadership (CISL), our accelerator aims to identify, test and implement key technologies addressing our critical challenges and needs. The first 13 start-ups and innovative companies selected to join L'AcceleratOR were announced in January 2026.

A financial investment for impact: L'Oréal Funds

Alongside the objectives of its sustainability programme, the Group has set up specific funds to finance initiatives promoting nature, the circular economy and social inclusion. The amounts committed up to the end of 2025 are as outlined below.

- **Nature:** by 2030, the L'Oréal Fund for Nature Regeneration will have invested €50 million to help restore 1 million hectares of degraded ecosystems, capture 15 to 20 million tonnes of CO_2 and create hundreds of jobs[1]. At 31 December 2025, investments totalled €25.3 million, out of a total target of €50 million.
- **Circular economy:** through the Circular Innovation Fund, the Group has committed to investing €50 million in circular economy projects by 2030. In 2025, the fund's invested capital totalled €21.1 million.
- **Support for Women:** the L'Oréal Fund for Women aims to allocate €80 million to support vulnerable women by 2026. This objective was met in 2025, with €80 million allocated.

(1) The impacts in terms of carbon capture and job creation will be measured and published once the projects have matured.

- **Climate change:** the L'Oréal Climate Emergency Fund, endowed with €15 million to develop communities' resilience to climate-related disasters by 2026, also met its target, with €15 million allocated in 2025.

The future of work and new organisational models

The Group's human and social project revolves around one vision: to offer its employees an inspiring, inclusive and innovative working environment, which places human beings at the heart of each of its decisions.

The world of work has undergone profound changes and L'Oréal is constantly reinventing ways of working, while taking care to safeguard its century-old corporate culture.

The Group has opted for a balanced solution that reconciles its long-standing tradition of a vibrant oral culture, in which office life is essential for cooperation and innovation, with the greater organisational flexibility desired by employees.

As from 2016, L'Oréal rolled out the Simplicity programme, a genuine internal "cultural revolution" aimed at transforming ways of working to meet new employee expectations (fulfilment, dialogue, cross-functionality) while adapting to the performance requirements of a constantly changing world.

Simplicity's progress has been measured each year since 2017, notably through the internal Pulse survey – which recorded a 90% participation rate in 2025.

A detailed analysis of the findings enables new measures to be incorporated into the programme to meet the needs expressed by employees. The Pulse survey showed strong take-up of the landmark measures launched in 2023, in particular the principle of no Monday morning meetings, reiteration of the right to disconnect at weekends and in the evening, and affirmation of the concept of psychological safety.

L'Oréal is fully committed to the global war for talent with values aligned with those of the Company:

- given the rapid digital transformation of consumption, production, distribution and communication methods, the Group will need to anticipate the impact of this upheaval on its range of expertise. It will therefore need not only to recruit but also to develop internally the talents of tomorrow in the field of Tech, and in particular skills and jobs linked to artificial intelligence;
- competition for talent is now more global than ever, and L'Oréal has competitors outside the beauty industry. To continue to attract and retain the best talent, a holistic approach to the employee experience has been put in place, combining unique career and development opportunities, an attractive remuneration policy, workplace well-being, protection and a sense of purpose.

In 2025, L'Oréal maintained its place in the Top 10 of the Universum ranking of the world's most attractive employers for business school graduates[1]. This result underlines L'Oréal's continuing appeal to future employees, cementing its position as Europe's top ranked company and the only fast moving consumer goods company in the Top 10.

Reputation and stakeholder engagement

In 2020, L'Oréal reached a new milestone in its history by publicly announcing its Sense of Purpose (a founding text for the Group) to "Create the beauty that moves the world" (see 1.1.1).

The aim of the Sense of Purpose campaign is to communicate the Group's positive impact (values, commitments and achievements) on all its stakeholders, including consumers and also employees, whose pride and connection to L'Oréal is thereby reinforced. In 2023, the Group funded an Asteres study looking at L'Oréal's direct and indirect impact on the French economy. This study was extended to all of its major markets in 2024 and 2025.

L'Oréal promotes the essentiality of beauty and its role through the ages and across societies. L'Oréal launched a unique partnership with the Louvre Museum in 2024, curating a museum experience about the history of beauty, entitled *De toutes beautés!* The Group also teamed up with the New York Times to create the "This is not a beauty podcast" on the essential role of beauty, targeting key opinion leaders in the US.

In a particularly unstable and polarised world, companies are now democratic players whom stakeholders want to see take stands on issues. The positions adopted by the Group are pragmatic and respectful of the legal framework in which it operates.

L'Oréal is committed to developing regulatory expertise. It believes that ground rules should be consistent across the globe so that the beauty sector can continue to develop while respecting the "Planetary Boundaries" concept and adopting an inclusive and fair approach for all players.

L'Oréal plays its part in rallying the industry and professional associations around these issues and has strengthened its organisation in this regard so as to safeguard the competitiveness of the beauty sector. In early 2024, L'Oréal joined forces with other players in the cosmetics value chain in Europe to launch The Value of Beauty Alliance initiative to raise public awareness of the strategic importance of the beauty sector in Europe. In 2025, talks were held with European institutions on the impact of European Union (EU) policies and regulations on the global competitiveness of the beauty and personal care sector, as well as its sustainability goals. In 2025, the Group also contributed to the changes in governance of Cosmetics Europe, the European trade association for the beauty industry.

(1) *Last available worldwide ranking.*

1.3.6 Internal Control and risk management system

The Group operates in a constantly changing environment. Like any company, L'Oréal is necessarily exposed to risks which, if they were to materialise, could have a negative impact on its business activities, its financial position and its assets, particularly in terms of reputation and image.

In order to ensure the sustainability of its development and the achievement of its objectives, the Group strives to anticipate and manage the risks to which it is exposed in its different areas of activity.

L'Oréal's risk management consists of identifying, assessing and controlling risks that may affect the smooth running of the Company. It also participates in the Group's development by promoting the effective use of resources to minimise the impact of negative events and maximise the realisation of opportunities.

By contributing to preventing and managing the risks to which the Group is exposed, the purpose of the Internal Control system is to enable the Group's manufacturing and economic development to take place in a steady and sustainable manner in a control environment appropriate for the Group's businesses.

Internal Control is a system that applies to the Company and its consolidated subsidiaries and aims to ensure that:

- economic and financial targets are achieved in compliance with the laws and regulations in force and the Group's Ethical Principles and standards;
- the orientations set by General Management are followed;
- the Group's assets and reputation are valued and protected; and
- the Group's financial and accounting information is reliable and provides a true and fair view.

The control environment, which is critical to the Internal Control system, good risk management and the application of procedures, is based on behaviour, the organisational structure and employees. At L'Oréal, it forms part of a culture of rigour and commitment communicated by senior management that is in line with the Group's strategic choices.

Risk management and Internal Control is everyone's business, from the governance bodies to all employees.

The Internal Control system is the subject of ongoing supervision in order to verify whether it is relevant and meets the Group's objectives and addresses its issues.

Chapter 3 provides detailed information on identifying and managing the most significant risks from the point of view of investment decision-making, within the meaning of the regulations. These risks are listed in the table below.

Major risks to which the Group believes it is exposed

		Residual importance
Business risks	Geographic presence and economic and political environment*	
	Information systems and cybersecurity*	
	Health crisis*	
	Reputational crisis management	
	Data	
	Beauty market: Competition and Innovation	
	Business Ethics	
	Developments in sales channels	
	Human resources and organisational risk	
	Product quality and safety	
	Safety of people and property	
Industrial and environmental risks	Product availability*	
	Climate change	
	Environment and safety	
Legal and regulatory risks	Non-compliance*	
	Legal disputes	
	Intellectual property: trademarks, designs & models, domain names, patents	
Financial and market risks	Inflation and currency risk*	
	Financial equity risk	
	Risk relating to the impairment of intangible assets	

* *Most material risks in each category.*
Residual importance: Low *Moderate* *Significant*

1.4 2025 financial results and Corporate Social Responsibility programme

1.4.1 2025 results

Commenting on the figures, Nicolas Hieronimus, CEO of L'Oréal, said:

"2025 was a defining year for L'Oréal: we delivered strong results regardless of the context, while profoundly transforming the Group.

As we had promised, organic top-line growth[1] accelerated quarter after quarter, boosted by the step-up in our launch plan and supported by a gradually improving beauty market. At +4%[1], L'Oréal grew once again ahead of the market; a key highlight was the strong second-half recovery in our two largest countries, the United States and China, while we continued our Emerging conquest. We delivered another year of record gross and operating margins as our focus on efficiency gains allowed us to offset adverse currency and tariff trends.

At the same time, we made L'Oréal stronger than ever through our transformation. We continued to advance on AI, strengthen our R&I capabilities and implement our IT transformation. And we embarked on our most strategic and transformational M&A offensive to date: Kering Beauté will further bolster our leadership in luxury beauty, adding highly desirable brands with significant growth potential. The increase in our stake in Galderma will allow L'Oréal to take part in the fast-growing market of aesthetics, a key adjacency to our beauty business.

This transformation opens new growth opportunities, and we are set up for further acceleration. In 2026, despite the macro uncertainties, we are optimistic about the outlook for the global beauty market, and confident in our ability to keep outperforming it thanks to L'Oréal's multi-division category strategy and to achieve another year of growth in sales and profit."

1.4.1.1 Overview of results for 2025

- **Sales: €44.05 billion,** +4.0% like-for-like[2] and +1.3% reported.
- **Another year of outperformance** in an improving beauty market.
- **Growth[1] in all Divisions,** led by Professional Products.
- **Growth[1] in all Regions,** with a broad-based acceleration in the second half.
- **E-commerce[3] growing double digits passing the 30% mark.**
- **Gross margin up +10 basis points** at 74.3%.
- **Operating margin up +20 basis points** at 20.2%.
- **Earnings per share[4]**, at €12.71, up +0.4%.
- **Dividend per share[5] €7.20,** up +2.9%.
- **Net cash flow: €7.2 billion**, up 7.8%.
- **Sustainability leader**: The only company in the world to be awarded a triple 'A' rating by **CDP** for ten years in a row. Ranked in the global top 1% for environmental and social performance by **EcoVadis**.

1.4.1.2 Consolidated sales

- **Sales amounted to €44.05 billion** at 31 December 2025, up 1.3% reported.
- **Like-for-like**, i.e., based on comparable scope and exchange rates, sales grew by 4.0%.
- **The net impact of changes in the scope of consolidation** was 0.9%.
- **Growth at constant exchange rates** came out at 4.9%.
- **Currency fluctuations** had a negative impact of -3.6% at the end of 2025.

(1) Adjusted for the phasing related to the 2024 and 2025 IT transformation.
(2) Like-for-like growth: based on a comparable structure and identical exchange rates.
(3) Includes sales on L'Oréal's brand websites, sales to online pure players, and the e-commerce portion of sales to traditional retailers (based on non-audited declarative data); like-for-like.
(4) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.
(5) To be proposed at the Annual General Meeting of 24 April 2026.

Sales by Division and geographic Region

€ millions	2023	2024	2025	% 2025 sales	Change 2024/2025 Like-for-like	Change 2024/2025 Reported figures
By Division						
Professional Products	4,653.9	4,886.2	5,163.0	11.7%	+7.5%	+5.7%
Consumer Products	15,172.7	15,982.4	16,089.7	36.5%	+3.5%	+0.7%
L'Oréal Luxe	14,924.0	15,591.1	15,595.1	35.4%	+2.8%	+0.0%
Dermatological Beauty	6,432.0	7,027.1	7,204.1	16.4%	+5.5%	+2.5%
GROUP TOTAL	**41,182.5**	**43,486.8**	**44,052.0**	**100.0%**	**+4.0%**	**+1.3%**
By Region						
Europe	13,007.8	14,211.4	14,864.5	33.7%	+4.4%	+4.6%
North America	11,147.2	11,805.2	11,718.1	26.6%	+3.4%	-0.7%
North Asia	10,662.9	10,303.4	10,075.2	22.9%	+0.5%	-2.2%
SAPMENA-SSA[1]	3,447.7	3,863.0	4,114.3	9.3%	+10.9%	+6.5%
Latin America	2,916.9	3,303.9	3,279.9	7.4%	+8.3%	-0.7%
GROUP TOTAL	**41,182.5**	**43,486.8**	**44,052.0**	**100.0%**	**+4.0%**	**+1.3%**

(1) SAPMENA – SSA: South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.

Summary by Division

Professional Products

The Professional Products Division posted growth of +7.5% like-for-like and +5.7% reported.

It significantly outperformed the professional beauty market, growing in volume and value. Sales passed the €5 billion threshold for the first time. Sales were boosted by the sustained momentum in premium haircare and the successful rollout of the omnichannel strategy – with an acceleration in both e-commerce and selective distribution – while focusing on reigniting the salon market through tailored salon services.

The Division grew across all regions, fuelled by its strong performance in Europe and China as well as its continued expansion in emerging markets, notably Brazil, Mexico, GCC[1] and India.

In a very dynamic premium haircare market, *Kérastase* recorded another year of remarkable double-digit growth propelled by *Gloss Absolu*, the Division's biggest-ever launch. In hair colour, Professional Products continued to bring strong innovations, including *Matrix Super Sync* and the successful relaunch of *Majirel* by *L'Oréal Professionnel*.

The integration of *Color Wow* is well underway: this strategic acquisition brings increased firepower in the fast-accelerating styling segment and will open significant opportunities for international expansion.

Consumer Products

The Consumer Products Division posted growth of +3.5% like-for-like and +0.7% reported.

Growth accelerated between the first and second half, reflecting the successful step-up in innovation, particularly haircare and makeup.

All four global brands grew: L'Oréal Paris, the number one beauty brand in the world, and NYX Professional Makeup had another strong year. Among the regional brands, stand-out performances came from *Mixa* with its successful European roll out, and *3CE* with its expansion throughout Southeast Asia. The recently acquired *Dr.G* brand has been successfully integrated.

In North America, growth saw a remarkable acceleration: the Division significantly outpaced the market, notably in makeup and haircare, driven by innovation and its new go-to-market organisation. In emerging markets, momentum was strong, led by Brazil, Mexico, GCC, and Vietnam. In Europe, growth remained solid with particularly noteworthy performances in Southern Europe.

Haircare advanced in double digits and was the Division's single biggest growth contributor, propelled by the continued success of *L'Oréal Paris Glycolic Gloss* and the launch of *Garnier Fructis Curl Method*. In a soft makeup market, growth was boosted by blockbusters like *Maybelline New York Colossal Bubble* Mascara, *L'Oréal Paris* Infallible Setting Spray, and *NYX Lip IV*. Skincare was supported by innovations from *L'Oréal Paris' Revitalift* franchise, including the *Eye Bag Instant Eraser*, as well as *Garnier Dry Touch* Cream.

(1) GCC: Gulf Cooperation Council.

Luxe

L'Oréal Luxe posted growth of +2.8% like-for-like, +0.0% reported.

Momentum accelerated in the second half of the year with growth reaching +3.6% – and close to +5% excluding Travel Retail in Asia, where the situation remained challenging. The Division strongly outperformed a selective market at around +1%, with a gradual improvement in the second half.

L'Oréal Luxe thus reinforced its global leadership position, anchored by a balanced regional footprint. 2025 marked a new milestone as the Division became the number one player in North Asia – securing market leadership across all regions.

The Division achieved double-digit growth in emerging markets, strongly outpacing the market in Europe – notably in the Germany-Austria-Switzerland and Spain-Portugal clusters. In North America, the Division demonstrated firm resilience. In North Asia, momentum accelerated in the second half as the selective market in China returned to growth.

Fragrances remained a powerful growth engine driven by the highly dynamic Couture brands, thanks to global blockbusters like *Libre* and *MYSLF* by *Yves Saint Laurent*, *Born in Roma* by *Valentino* and *Paradoxe* by *Prada* – further energised by the stellar debut of *Prada*'s *Paradigme* and the solid start of *Miu Miu*'s *Miutine*. A highlight was the double-digit growth of the Fragrance Collections – led by exceptional results from *Aesop* and *Maison Margiela*. This strong momentum in Fragrances confirms the Division's successful strategy in the ultra-premium and Couture segments.

Makeup benefited from a step-up in innovation with particular successes from *Yves Saint Laurent* with *Make Me Blush* and *The Inks*, *Prada* – which delivered another year of double-digit growth, and *Lancôme*'s *Idôle* franchise with *Juicy Treats*.

In skincare, the recently acquired *Medik8* brand is off to a strong start – reinforcing the position of L'Oréal Luxe in the important segment of medicalised beauty.

Dermatological Beauty

The Dermatological Beauty Division posted growth of +5.5% like-for-like and +2.5% reported.

Momentum improved quarter after quarter and significantly accelerated into double digits in the fourth quarter, supported by the gradual alignment of sell-in and sell-out and the progressive turnaround of *CeraVe*. In sell-out, the Division continued to outperform a global dermo-cosmetics market, which decelerated but remained robust and ahead of the overall beauty category.

Dermatological Beauty advanced in all regions. Momentum was particularly strong in emerging markets and resilient in mature markets, where the Division significantly outpaced the market in terms of sell-out.

La Roche-Posay remained the number one growth contributor. It significantly outpaced the market, driven by the *Cicaplast* franchise and the continued success of *Melasyl*, the breakthrough anti-pigmentation technology.

CeraVe achieved a gradual turnaround, boosted by the successful launch of *Intensive Moisturising Lotion*. In the United States, the brand progressively accelerated once again in skincare and benefitted from the entry into haircare, which had a good start – allowing it to outpace the market in the second half. In emerging markets and mainland China, CeraVe pursued its very strong momentum, growing well ahead of the market.

SkinCeuticals crossed the billion-euro mark, delivering very dynamic growth everywhere, propelled by outstanding innovations like *P-Tiox* and AGE *interrupter*.

Vichy's growth was boosted by the ongoing strength of *Dercos* and the successful launch of *Collagen Specialist 16*.

Summary by Region

Europe

Sales in Europe grew +4.4 % like-for-like and +4.6% reported.

L'Oréal continued to outpace a robust beauty market, with a particularly strong final quarter, thanks to the continued success of e-commerce.

Momentum was especially strong in the Spain-Portugal and Germany-Austria-Switzerland clusters, Italy and in most medium-sized countries; the UK-Ireland cluster accelerated significantly in the second half.

Consumer Products outpaced the market in makeup thanks to strong innovations, notably from *L'Oréal Paris* and *NYX Professional Make-Up*. Haircare was boosted by successful launches such as *L'Oréal Paris Elsève Glycolic Gloss* and *Garnier Fructis Keratin Sleek*.

L'Oréal Luxe significantly outperformed its market, thanks primarily to the outstanding performance of its fragrance portfolio. L'Oréal holds the top three positions in female fragrances with *Libre*, *La Vie est Belle* and *Paradoxe*. In male fragrances, *Prada*'s *Paradigme* was off to a very strong start.

Professional Products grew strongly, propelled by the continued dynamism in premium haircare – with a particularly impressive performance from *Kérastase*.

Dermatological Beauty progressively accelerated in the second half, helped by the gradual alignment of sell-in and sell-out. *La Roche-Posay* cemented its leadership across its strategic channels. *SkinCeuticals* was particularly dynamic, fuelled by successful launches.

North America

Sales in North America grew +3.4% like-for-like and -0.7% reported.

Growth accelerated from +2% in the first to almost +5% in the second half as market conditions improved and key innovations were successfully rolled out. Growth was broad-based with all Divisions contributing.

In Consumer Products, momentum improved quarter after quarter, resulting in significant outperformance in the back half of the year. Haircare remained the most dynamic growth engine, led by *L'Oréal Paris Elvive* and *Ever*. Makeup improved strongly, driven by innovations like *L'Oréal Paris' Plump Ambition* and *Faux Brow*, as well as *NYX Professional Makeup*'s Lip IV and *Brow Glue Crazy Lift*.

Professional Products outpaced the market thanks to the continued strength of *Kérastase* in premium haircare, boosted further by the successful launch of *Gloss Absolu*. The recently acquired *Color Wow* is off to a good start.

In Luxe, fragrances remained dynamic, significantly outpacing the market. The category was powered by the ongoing success of Couture brands as well as the rollout of new launches including *Prada*'s *Paradigme*, *Miu Miu*'s *Miutine* and *YSL*'s *MYSLF Absolu*.

In Dermatological Beauty, momentum significantly improved in the second half of the year with all key brands contributing. Growth was led by *SkinCeuticals*, boosted by the continued success of *P-Tiox* and strong momentum in *D2C*. *CeraVe* maintained its upward trajectory, driven by continued strength in haircare and a gradual improvement in skincare.

E-commerce remained the primary growth engine, delivering robust performance across all four Divisions.

North Asia

Sales in North Asia grew +0.5% like-for-like and -2.2% reported.

Excluding Travel Retail, where the overall ecosystem remained challenging, L'Oréal's growth improved from flat in the first half to +4% in the second half. The Group outperformed in all markets, including Travel Retail, thanks to its unrivalled brand portfolio and step-up in innovation.

The improvement was driven by mainland China, where growth accelerated from low to mid-single digits over the period, supported by gradually stabilising market conditions. L'Oréal outperformed the market both online and offline. In a selective market that saw a clear recovery in the second half, Luxe continued to outperform, boosted by its strong innovation pipeline. Growth remained dynamic in Professional Products and, even more so, Dermatological Beauty, where *SkinCeuticals* strengthened its leadership position. *L'Oréal Paris* once again confirmed its position as the number one beauty brand in the Chinese market.

In North Asia, Dermatological Beauty posted double-digit growth with all brands contributing – gaining share across all markets. Professional Products outperformed the market, boosted by the ongoing strength of *Kérastase* and e-commerce. In Luxe, growth saw a sharp recovery in the second half and continued to outpace the market, propelled by strong innovations and outstanding consumer experiences with *Yves Saint Laurent*, *Prada*, *Maison Margiela* and *Aesop* particularly dynamic.

SAPMENA – SSA

Sales in SAPMENA-SSA grew +10.9% like-for-like and +6.5% reported.

In SAPMENA, growth was broad-based with all Divisions contributing. Dermatological Beauty was the most dynamic Division, led by *La Roche-Posay* and *CeraVe*. Professional Products advanced strongly, boosted by *Kérastase*. The performance of Luxe was powered by *Yves Saint Laurent*, *Armani*, and *Prada*. Consumer Products, the region's single largest growth contributor, was driven by *L'Oréal Paris*.

By category, haircare, makeup and fragrances all posted double-digit growth. Haircare led the way with strong performances in both, the professional and mass channels – the latter fuelled by successful *Elsève* launches. The rebound of makeup continued, boosted by innovations and the successful expansion of *3CE* in the region. Fragrances grew strongly, powered by the Couture brands.

By country, key contributors were GCC, followed by the Australia-New Zealand cluster, Vietnam, India, and Thailand.

Across the region, online remained the main growth driver, notably in India, South-East Asia and GCC.

Sub-Saharan Africa (SSA) demonstrated robust growth, driven by both volume and mix. Momentum was broad-based across all Divisions: the main contributors were Consumer Products and Dermatological Beauty. Skincare, haircare and make-up achieved remarkable momentum, driven by *La Roche-Posay*, *L'Oréal Paris* and *CeraVe*. South Africa remained the key growth contributor and continued to outpace its market.

Latin America

Sales in Latin America grew +8.3% like-for-like and -0.7% reported.

This strong like-for-like growth was achieved despite softening market conditions, demonstrating L'Oréal's resilience.

All Divisions advanced. Professional Products and Luxe continued to deliver outstanding growth, driven by strong innovation in premium haircare and fragrances and makeup, respectively. Consumer Products was the leading growth contributor, fuelled by haircare, makeup and hair colour, led by *L'Oréal Paris*, where the *Elsève Dream Sleek* blockbuster innovation fortified the brand's market share throughout the region.

All key categories advanced. Fragrances maintained exceptional momentum, powered by the Couture brands. The all-important haircare category was the number one growth contributor, advancing in double digits across all relevant Divisions and brands – boosted by a strong innovation pipeline.

Progress was broad-based across all countries, with particularly strong performances in Mexico and Brazil.

Both brick-and-mortar and online grew. E-commerce maintained its strong momentum across the region, allowing L'Oréal to reach new consumers.

1.4.1.3 2025 consolidated results

Operating profitability and consolidated income statement

	2023		2024		2025	
	€ millions	% sales	€ millions	% sales	€ millions	% sales
Sales	**41,182.5**	**100.0%**	**43,486.8**	**100.0%**	**44,052.0**	**100.0%**
Cost of sales	(10,767.0)	26.1%	(11,227.0)	25.8%	(11,313.4)	25.7%
Gross profit	**30,415.5**	**73.9%**	**32,259.8**	**74.2%**	**32,738.6**	**74.3%**
R&I expenses	(1,288.9)	3.1%	(1,354.7)	3.1%	(1,380.6)	3.1%
Advertising and promotion expenses	(13,356.6)	32.4%	(14,008.9)	32.2%	(14,177.8)	32.2%
Selling, general and administrative expenses	(7,626.7)	18.5%	(8,208.7)	18.9%	(8,288.4)	18.8%
OPERATING PROFIT	**8,143.3**	**19.8%**	**8,687.5**	**20.0%**	**8,891.9**	**20.2%**

Gross profit amounted to €32,739 million, up 1.5% compared to the previous year; as a percentage of sales, it stood at 74.3% of sales, representing a 10-basis-point increase on the previous year. Over the year as a whole, tariffs had a negative 20-basis-point impact, which was more than offset by strong price and mix effects, as well as operating efficiency.

Research & Innovation expenses totalled €1,381 million, an increase of 1.9% year-on-year; as a percentage of sales, they remained broadly stable at 3.1%, in line with the long-term trend.

Advertising and promotion expenses amounted to €14,178 million, up 1.2% from the previous year; as a percentage of sales, they stood at 32.2%, i.e., stable compared to last year. L'Oréal continued to invest in its brands over the year.

Selling, general and administrative expenses totalled €8,288 million, an increase of 1% year on year; as a percentage of sales, this item fell 10 basis points to 18.8%, reflecting continued cost discipline and ongoing cost control.

Overall, **operating profit** increased by 2.4% to €8,892 million, and amounted to 20.2% of sales, an improvement of 20 basis points. In 2025, all of the Divisions posted an operating margin in excess of 21%.

Net profit

Consolidated profit and loss accounts: from operating profit to net profit excluding non-recurring items:

€ millions	2023	2024	2025	Change
Operating profit	**8,143.3**	**8,687.52**	**8,891.9**	**+2.4%**
Financial revenues and expenses excluding dividends received	(116.1)	(264.5)	(236.1)	
Dividends received	423.6	447.6	351.9	
Profit before tax excluding non-recurring items	**8,450.8**	**8,870.6**	**9,007.7**	**+1.5%**
Income tax excluding non-recurring items	(1,957.8)	(2,075.4)	(2,187.4)	
Net profit (loss) excluding non-recurring items of equity consolidated companies	0.2	(1.3)	(5.5)	
Non-controlling interests	(6.7)	(7.6)	(8.3)	
Net profit after non-controlling interests excluding non-recurring items	**6,486.6**	**6,786.3**	**6,806.4**	**+0.3%**
EPS[1] *(in euros)*	12.08	**12.66**	**12.71**	**+0.4%**
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY	**6,184.0**	**6,408.7**	**6,127.2**	**-4.4%**
Diluted earnings per share attributable to owners of the company *(euros)*	11.52	11.95	11.44	
Diluted average number of shares	537,021,039	**536,078,431**	**535,366,634**	

(1) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.

Net finance costs came to €236 million, versus €264 million in 2024, i.e., 0.5% of sales, down 10 basis points year on year. This item includes finance costs on net debt of €198 million – comprising €366 million finance costs on gross debt and €168 million income on cash and cash equivalents.

Dividends received totalled €352 million, mainly comprising Sanofi dividends, down 22% year on year following the reduction in the stake in Sanofi in February 2025.

Income tax excluding non-recurring items amounted to €2,187 million, an increase of 5.4% from 2024 (€2,075 million), representing a tax rate of 24.3%, a 90 basis point increase versus the figure of 23.4% recorded in the prior year. Income tax excluding non-recurring items does not include the exceptional corporate tax levy in France amounting to €253 million.

Net profit after non-controlling interests excluding non-recurring items came out at €6,806 million, up 0.3% on the amount of €6,786 million recorded in 2024.

Diluted earnings per share after non-controlling interests, excluding non-recurring items came out at €12.71, up 0.4% year on year.

Non-recurring items after non-controlling interests amounted to €679 million net of tax. This item includes other income and expenses of €504 million, of which primarily €209 million of restructuring costs related to various reorganisation measures at Group, Divisional and Region level, €179 million related to product liability lawsuits and a non-recurring tax expense of €176 million, €253 million of which is linked to the exceptional tax levy in France.

Net profit after non-controlling interests came out at €6,127 million, down by 4.4%.

Statements of cash flows

€ millions	2025	2024	% Change
Net profit	**6,133.7**	**6,416.5**	**-4.4%**
Depreciation, amortisation and provisions	1,817.4	1,855.3	
Capital gains/losses on disposal of assets, deferred taxes and other	371.7	238	
Share of profit in associates net of dividends received	6.7	2.9	
Gross cash flow	**8,329.5**	**8,512.6**	**-2.2%**
Changes in working capital	327.4	(226.6)	
Purchases of property, plant and equipment and intangible assets	(1,495.3)	(1,641.7)	
Operating net cash flow	**7,161.6**	**6,644.3**	**+7.8%**
Dividends paid	(3,917.0)	(3,614.9)	
Acquisitions	(2,442.9)	(148.9)	
Repayment of lease liabilities	(453.6)	(474.3)	
Acquisitions of treasury stock	(501.5)	(497.5)	
Capital increase	65.6	69.9	
Investments in non-consolidated entities	2,514.7	(1,927.2)	
Residual cash flow	**2,427.0**	**51.4**	

Gross cash flow amounted to €8,330 million, a decrease of €183 million or 2.2% from the prior year figure of €8,513 million, directly linked to the decline in net profit.

Operating cash flow amounted to €7,162 million, an increase of €518 million or 7.8% versus the prior year figure of €6,644 million, primarily driven by an improvement in working capital. Working capital had a favourable €327 million impact on operating cash flow in 2025, a €554 million improvement versus 2024 (negative €227 million impact). This was mainly due to a €460 million increase in trade payables as a result of the phasing of purchases of raw materials and adjusted schedule of advance payments for IT migrations planned in the first half of the year after the period under review.

Operating investments amounted to €1,495 million, down by €146 million or 8.9%, from the prior year, notably reflecting lower investments in point-of-sale advertising and renovations to Group buildings. Operating investments represented 3.4% of sales, down 40 basis points versus the previous year (3.8%).

Acquisitions of equity interests represented a cash outflow of €2,427 million, corresponding to the acquisitions in 2025 of the Dr. G brand in Korea, Medik8 in the United Kingdom and ColorWoW in the United States.

Investments in non-consolidated entities amounted to €2,515 million, corresponding to the proceeds from the sale of Sanofi shares (€2.9 billion after tax), less cash outflows on non-controlling interests acquired during the year (in particular Jacquemus and SkinSpirit).

Residual cash flow represented a cash inflow of €2,427 million versus a cash outflow of €51 million one year earlier, mainly reflecting the substantial improvement in operating cash flow and the impact of sale of Sanofi shares.

Proposed dividend at the Annual General Meeting of 24 April 2026

The Board of Directors has decided to propose a dividend of €7.20 per share at the shareholders' Annual General Meeting of 24 April 2026, an increase of +2.9% compared with the dividend paid in 2025. The dividend will be paid on 4 May 2026 (ex-dividend date 29 April 2026).

Share capital

At 31 December 2025, the Company's share capital comprised 533,783,028 shares.

Operating profit by Division

	2023		2024		2025	
	€ millions	% sales	€ millions	% sales	€ millions	% sales
By Division						
Professional Products	1,005.3	21.6%	1,086.2	22.2%	1,180.3	22.9%
Consumer Products	3,114.7	20.5%	3,376.4	21.1%	3,443.3	21.4%
L'Oréal Luxe	3,331.8	22.3%	3,469.7	22.3%	3,488.1	22.4%
Dermatological Beauty	1,670.9	26.0%	1,832.7	26.1%	1,882.1	26.1%
TOTAL OF DIVISIONS	**9,122.7**	**22.2%**	**9,765.0**	**22.5%**	**9,993.8**	**22.7%**
Non-allocated[(1)]	(979.4)	-2.4%	(1,077.5)	-2.5%	(1,101.8)	-2.5%
GROUP	**8,143.3**	**19.8%**	**8,687.5**	**20.0%**	**8,891.9**	**20.2%**

(1) Non-allocated = Central Group expenses, fundamental research expenses, free share expense and miscellaneous items.

The profitability of the **Professional Products Division** came out at 22.9% of sales, up 70 basis points.

The profitability of the **Consumer Products Division** came out at 21.4% of sales, up 30 basis points.

The profitability of the **Luxe Division** came out at 22.4% of sales, up 10 basis points.

The profitability of the **Dermatological Beauty Division** came out at 26.1%, stable compared to 2024.

Non-allocated expenses amounted to €1,101.8 million.

Sales by business segment

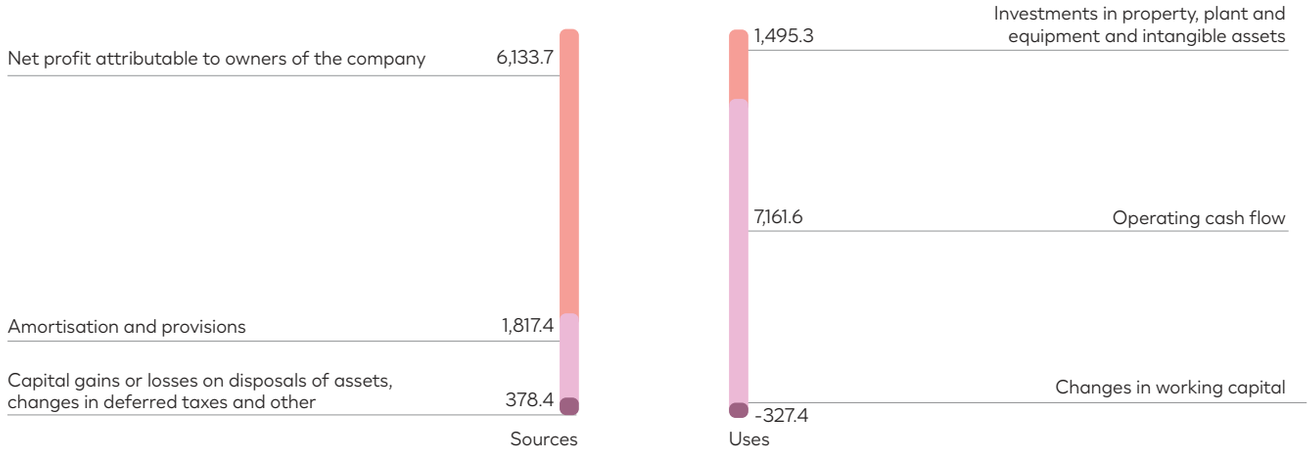
				Change 2024/2025	
€ millions	2023	2024	2025	Like-for-like	Reported figures
Skincare	16,447	16,804	16,384	0.40%	-2.50%
Makeup	8,124	8,449	8,417	3.50%	-0.40%
Haircare	6,320	7,034	7,711	12.90%	9.60%
Hair colourants	3,426	3,460	3,350	0.60%	-3.20%
Perfumes	5,171	5,956	6,425	10.40%	7.90%
Other[(1)]	1,695	1,784	1,765	-7.30%	-1.00%
TOTAL BEAUTY SALES	**41,183**	**43,487**	**44,052**	**4.00%**	**1.30%**

(1) "Other" includes hygiene products, sales made by American distributors with non-Group brands.

Comparative consolidated income statements

€ millions	2025	2024	2023
Net sales	**44,052.0**	**43,486.8**	**41,182.5**
Cost of sales	(11,313.4)	(11,227.0)	(10,767.0)
Gross profit	**32,738.6**	**32,259.8**	**30,415.5**
Research & Innovation expenses	(1,380.6)	(1,354.7)	(1,288.9)
Advertising and promotion expenses	(14,177.8)	(14,008.9)	(13,356.6)
Selling, general and administrative expenses	(8,288.3)	(8,208.7)	(7,626.7)
Operating profit	**8,891.9**	**8,687.5**	**8,143.3**
Other income and expenses	(505.4)	(437.7)	(449.9)
Operational profit	**8,386.5**	**8,249.8**	**7,693.4**
Finance costs on gross debt	(365.8)	(373.4)	(226.7)
Finance income on cash and cash equivalents	167.7	148.7	162.1
Finance costs on net debt	**(198.1)**	**(224.7)**	**(64.6)**
Other financial income and expenses	(38.0)	(36.7)	(48.8)
Dividends received	351.9	444.5	420.9
Profit before tax and associates	**8,502.2**	**8,432.9**	**8,001.0**
Income tax	(2,363.1)	(2,015.1)	(1,810.6)
Share of profit in associates	(5.5)	(1.3)	0.2
Net profit	**6,133.7**	**6,416.5**	**6,190.5**
Attributable to:			
• owners of the company	6,127.2	6,408.7	6,184.0
• non-controlling interests	6.5	7.8	6.5
Earnings per share attributable to owners of the company *(euros)*	11.48	11.99	11.55
Diluted earnings per share attributable to owners of the company *(euros)*	11.44	11.95	11.52
Earnings per share attributable to owners of the company, excluding non-recurring items *(euros)*	12.75	12.70	12.11
Diluted earnings per share attributable to owners of the company, excluding non-recurring items *(euros)*	12.71	12.66	12.08

Sources and uses of funds



Gross cash flow: 8,329.5

Financial ratios

	2023	2024	2025
Operating profit/Sales (*as % of sales*)	19.8%	20.0%	20.2%
Net profit excluding non-recurring items attributable to the owners of the Group/Opening shareholders' equity (*% of shareholders' equity*)	23.9%	23.3%	20.5%
Net gearing[1] (% of shareholders' equity)	15.1%	13.4%	5.9%
Gross cash flow/Investments	5.4x	5.2x	5.6x
Net debt/EBITDA ratio[2]	46%	43%	19%

(1) Net gearing: (Current and non-current debt - Cash and cash equivalents)/Shareholders' equity attributable to owners of the company.
(2) EBITDA corresponds to operating profit adjusted for recurring depreciation, amortisation and provisions for impairment of non-current assets (property, plant and equipment, intangible assets and right-of-use assets).

L'Oréal 2020-2025

€ millions	2020	2021	2022	2023	2024	2025
RESULTS						
Consolidated sales	27,992	32,288	38,260	41,183	43,487	44,052
Operating profit	5,209	6,160	7,457	8,143	8,687	8,892
As a percentage of consolidated sales	18.6%	19.1%	19.5%	19.8%	20.0%	20.2%
Profit before tax excluding non-recurring items	5,485	6,479	7,852	8,451	8,871	9,008
Net profit excluding non-recurring items attributable to the owners of the company	4,099	4,938	6,054	6,487	6,786	6,806
Net profit attributable to owners of the company	3,563	4,597	5,707	6,184	6,409	6,127
Total dividend	2,268	2,601	3,248	3,565.1	3,779.2	3,882.3[3]
BALANCE SHEET						
Non-current assets	29,047	30,938	32,794	35,530	39,880	39,623
Current assets excl. cash and cash equivalents	8,154	9,362	11,432	12,037	12,421	12,334
Cash	6,406	2,714	2,618	4,288	4,052	9,865
Equity[1]	28,999	23,593	27,187	29,082	33,138	35,004
Net financial position[2]	(3,859)	3,586	3,033	4,404	4,443	2,051
Gross cash flow	5,724	6,640	7,289	8,000	8,513	8,330
PER SHARE DATA *(€)*						
Diluted earnings per share attributable to owners of the company, excluding non-recurring items	7.30	8.82	11.26	12.08	12.66	12.71
Dividend	4.00	4.80	6.00	6.60	7.00	7.20[3]
Share price at 31 December[4]	310.80	416.95	333.60	450.65	341.85	366.60
Highest share price during the year[4]	321.40	433.65	431.95	460.00	461.85	408.35
Lowest share price during the year[4]	196.00	290.10	300.45	334.30	316.30	323.70
Diluted weighted average number of shares outstanding[4]	561,635,963	559,791,545	537,657,548	537,021,039	536,078,431	**535,366,634**

(1) Plus non-controlling interests.
(2) The net cash surplus amounted to €3,859 million at end 2020. Net debt was €3,586 million at end 2021, €3,033 million at end 2022, €4,404 million at end 2023, €4,443 million at end 2024 and €2,051 million at end 2025.
(3) Proposed dividend at the Annual General Meeting of 24 April 2026. Total dividend amount estimated on the basis of the number of eligible shares, including shares eligible for the preferential dividend, on 31 December 2025.
(4) The L'Oréal share has been listed in euros on the Paris Stock Exchange since 4 January 1999, where it was first listed in 1963. The share capital is €107,756,605.60 at 31 December 2025; the par value of one share is €0.20.

1.4.1.4 Important events and post-closing events

Strategy

- In February, L'Oréal announced an exclusive long-term beauty partnership with Jacquemus, further strengthened by a minority investment supporting their independent development.
- In June, L'Oréal signed an agreement to **acquire US prestige haircare brand Color Wow**. Still true to its professional origins, the brand – one of the fastest-growing and most innovative in its industry – is now omnichannel. The acquisition will further strengthen L'Oréal's Professional Products portfolio.
- In June, L'Oréal signed an agreement to **acquire a majority stake in British premium skincare brand Medik8**. The acquisition will add a science-backed premium brand with strong potential for global growth to L'Oréal's Luxe portfolio.
- Announcement of a long-term **strategic partnership in luxury beauty and wellness between Kering and L'Oréal.** This binding agreement encompasses the acquisition of the House of Creed by L'Oréal, the beauty and fragrance licences of iconic Houses of Kering and an exclusive venture to explore business opportunities in the field of wellness and longevity.
- Consolidation of **Color Wow** and **Medik8** since September.
- L'Oréal announced the acquisition of an **additional 10% stake in Galderma**, bringing its ownership to 20%. This increased investment reaffirms L'Oréal's ambition to participate in the fast-growing aesthetics market. Galderma's Board of Directors will consider nominating **two non-independent board candidates** from L'Oréal as from the 2026 Annual General Meeting. The customary regulatory approvals were obtained and the transaction closed on 10 February 2026.

Management

- Delphine Viguier-Hovasse was appointed L'Oréal's first ever **Chief Innovative Prospective Officer**. She assumed her new responsibilities on 1 July 2025 and has joined the Group's Executive Committee.
- In September, L'Oréal announced a number of moves within its Executive Committee. They will become effective 1 January 2026, with handovers starting sequentially from 1 October 2025.
  - **David Greenberg** will be appointed **Chairman of L'Oréal USA**.
  - **Alexis Perakis-Valat** will be appointed **CEO of L'Oréal USA and President North America**, succeeding David Greenberg.
  - **Fabrice Megarbane** will be appointed **President of the Consumer Products Division**, succeeding Alexis Perakis Valat.
  - **Vianney Derville** will be appointed to the role of **Chief Growth Officer**, succeeding Fabrice Megarbane.
  - **Emmanuel Goulin** will be appointed **President of Europe**, succeeding Vianney Derville.
  - **Eva Yu** was appointed to the role of **President Travel Retail**, succeeding Emmanuel Goulin, and joined the Group's Executive Committee.

Research

- L'Oréal inaugurated its new US Research & Innovation Centre, the largest R&I hub outside France. The 600+ scientists are innovating locally to inspire the world, powering iconic US brands such as *Maybelline New York*, *CeraVe*, *Kiehl's*, with cutting-edge science and technology.
- L'Oréal was named **most innovative company in Europe** by Fortune's first-ever ranking of the continent's 300 most forward-thinking businesses.
- At its inaugural **Longevity** event, L'Oréal unveiled *L'Oréal Longevity Integrative Science™* to empower consumers to shift from corrective to preventive care – backed by cutting-edge science.
- L'Oréal and **NVIDIA** announced a collaboration to unlock the potential of AI across multiple aspects of beauty, leveraging the NVIDIA AI Enterprise platform for rapid development and deployment of AI.
- At **Viva Technology in Paris**, L'Oréal showcased its latest innovations, including vertical farming technology for AI-enabled cultivation of plant-based ingredients; *Yves Saint Laurent Beauty Hyper Look Studio*; and *L'Oréal Paris Beauty Genius* with Agentic AI and WhatsApp integration.
- L'Oréal broke a group record winning 11 awards at the acclaimed **Cannes Lions International Festival of Creativity 2025**. The six winning brands were *L'Oréal Paris, Garnier, Prada, Kiehl's, Yves Saint Laurent* and *CeraVe*. *L'Oréal Paris* won the coveted Grand Prix Film award, in addition to 4 other Cannes Lions for its 'The Final Copy of Ilon Specht' short docufilm by Oscar winning Ben Proudfoot, in partnership with Amazon Prime.
- L'Oréal's R&I was recognised for scientific excellence at the 2025 IFSCC Congress, including the "Best Applied Research" award for groundbreaking work on the role of scalp bacterial profile and ethnicity in dandruff.
- TIME included three of L'Oréal's innovations – Air Light Pro, Lancôme Rénergie Nano-Resurfacer and Melasyl – in its ranking of The Best Inventions of 2025.
- L'Oréal introduced **two breakthrough technologies at the CES 2026 in Las Vegas**, bringing the power of infrared light to hair with the **Light Straight + Multi-styler** and to skin with the **LED Face Mask**. Both were honoured with a *CES® 2026 Innovation Award*.
- L'Oréal announced the **creation of a Beauty Tech hub in India**. One of its objectives will be to develop AI-powered beauty solutions, leveraging Generative and Agentic AI.

Environmental, Social and Governance Performance

- In December, for the tenth time in a row, L'Oréal was awarded a triple "A" rating by the CDP, testifying to its leadership and transparency in the fight against climate change, and its action in favour of forests and water security.
- L'Oréal was ranked in 18th position globally in the Equileap 2025 Women's Equality in the Workplace Top 100 Ranking, which evaluated 3,547 listed companies in 24 mature markets according to 19 criteria.
- For the 16th time, L'Oréal received the 2025 World's Most Ethical Companies recognition from Ethisphere. In 2025, 136 honourees were recognised, spanning 19 countries and 44 industries. L'Oréal's score in 2025 was higher than the average for other honorees across all areas assessed.
- In March, the Group launched L'Oréal Act for Dermatology, a five-year, €20 million programme, led by its Dermatological Beauty Division, which aims to democratise access to skin health in support of the 2.1 billion people worldwide living with a skin condition.
- To mark World Refill Day on 16 June, several L'Oréal brands championed refillable beauty in a campaign encouraging consumers to embrace refills and contribute to a more sustainable future.
- L'Oréal opened the first call for applications for its new Sustainable Innovation Accelerator. Endowed with €100 million over five years, it is designed to address the critical solutions gap within the industry and accelerate the delivery of L'Oréal's sustainability ambitions.
- In July, L'Oréal was recognised as a Supplier Engagement Leader by the international non-profit organisation CDP for the 7th consecutive year, in recognition of its commitment to addressing climate change within its supply chain.
- L'Oréal has finalised its fifth employee share ownership plan, allowing employees to purchase L'Oréal shares and participate more closely in the company's development.
- At the 27th L'Oréal-UNESCO For Women in Science International Awards, the L'Oréal Foundation and UNESCO rewarded five scientists for their contributions to the physical sciences, mathematics and computer science.
- For the 14th consecutive year, L'Oréal achieved "Prime" classification in the ISS ESG Corporate Rating, testifying to its ability to manage its environmental, social and governance (ESG) risks.
- L'Oréal was awarded an AA rating by MSCI, an assessment that measures the Group's management of ESG risks and opportunities relative to its peers, highlighting the Group's performance in mitigating environmental risks.
- L'Oréal received a 16.6 score ("Low Risk") in the Sustainalytics ESG Risk Rating. This assessment positions the Group third within both "Personal Care Products" and "Personal Care & Household Products".
- L'Oréal Groupe earned a spot on Fortune's annual Change the World list, recognising the Company's ongoing efforts in refill and sustainable packaging transformation. This accolade underscores L'Oréal Groupe's commitment to creating more circular solutions and setting a new industry standard.
- L'Oréal was awarded the **EcoVadis Platinum medal** with a score of 89 out of 100. This recognition puts it in the top 1% of the highest-rated companies in the world out of more than 150,000 companies assessed.

Other

- L'Oréal was included among the Top 50 "All-Stars" in Fortune and Korn Ferry's annual ranking of the World's Most Admired Companies, claiming the top spot in France and in the European Consumer category.
- In April, L'Oréal gave an investment services provider a share buyback mandate pursuant to the authorisation granted by the Ordinary and Extraordinary General Meeting of 23 April 2024. The mandate concerned the buyback of up to €500 million in L'Oréal shares, or a maximum of 2 million shares. The shares bought back were subsequently cancelled.
- L'Oréal was recognised as one of **TIME 100's Most Influential Companies** in the "Titans" category.
- L'Oréal successfully completed its inaugural **issuance on the American bond market** for a total principal amount of USD 1 billion, due 20 May 2035, with a coupon of 5.00%. The issue is rated AA (stable outlook) by S&P and Aa1 (stable outlook) by Moody's. L'Oréal will use the net proceeds of this issue for general corporate purposes.
- Under the chairmanship of Jean-Paul Agon, Chairman of the Board of Directors, L'Oréal's Ordinary and Extraordinary General Meeting took place on 29 April. **All the proposed resolutions were adopted.**
- L'Oréal expressed profound sorrow at the passing of Giorgio Armani, an unparalleled figure in fashion and culture, who built one of the last great empires of independent luxury and was recognised as one of the greatest designers of the last 100 years. The Group extends its sincerest condolences to his family and friends, committing to uphold the legacy of his iconic brand.
- L'Oréal is ranked as the 41st most admired company (the only French company in the Top 50) in the Fortune **World's Most Admired Companies** list.

2026 outlook

"In 2026, despite the macro uncertainties, we are optimistic about the outlook for the global beauty market, and confident in our ability to keep outperforming it thanks to L'Oréal's multi-division category strategy and to achieve another year of growth in sales and profit."

1.4.1.5 L'Oréal's investment policy responds to long-term objectives

L'Oréal is a growing manufacturing company thanks largely to two types of investments:

- scientific and manufacturing investments, which are described in several sections (see mainly sections 1.3.4.1 and 1.3.4.3); and
- marketing investments, which are made on an ongoing basis and are inherent to the Group's activities in the beauty industry. Indeed, winning new market shares requires in-depth and situation-specific studies, as well as advertising and promotion expenses attuned not only to the familiarity of brands and their competitive position, but also to constant changes in consumers' aspirations - something that the subsidiaries' sales and marketing teams monitor constantly. Lastly, investments in point-of sale (POS) advertising materials ensure optimal presence for our brands in points of sale.

For reasons related to strategy and competition, L'Oréal cannot therefore provide any systematic information on future investments.

In 2025, the Group's investments totalled €1,495 million, or 3.4% of its sales. This level reflects the Group's constant efforts to improve manufacturing efficiency, research and digital development performance and enhance brand value.

Investments in 2025 can be analysed as follows:

- production and physical distribution, accounting for around 22% of total investments;
- marketing investments, including moulds, point-of-sale (POS) advertising and stores, accounting for 38% of total investments;
- IT investments, broken down into each of these categories, accounting for 26% of total investments; and
- research investments and investments in various local head offices, for the remainder[(1)].

Despite their strategic nature, none of these investments taken individually is material enough at Group level to warrant more detailed disclosure.

(1) See notes 3.2.2, 7.2 and 14.2 to the consolidated financial statements for more details on these investments.

1.4.2 L'Oréal for the Future programme: 2025 results

The following table summarises the objectives for the L'Oréal for the Future programme following the strategic realignment launched in early 2025 (see section 4.1.2.1), together with the extent to which these objectives were achieved in 2025 and the results published in 2024 where applicable, for reference. More information on the programme can be found in chapter 4.

	L'Oréal is aiming to:	■ 2025 results ■ Outperformance ■ Objectives	Details
CLIMATE TRANSITION	By 2030, reach 100% renewable energy use on operated sites and stores[1].	100% — **100%**	4.2
	By 2030, reduce Scopes 1 & 2 greenhouse gas emissions by 57% compared to 2019.	-58% — **-57%**; 2024 results[2]: -51%	4.2
	By 2030, reduce Scope 3 greenhouse gas emissions from purchased goods and services, upstream transportation and distribution and business travel, by 28%, compared to 2019.	+5% — **-28%**; 2024 results[2]: +6%	4.2
NATURE	By 2030, sustainably source at least 90% of biobased materials used in formulas and packaging[3].	95% — **90%**; 2024 results: 92%	4.5
	By 2030, source over 75% of ingredients used in formulas from nature (plants or minerals) or recycled materials[4].	67% — **75%**	4.5
	By 2030, use 100% recycled and reused water for industrial purposes in factories.	56% — **100%**; 2024 results: 53%	4.4
	By 2030, offer water-saving products or technologies to enable consumers in water-stressed markets to meet their hygiene and beauty needs.	57% — **100%**	4.4
	By 2030, regenerate more land than the Group's footprint to enhance the health and resilience of priority ecosystems.	*Regeneration projects are in progress on an area equivalent to 19% of the Group's footprint; this reflects its operating deployment and does not determine the definitive measurement of the desired ecological impact.*	4.5
CIRCULAR ECONOMY	By 2030, reduce the use of virgin plastic for product packaging by 50% in absolute terms, compared to 2019.	-37% — **-50%**	4.6
	By 2030, source 50% of all materials used in product[5] packaging either from recycled or biobased sources.	44% — **50%**	4.6
	By 2030, reduce the packaging intensity of products by 20% compared to 2019.	-12% — **-20%**; 2024 results: -11%	4.6
LOCAL COMMUNITIES	By 2030, help 100,000 people from disadvantaged communities gain access to employment.	109,674 — **100,000 people**; 2024 results: 71,349	4.9
	By 2030, have 100% of strategic suppliers sign a living wage pledge with a time-bound action plan.	25% — **100%**	4.9
	Over the period 2025-2030, support 10 million people through the brands' social engagement programmes.	>5 million — **10 million**	4.9
	Over the period 2025-2030, enhance the well-being, empowerment and resilience of 5 million women through philanthropic efforts.	>1.8 million — **5 million**	4.9

(1) The scope of this objective has been extended to include stores (with a directly-held supply agreement), compared with the ambition initially published for 2024.
(2) The previous year's emissions have been recalculated in accordance with the principles of the GHG Protocol to ensure full comparability with data for the current year. The adjusted figure is therefore comparable and is the reason for any difference from the figure reported that year.
(3) This objective results from the realignment in 2025 of the L'Oréal for the Future programme, which initially aimed for "100% of ingredients in formulas and biobased packaging materials are traceable and come from sustainable sources by 2030", as published in the 2024 report.
(4) This objective results from the realignment in 2025 of the L'Oréal for the Future programme, which initially aimed for "95% of ingredients in formulas are biobased, derived from abundant minerals or from circular processes by 2030", as published in the 2024 report.
(5) This objective results from the realignment in 2025 of the L'Oréal for the Future programme. In line with the "Use 100% recycled or biobased plastics in packaging by 2030" target (including an interim target of 50% by 2025) as published in the 2024 report, the Group used 50% recycled or biobased plastics in its packaging in 2025.

Corporate governance AFR

2

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AFR *This information is an integral part of the Annual Financial Report.*
CSRD *Sections containing information from the Sustainability Report.*

This chapter details the conditions under which the Board of Directors' work is prepared and organised and includes a summary of how the Board's organisation ensures a balance of powers. The Internal Rules of the Board of Directors are appended to this chapter in full. It includes the components of the remuneration of corporate officers as well as all trading in L'Oréal shares reported by corporate officers in 2025 together with the remuneration policy, pursuant to Article L. 22-10-8 of the French Commercial Code (*Code de commerce*).

2.1 Framework for the implementation of corporate governance principles

2.1.1 AFEP-MEDEF corporate governance code

The Company uses the AFEP-MEDEF Code as its corporate governance code of reference.

This chapter includes[1] the corporate governance section of the Management Report and sets out the following:

- the composition of the Board of Directors, including how gender balance is ensured;
- the conditions under which the Board of Director's work is prepared and organised;
- the remuneration policy for Directors and corporate officers;
- information relating to the remuneration and benefits of any kind for corporate officers during the previous financial year, pursuant to Article L. 22-10-9 of the French Commercial Code; and
- restrictions imposed on the powers of the Chief Executive Officer by the Board of Directors.

The other information included in the corporate governance section of the Management Report can be found in chapter 7[2], in particular:

- the summary table of authorisations in force granted by the General Meeting (see section 7.2.2);
- the rules for shareholder participation in General Meetings, or the provisions of the Articles of Association providing for these rules (see section 7.1.4); and
- factors that could have an impact in the event of a public tender or exchange offer for the Company's securities (see section 7.3).

In accordance with the recommendations of the AFEP-MEDEF Code, a summary table in this chapter identifies the provisions of the Code which were not applied and outlines why this was the case (see section 2.5).

This chapter also includes information about the work carried out by the Board of Directors and the Board Committees on sustainability (see section 2.3.4). Information about the Board of Directors' oversight of sustainability disclosures is also provided in the Sustainability Report in chapter 4, particularly in section 4.1.1.

2.1.2 Balance of powers within the Board of Directors

2.1.2.1 General Management procedures: separation of the roles of Chairman of the Board of Directors and Chief Executive Officer

L'Oréal's corporate governance structure is suited to the Group's specificities and is part of a continuous progress approach. L'Oréal's General Management procedures have always been decided in the best interests of the Company, and attention is constantly focused on ensuring that the governance structure chosen optimises the Group's performance and creates the most favourable conditions for its long-term development.

Between 2006 and 2011, the roles of Chairman of the Board of Directors and Chief Executive Officer were separated, with Sir Lindsay Owen-Jones holding the role of Chairman and Jean-Paul Agon the role of Chief Executive Officer. In 2011, the Board of Directors decided to combine these positions and appoint Jean-Paul Agon as Chairman of the Board of Directors and Chief Executive Officer of L'Oréal, a position that he held until 30 April 2021.

The Board of Directors decided to separate these positions from 1 May 2021, appointing Nicolas Hieronimus as Chief Executive Officer and renewing Jean-Paul Agon's term of office as Chairman of the Board. The Board reiterated this decision on 21 April 2022 when Jean-Paul Agon was reappointed as a Director.

Nicolas Hieronimus joined L'Oréal 38 years ago. He worked in various positions in marketing before joining General Management (L'Oréal Paris France, L'Oréal Paris International and L'Oréal Mexico). In 2008, he was appointed General Manager of the Professional Products Division and joined the Executive Committee. In January 2011, he was appointed President of L'Oréal Luxe, a role that he held until the end of 2018. In 2013, he became General Manager of Selective Divisions (Luxe, Active Cosmetics[3], Professional Products). He was named Deputy Chief Executive Officer in charge of Divisions in May 2017.

(1) *In accordance with the provisions of Article L. 225-37, paragraph 6 of the French Commercial Code.*
(2) *A description of the main features of the internal control and risk management systems used in the preparation of financial information, which must be included in the corporate governance report pursuant to Article L. 22-10-10, 7° of the French Commercial Code, is provided in section 3.3.*
(3) *Since renamed Dermatological Beauty.*

This structure seeks to ensure that the Group's performance, values and commitments are sustainable, and upkeep the quality of its governance.

Both the Board of Directors and Nicolas Hieronimus benefit from Jean-Paul Agon's successful and recognised experience in both of his positions. The Board can rely on his expertise in governance to respond to the growing expectations of the Group's stakeholders, particularly in the current fragmented global environment.

Nicolas Hieronimus offers expertise in the cosmetics market, an intimate knowledge of L'Oréal and a vision of the future of Beauty, all of which will help the Group to implement future strategic priorities, take advantage of all the opportunities available in an ever-changing world and adapt and reinvent the Group, all while keeping with its values, commitments and Sense of Purpose to "Create the beauty that moves the world". He also brings to the Board his extensive experience in corporate governance and ESG strategy, as well as in-depth knowledge of digital and new technologies.

As part of the Board's self-assessment of its operating procedures carried out towards the end of 2025 (see section 2.3.5), the Directors said they felt the separation of the roles of Chairman and Chief Executive Officer works perfectly and helps to create the conditions for effective governance.

The Board considers it essential for the Chief Executive Officer to take part in Board discussions. The re-appointment of Nicolas Hieronimus as a Director for a further four-year term was approved by 98.92% of the votes cast at the General Meeting held on 29 April 2025.

2.1.2.2 Key aspects of the composition and operating procedures of the Board of Directors

A harmonious composition

The balance of powers on the Board of Directors is built around its coherent and harmonious composition and the qualities of its Directors.

At 31 December 2025, the Board of Directors comprised the Chairman and Chief Executive Officer, three Directors (one of whom is Vice-Chairman of the Board) from the Bettencourt Meyers family, two Directors (one of whom is Vice-Chairman of the Board) linked to Nestlé, eight independent Directors and two Directors representing employees.

As such, 53% of Board members are independent[1], highly committed and fully capable in their respective roles given their backgrounds and experience. They hold or have held responsibilities at the highest level in major international groups, which gives them insight into all the dimensions of L'Oréal's operations, enabling them to clarify Board discussions and interact effectively with General Management.

All Board members participate in the discussions and are a driving force for ideas. The diversity and complementarity of the Directors' experience and expertise, with their entrepreneurial and international backgrounds and skills in financial matters and sustainability, give them a rapid and in-depth understanding of the development challenges faced by L'Oréal. As the leader in a globalised and highly competitive cosmetics market where demands for innovation and adaptation are very high, this is essential for L'Oréal.

Specialised, proactive and effective Board Committees

The Board of Directors pays careful attention to ensuring that the operation, composition and responsibilities of the Board Committees contribute to an appropriate balance of powers. The Board has set up specialised Committees to support the Directors in working together to carry out their duties. Their terms, composition and operating procedures are defined in the Internal Rules, which the Board makes available to the public (see 2.3.3).

The Board Committees have a large proportion of independent Directors: 67% of Audit Committee members, 57% of Human Resources and Remuneration Committee members and 50% of Nominations and Governance Committee members. The Chair of each of these Committees is independent. Only the Strategy and Sustainability Committee, whose organisation is not regulated, is chaired by a non-independent Director within the meaning of the AFEP-MEDEF Code in the person of the Chairman of the Board of Directors. The Chief Executive Officer does not sit on any of the Committees.

The Committees are free to draw up their respective agendas. They systematically report to the Board of Directors on their work, organising meetings and making recommendations.

As part of the Board's self-assessment in late 2025, the Directors once again emphasised the quality of the work and recommendations of the Board Committees, and the fact that they are essential in order for the Board to make fully informed decisions.

Executive sessions

Since 2019, the Board has held executive sessions at least once a year, in accordance with the Board's Internal Rules.

The Board believes that these meetings, which are not attended by any corporate officers or Group employees, contribute to good governance. The Chairman of the Board attends the opening part of these sessions, during which he reports on his work, before leaving for the remainder of the meeting. The agenda for the executive sessions is open, allowing the Directors to freely discuss executive corporate officers' performance and/or succession planning as they deem fit**.** The issues raised in these meetings are also addressed, where appropriate, in the Board's annual self-assessment.

Regular assessment of the organisation and operating procedures of the Board

As part of the annual assessment on how the Board operates, the Directors set new objectives each year to improve the quality of their organisation. Their objective is to improve their efficiency and ensure that they have the necessary means to carry out their duties successfully and with complete freedom (see section 2.3.5).

(1) *Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*

Prevention of conflicts of interest

The Directors are required to act in the best interests of the Company and of all its shareholders at all times. Each year, the Board of Directors assesses the situation of each Director as part of its procedures for preventing conflicts of interest. Each Director has the obligation to report any potential conflicts of interest which could arise and, in any such event, must abstain from participating in the corresponding discussions and deliberations. The Board and its Committees also ensure that any external service providers it works with do not have any conflicts of interest.

2.1.2.3 Relationships between the Board and General Management

Powers and duties of the Chief Executive Officer

The Internal Rules of the Board of Directors stipulate that the Chief Executive Officer is granted the broadest powers to act in the name of the Company in all circumstances, in compliance with the limits set by the Board. However, transactions of a significant amount or falling outside the Company's ordinary course of business are submitted to the Board of Directors (see Article 1.2.2. of the Board's Internal Rules).

The Chief Executive Officer must exercise these powers within the limit of the Company's corporate purpose subject to the powers expressly granted by French law to General Shareholders' Meetings and the Board of Directors. He represents the Company in its dealings with third parties.

The Chief Executive Officer communicates with complete transparency with all Directors and keeps them regularly informed of all aspects of the Company's affairs and performance. He is required to provide each Director with all the documents and information they require to carry out their duties. More specifically, the Chief Executive Officer provides Board members with information that may prove useful as they prepare meetings, or whenever the importance or urgency of the information so requires, enabling the Board to manage any relevant issues with complete freedom. The ongoing provision of information also includes any relevant information concerning the Company, and in particular press articles and reports containing financial analysis. The Chief Executive Officer allows the Board and its Committees to meet with senior executives of L'Oréal, within the strict framework of their duties. In consultation with the Chief Executive Officer, the Board and the Committees may use external consultants if they consider it necessary.

Through its reflections and guidance, the Board provides General Management with invaluable strategic decision-making support.

Duties of the Chairman of the Board of Directors

The Internal Rules of the Board stipulate the following duties of Jean-Paul Agon, in his capacity as Chairman of the Board of Directors: "*The Chairman of the Board organises and oversees the Board's work and reports thereon to the General Meeting.*

The Chairman sets the dates and the agenda for Board meetings and leads the discussions.

The Chairman is actively involved in defining the Company's growth strategy and encourages and strengthens, inter alia, links between the Company and the market players in the economy. The Chairman oversees the work of the Company's bodies responsible for corporate governance and ensures, in particular, that Directors are able to carry out their duties. He may request that any document or information that is likely to assist the Board of Directors in preparing meetings is shared.

The Chairman of the Board must strive as far as possible to promote the values and image of the Company at all times. His views are expressed in this capacity.

He is provided with the material resources required to perform his duties.

The Chairman of the Board takes care to develop and maintain a relationship built on trust and regular interaction between the Board and General Management, in order to ensure the continuous and ongoing implementation of the strategies defined by the Board.

The Board decided to broaden the Chairman's remit to take account of Jean-Paul Agon's experience and expertise, as well as his in-depth knowledge of the Group and the beauty market. In each of these specific missions, the Chairman works closely with the Chief Executive Officer, who is responsible for directing and managing the Company's operations. Jean-Paul Agon, as Chairman of the Board of Directors, and in order to provide effective input for the work of the Board and its Committees, provides assistance and advice to the Chief Executive Officer, particularly in implementing the strategic priorities defined by the Board:

- he is informed and consulted by the Chief Executive Officer on all significant issues and events, such as acquisition or disposal projects, major financial transactions, financial communication, the priorities of the Human Resources policy and appointments of the Group's key senior executives, Ethics and issues regarding Corporate Social Responsibility;
- together with the Chief Executive Officer, he monitors certain equity interests, including L'Oréal's stake in Sanofi;
- together with the Chief Executive Officer, he can represent the Group in its high-level relations, both nationally and internationally, including with public authorities and L'Oréal's strategic partners and stakeholders;
- he ensures that L'Oréal's values and culture are respected;
- he can meet with Statutory Auditors as part of preparations of the work of the Board and the Audit Committee;
- he chairs and leads the Strategy and Sustainability Committee;
- he attends meetings with the members of the Board which are not attended by any Directors sitting on or reporting to General Management. These meetings serve as an opportunity to discuss the performance and remuneration of executive corporate officers; and
- he reports to the Board on the progress of his work.

2.2 Composition of the Board at 31 December 2025

At 31 December 2025			Age	Gender	Nationality	Number of directorships in listed companies*	Independence	First appointed	Term of office expires (AGM)	Seniority on the Board (years)	Board Committees: Strategy and Sustainability	Audit	HR and Remuneration	Nominations and Governance
Chairman	Jean-Paul Agon		69	M	French			25/04/2006	2026	19	C			
Chief Executive Officer	Nicolas Hieronimus		61	M	French			20/04/2021	2029	4				
Bettencourt Meyers family	Jean-Victor Meyers **Vice-Chairman**		39	M	French			13/02/2012	2028	13	●		●	●
	Nicolas Meyers		37	M	French			30/06/2020	2028	5			●	●
	Téthys, represented by Alexandre Benais	T	50	M	French			29/04/2025	2029	<1	●	●		
Directors linked to Nestlé	Paul Bulcke ** **Vice-Chairman**		71	M	Belgian-Swiss			20/04/2017	2029	8	●		●	●
	Béatrice Guillaume-Grabisch		61	W	French			20/04/2016	2028	9		●		
Independent Directors	Sophie Bellon		64	W	French	2	◆	22/04/2015	2027	10			C	●
	Patrice Caine		55	M	French	1	◆	17/04/2018	2026	7	●			C
	Fabienne Dulac		58	W	French	1	◆	18/04/2019	2027	6		●	●	
	Aurélie Jean		43	W	French		◆	29/04/2025	2029	<1				
	Ilham Kadri		56	W	French-Moroccan	2	◆	30/06/2020	2028	5	●			
	Alexandre Ricard		53	M	French	1	◆	20/04/2021	2029	4		●	●	
	Jacques Ripoll		59	M	French		◆	23/04/2024	2028	2		C	●	
	Isabelle Seillier		65	W	French	1	◆	29/04/2025	2029	<1		●		●
Directors representing employees	Thierry Hamel		71	M	French			21/04/2022	2026	3			●	
	Benny de Vlieger		61	M	Belgian			21/04/2022	2026	3		●		

57.9 YEARS
average age of Directors

53%
independent Directors***

40%
of Directors are women***

60%
of Directors are men***

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors* ● *Member of the Committee* **C** *Chair of the Committee*

* *Number of directorships (excluding L'Oréal) held in listed companies, including foreign companies, in accordance with the provisions of Article 20 of the AFEP-MEDEF code (i.e., excluding directorships held in subsidiaries and affiliates, held alone or in concert, by an executive corporate officer of companies whose main activity is to acquire and manage such affiliates).*

** *Paul Bulcke was a Director of L'Oréal from 2012 to June 2014 and then again since 2017.*

*** *Excluding Directors representing employees, in accordance with the French Commercial Code (Code de commerce) and the AFEP-MEDEF Code.*

2.2.1 Guiding principles

2.2.1.1 Balanced composition of the Board of Directors

At 31 December 2025, the Board of Directors comprised 17 members.

Alongside the Chairman of the Board and the Chief Executive Officer[1], the composition of the Board is balanced with eight independent Directors, three Directors from the Bettencourt Meyers family (which holds 34.79% of the share capital[2]), two Directors linked to Nestlé (which holds 20.16% of the share capital)[2] and two Directors representing employees.

2.2.1.2 Diversity policy applied to the Board of Directors: experienced Directors with complementary profiles[3]

As is the case each year, the Board considered the desirable balance of its composition, including of its Committees (gender balance, ages, qualifications and professional experience, nationalities and international profiles).

The Directors of L'Oréal come from different backgrounds. They complement one another due to their different professional experience, their skills and their international exposure.

The Board is attentive to maintaining a balance between Directors with historical knowledge of the Company and Directors with a more external perspective who have joined the Board more recently.

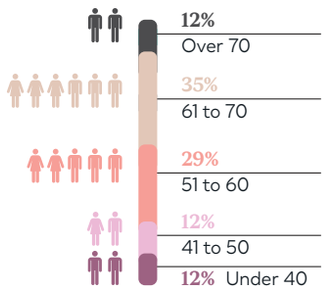
SUMMARY TABLE OF THE DIVERSITY POLICY APPLIED TO THE BOARD OF DIRECTORS

Criteria	Policy and objectives	Means of implementation and outcomes achieved in 2025
Age and seniority of Directors	Maintaining generational balance beyond compliance with the Board's Internal Rules: • no more than one-third of Directors over the age of 70; and • in principle, it is agreed that Directors are to resign from the Board before the General Meeting following their 73rd birthday. Alongside balance in terms of age, also maintaining balance in terms of seniority on the Board.	Directors are aged between 37 and 71, with an average age of 57.9. The Board considers that its composition is balanced and includes Directors with long-standing knowledge of L'Oréal and Directors who have joined more recently.
Gender balance **Representation of men and women**	Compliance with the Copé-Zimmermann law, which sets a gender quota of a minimum of 40% of Board members that are the same gender[4]. Desire to maintain gender balance of around 50% on the Board. Desired gender balance in the Committees.	At 31 December 2025, women made up 40% of the Board of Directors, which is in line with the 40% minimum ratio set in the French Commercial Code in order to achieve gender balance on corporate boards.
Nationalities **International profiles**	Recruitment of international profiles: • targeting Directors of foreign nationality or with an international culture; and/or • having international experience in L'Oréal's strategic markets.	The Board has Directors with four different nationalities (Belgian, French, Moroccan, and Swiss). The vast majority of Directors have international careers and responsibilities. Seven Directors are based outside France.
Qualifications and professional experience	Search for complementarity in the experience of Directors. Definition of a base of skills and expertise shared by all Directors. Skills related to L'Oréal's strategy and development objectives.	The Nominations and Governance Committee has identified a set of skills and expertise, validated by the Board. (See below)

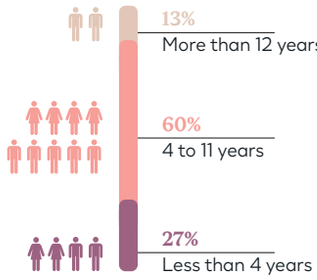
(1) Only the Chief Executive Officer is considered to be an executive director within the meaning of the CSRD.
(2) The breakdown of L'Oréal's share capital at 31 December 2025 is shown in chapter 7.
(3) This information is provided in accordance with the disclosure requirements of Article L.22-10-10 2° bis of the French Commercial Code.
(4) Directors appointed by the General Meeting.

SITUATION AT 31 DECEMBER 2025

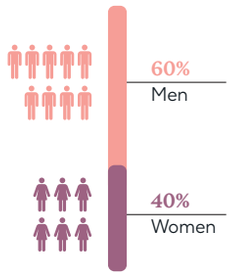
BREAKDOWN BY AGE



SENIORITY IN OFFICE*



BREAKDOWN BY GENDER*



* *Excluding Directors representing employees.*

DIRECTORS' QUALIFICATIONS AND PROFESSIONAL EXPERIENCE

Skills base and shared expertise

All L'Oréal Directors bring to the Board of Directors:

- Good judgement
- Ethics
- Concern for the interests of the Company
- Strategic vision
- Sense of innovation and entrepreneurship
- International experience
- Experience in the functioning of governance bodies

Skills related to L'Oréal's strategy and development objectives

L'Oréal's Directors complement one another on account of their varied professional experience and business undertakings. Their individual skills and expertise cover the areas indicated in the chart below.

With their complementary expertise and freedom of judgement, the Directors collectively ensure that the measures adopted contribute to the implementation of L'Oréal's strategy.

The topics falling within the remit of the Board of Directors are becoming broader and more complex, particularly in relation to ESG, cybersecurity and artificial intelligence. Consequently, it is essential that L'Oréal's Directors are competent and committed and, on the basis of the technical support provided by L'Oréal experts, are able to make an active contribution to defining the Group's strategic vision.

In ESG matters specifically, three priority skills areas have been identified: experience in developing the CSR strategy of an international group, experience of governance and business ethics and societal commitment, including philanthropy.

The breadth and wealth of Directors' experience should enable the Board to address ESG issues from a collective, overarching perspective and consider them in greater depth by working with internal and external experts (e.g., Statutory Auditors certifying the sustainability information, specialist training consultants, etc.).

The intrinsic skillsets of each Director are identified by the Nominations and Governance Committee based on their profile, experience and career, to ensure that the Board has a range of complementary skills and can operate as a collegial body based on collective thinking and decision-making. These skills are supplemented by a dedicated learning plan to ensure that L'Oréal's specific characteristics are fully understood and developed through high-level presentations at Board and Committee meetings.

The above table gives an overview of the skills matrix for Directors. The Board has a broad range of experience across various business sectors and expertise in various fields, which means it is able to meet the strategic and performance-related challenges faced by L'Oréal. Moreover, regardless of their individual nationalities, some two-thirds of the Directors have spent portions of their careers working abroad.

The skills matrix is monitored and reviewed annually by the Nominations and Governance Committee and by the Board of Directors. The aim is to ensure that the skills of Directors are commensurate with L'Oréal's current and future challenges, to determine the profiles to be identified in connection with changes to the composition of the Board and to ensure effective succession planning for Directors. This allows the Committee to draw up (i) a short-to-medium- and (ii) long-term vision (12 years maximum, in accordance with the AFEP-MEDEF Code's independence requirements), in order to target skills in line with the Company's strategic priorities and that complement or strengthen the skills already present on the Board. In this way, the Board is provided with the key skills identified in the matrix on an ongoing basis. The Directors also assess this themselves as part of the annual assessment of the Board.

Induction and continuous training

As soon as they are appointed, new Directors are offered a tailored induction programme. This two-year programme aims to provide an in-depth understanding of L'Oréal and the Board of Directors' operations, thereby facilitating a swift and efficient start to their duties. Similar tailored support can also be provided when a Director joins a Committee.

The induction programme includes a comprehensive welcome pack, and privileged interactions and discussions with the members of the Board and the Executive Committee, and the possibility of site visits. Specific meetings are also organised for new Directors to learn more about the Group's culture, history, areas of business and governance, as well as the operating procedures of the Board of Directors. They may also be put in contact with the Group's key experts to prepare them for potentially joining a Board Committee.

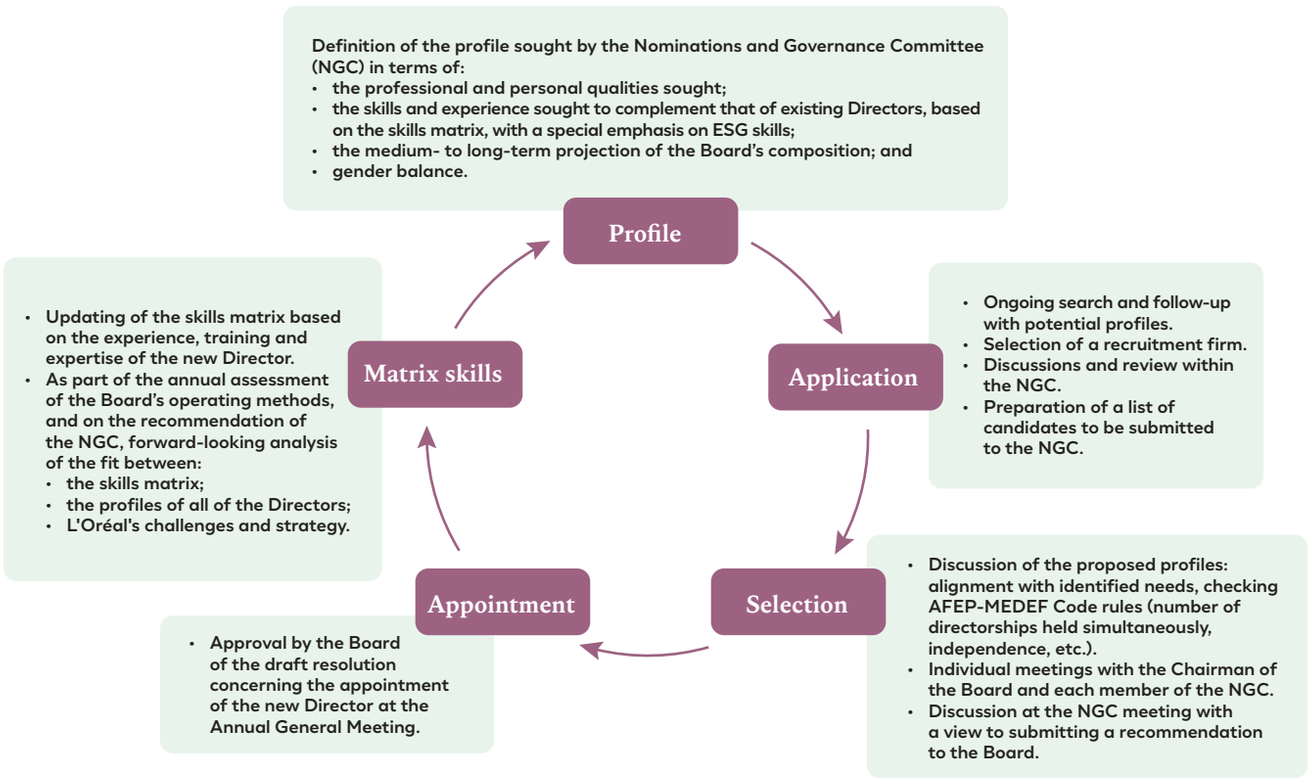
Directors' training carries on after they join the Board as part of a continuous training process. Additionally, each Director can ask the Chairman of the Board to provide them with any documents and information they feel they need to enable them to effectively carry out their duties and make fully informed decisions. Board meeting agendas regularly include an item devoted to strategic presentations on specific topics given by the Group's key executives, so that the Directors can gain greater insight into the Group's challenges. These presentations enable the Board's members to deepen their knowledge about L'Oréal specifically (manufacturing, R&I and new technology) and the beauty sector in general, and to increase their expertise on particular technical topics (such as ESG and regulatory requirements). The meetings attended by the Group's key executives are also an opportunity for them to contribute to the Board's discussions. Each Director can also ask for any training they feel they need to carry out their duties.

Directors representing employees are provided with additional training tailored to their role on the Board.

SELECTING NEW DIRECTORS

The procedure for selecting new Directors is described in Article 5.3.1. of the Internal Rules of the Board of Directors, which is reproduced in full in section 2.3.6.

Selection process for new independent Directors appointed by the General Meeting



2.2.1.3 Two Directors representing employees

Two Directors representing employees have sat on the Board of Directors since 2014. Their experience as employees gives these two Directors an in-depth understanding of the business and the risks it faces, meaning they can enhance Board discussions in the interests of sustainable and long-term governance.

Thierry Hamel was appointed as a Director representing employees by the CFE-CGC union. He is a Project Manager for Sales Excellence, Onboarding and Training for the sales teams in the Professional Products Division in France.

Thierry Hamel has informed the Board that he intends to retire in 2026. The CFE-CGC union has therefore decided that, at the close of the 2026 General Meeting, it will appoint **Catherine Olivry**[(1)] as a Director representing employees for a four-year term. On her appointment to the Board, Catherine Olivry will become a member of the Human Resources and Remuneration Committee.

Benny de Vlieger was appointed as a Director representing employees by the European Works Council. He is a Sales Representative for the Consumer Products Division in Belgium. His term of office as a Director representing employees is due to expire at the close of the 2026 General Meeting.

The European Works Council has decided that, at the close of the 2026 General Meeting, it will re-appoint Benny de Vlieger as a Director representing employees for a further four-year term. Benny de Vlieger is a member of the Audit Committee.

As soon as they take up office, as is the case for all L'Oréal Directors, new Directors representing employees are given a tailored induction and support programme that includes privileged interactions, in particular with the Chairman of the Board, the Chief Executive Officer, the Chairman of the Nominations and Governance Committee and the Board Secretary.

Directors representing employees are entitled to training and are offered a personalised programme so they can supplement their knowledge of the business, understand the requirements of being a Director and make preparations to join one of the Board's specialised Committees.

Directors representing employees are remunerated for their duties according to the same distribution rules as other Directors. The components of their remuneration as employees are not published.

(1) Until now, Catherine Olivry served as a representative of the Central Social and Economic Committee to the Board of Directors.

2.2.1.4 Independent Directors

All L'Oréal Directors have freedom of judgement

The balance of powers on the Board is ensured through a very precise outline of each individual's roles and tasks that are divided up and shared. Each Director receives information on an ongoing basis and has everything they need to carry out their duties. They all have a duty of diligence and participate, in total independence, in the decisions and work of the Board and, where applicable, its Committees. They are all required to comply with the rules in force with regard to conflicts of interest.

Directors who qualify as independent in accordance with the AFEP-MEDEF Code

A member of the Board is considered independent when he or she has no relationship of any kind whatsoever with the Company, its Group or its management that may interfere with his or her freedom of judgement. With this in mind, the criteria that guide the Board in determining whether a member can qualify as independent are the following, as set out in the AFEP-MEDEF Code, the member:

- must not have been during the previous five years an employee or executive corporate officer of the Company, an employee, an executive corporate officer or a Director of a company that is consolidated by the Company, or an employee, an executive corporate officer or a Director of its parent company or of a company consolidated by that parent company;
- must not be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office within the last five years) holds a directorship;
- must not be a customer, supplier, commercial banker, investment banker or consultant that is significant to the Company or the Group, or for which the Company or the Group represents a significant portion of its activity;
- must not be related by close family ties to a corporate officer;
- must not have been a Statutory Auditor of the Company within the previous five years; and
- must not have been a Director of the Company for more than 12 years.

At its meeting held on 12 February 2026, the Board of Directors examined, on a case-by-case basis, the situation of each of the members concerned in light of the independence criteria set out in the AFEP-MEDEF Code.

	Not an employee or executive corporate officer	No cross-directorships	No significant business relationships	No family ties	Not a Statutory Auditor	Not a Director for more than 12 years	Classification adopted
Sophie Bellon	yes	yes	yes	yes	yes	yes	Independent
Patrice Caine	yes	yes	yes	yes	yes	yes	Independent
Fabienne Dulac	yes	yes	yes	yes	yes	yes	Independent
Aurélie Jean	yes	yes	yes	yes	yes	yes	Independent
Ilham Kadri	yes	yes	yes	yes	yes	yes	Independent
Alexandre Ricard	yes	yes	yes	yes	yes	yes	Independent
Jacques Ripoll	yes	yes	yes	yes	yes	yes	Independent
Isabelle Seillier	yes	yes	yes	yes	yes	yes	Independent

Based on the work carried out by the Nominations and Governance Committee, on 12 February 2026, the Board of Directors reviewed, as it does each year, whether any business relationship exists with these Directors. Business relationships refer to the financial flows that took place during 2025 between L'Oréal and companies in which the Directors who qualify as independent also hold an office or position. As to the significance of the business relationship, and in keeping with the recommendations of the French Financial Markets Authority, the Board of Directors carried out a quantitative and qualitative analysis, adopting where necessary a wide multi-criteria approach (duration and continuity, importance of the business relationship for L'Oréal and the Director, and organisation of the relationship). Isabelle Seillier, who was appointed as a Director at the 2025 General Meeting following a distinguished career in investment banking, has not held any role within JP Morgan since January 2024. Following this analysis, the Board concluded there were no significant business relationships.

In summary, on 31 December 2025, 8 out of 15 members of the Board of Directors (excluding the Directors representing employees, in accordance with the AFEP-MEDEF Code) qualified as independent (i.e., 53% of the Board of Directors). It is specified that the following are not considered to be independent: Jean-Paul Agon (a former executive corporate officer within the last five years and a Director since 2006); Nicolas Hieronimus (executive corporate officer); Jean-Victor Meyers, Nicolas Meyers, and Téthys, represented by Alexandre Benais (Bettencourt Meyers family, holding 34.79% of the share capital); Paul Bulcke and Béatrice Guillaume-Grabisch (linked to Nestlé, holding 20.16% of the share capital).

2.2.1.5 Responsible Directors

Within the scope of French law and the rights and obligations of the Directors as defined in the Internal Rules of L'Oréal's Board of Directors, and in accordance with the AFEP-MEDEF Code, Directors become subject to compliance with the rules in force as regards conflicts of interest and stock market ethics upon their appointment as a Director and throughout the duration of their term of office.

Selection of responsible Directors

Subject to approval from the General Meeting, Directors are appointed following a transparent selection process that determines which Director profiles are required by the Company in terms of the skills, qualifications and experience to complement the skills of the Directors already on the Board. Matters such as candidates' availability, number of directorships held and independence are also taken into consideration (see section 2.2.1.2). Particular attention is also paid to directorships held in other companies. Directors are required to devote the necessary time and attention to their duties and limit how many other directorships they hold, so as to ensure their availability (Article 3.3. of the Internal Rules of the Board).

Upon joining the Board of Directors, each Director receives a copy of the Internal Rules of the Board and L'Oréal's Articles of Association, the Stock Market Code of Ethics, the Code of Ethics, etc. These guidelines have been adopted by the Company and serve as terms of reference for Directors in terms of the standards required by L'Oréal.

Members of the Board of Directors have the necessary objectivity to make independent judgements on the conduct of the Company's business. The balance of powers established within the Board allows its members to exercise independent judgement. The Board comprises:

- the Chief Executive Officer, who directly contributes to the work, discussions and, ultimately, decisions taken by the Board;
- the Chairman of the Board, who is responsible for developing and maintaining a trust-based relationship and regular interaction between the Board and General Management, particularly in view of his expertise in matters of governance and the quality of his discussions with the Chief Executive Officer, which are based on a relationship established over the course of many years;
- Directors from major shareholders who are particularly interested in the long-term performance of the Company;
- Eight independent Directors with experience as senior executives of large international groups, whose independence of thought, sense of perspective and freedom of speech enable them to challenge and support General Management in defining the Group's strategy; and
- two Directors representing employees, with extensive knowledge of the Company (see section 2.2.1.3).

Responsible exercise of office

To maintain a high standard, the Board of Directors, based on the work of the Nominations and Governance Committee, ensures that throughout their entire term of office, Directors are fully able to act in the best interests of the Company, with all the due diligence and care required and subject to strict confidentiality and loyalty obligations.

Directors must keep the Board informed of the directorships they hold in other companies, including any involvement in Board Committees of any French or foreign companies. They are required to notify the Board of any situation that may constitute a conflict of interest, even if such conflict is only potential, and must refrain from participating in any related deliberations.

In addition, all Directors are required to submit an annual declaration regarding potential conflicts of interest between their duties to L'Oréal and their private or professional interests, specifically with regard to other directorships and roles. Any relevant information disclosed in this way is made public. Based on these declarations, the Board of Directors has not identified any conflicts of interest as of their issue date, pursuant to Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 ("Prospectus 3").

The Nominations and Governance Committee conducts an annual review of the summary table prepared by the Company of the financial flows that occurred during the financial year between L'Oréal and interested parties, as defined by the regulation, in order to report back to the Board of Directors as part of the regular procedure to evaluate ordinary agreements signed at arms' length terms, pursuant to Article L. 22-10-12 of the French Commercial Code. Where there are doubts on the classification of an agreement, the Committee must verify that transactions are concluded in the ordinary course of business and at arm's length terms, so that the Board of Directors can implement the procedure for related-party agreements where necessary. In this case, any persons directly or indirectly interested in the agreement are recused from the assessment. Similarly, in accordance with the AFEP-MEDEF Code and the recommendations of the French Financial Markets Authority, the Board of Directors, based on the work carried out by the Nominations and Governance Committee, carries out an annual review of any possible business relationships between L'Oréal and companies in which independent Directors hold directorships or hold functions, to ensure these relationships are not material (see section 2.2.1.4).

Information relating to corporate officers pursuant to Annex 1 of Commission Delegated Regulation (EU) 2019/980

Family relationships between corporate officers (Article 12.1 of the Annex)

Jean-Victor Meyers and Nicolas Meyers are brothers.

Absence of convictions or incrimination of corporate officers (Article 12.1 of the Annex)

To the Company's knowledge, over the last five years, no corporate officers have been convicted of fraud, associated with a bankruptcy, receivership or liquidation, or the subject of any official public incrimination or sanction imposed by statutory or regulatory authorities (including designated professional bodies) or a decision by a court disqualifying them from acting as a member of an administrative, management or supervisory body or from acting in the management or conduct of the business of any issuer.

Potential conflicts of interest between the duties of corporate officers with regard to L'Oréal, and their private interests and/or other duties (Articles 12.2 and 16.3 of the Annex)

The way that the Board is structured and operates, with eight independent Directors, makes it possible, where necessary, to prevent shareholders, acting individually or in concert, from abusing their rights to the detriment of the Company.

Regarding any arrangement or agreement entered into with major shareholders, customers, suppliers or others under which a Director was selected to sit on the Board of Directors, there was an agreement in place between the Bettencourt Meyers family and Nestlé SA (which expired on 21 March 2018) focused on the reciprocal voting commitment in favour of the appointment as Directors of three members proposed by the Bettencourt Meyers family and two members proposed by Nestlé.

The Company was informed of an interest, amounting to 100 shares, of its Chairman, Jean-Paul Agon, in the collective lock-up agreements signed on 16 December 2016 by Téthys SAS and members of the Bettencourt Meyers family group under the Dutreil law. The Nominations and Governance Committee Meeting of 6 December 2016 examined this arrangement prior to the signing of the agreement and considered that it could not be contested on the basis of the Company's best interests, nor could it give rise to consequences for the Company's governance, and informed the Board of Directors accordingly.

The Company was informed that a new collective lock-up agreement was signed on 29 December 2023 under Article 787 B of the French Tax Code, similar to those entered into in 2016 (which were terminated earlier the same date), with the addition of the company Financière L'Arcouest (controlled by Françoise Bettencourt Meyers and her family). The Nominations and Governance Committee Meeting of 6 December 2023 examined this arrangement prior to its signing and confirmed that it could not be contested on the basis of the Company's best interests, nor could it give rise to consequences for the Company's governance, and informed the Board of Directors accordingly.

Information on service contracts with members of the administrative bodies (Article 12.2 of the Annex)

No corporate officers have a service contract with L'Oréal or any of its subsidiaries providing for the granting of benefits upon termination of such contract.

Stock market ethics

The Board took note of the rules to be applied in order to prevent insider trading, in particular those resulting from European Regulation (EU) No. 596/2014 on market abuse, which became applicable on 3 July 2016, and the recommendations of the French Financial Markets Authority, in particular regarding closed periods during which trading in shares is prohibited. It amended the Internal Rules of the Board accordingly. Where applicable, Board members are kept informed of any developments related to stock market regulations.

On the basis of legal provisions, regulations and market recommendations, L'Oréal's Stock Market Code of Ethics points out that inside information must not be passed on and must only be used for professional purposes.

Inside information is information of a precise nature which has not been made public and which, if made public, would be likely to have a significant impact on the share price.

The Stock Market Code of Ethics sets out the prohibition of any person in possession of inside information from executing, ordering the execution of or recommending any financial transactions on L'Oréal shares, and emphasises that any misconduct in this area may result in criminal proceedings. The Internal Rules of the Board specifically remind Directors not to trade in L'Oréal shares in certain specific periods and when they have access to inside information.

Directors are required to notify the AMF of each transaction related to L'Oréal shares that they carry out or that is carried out by anyone closely associated with them, in accordance with the terms and procedures laid down in the applicable regulations. The Company periodically reminds those concerned of this obligation (see section 2.6).

2.2.2 List of corporate offices and directorships of the Directors at 31 December 2025



Age: **69**

French

Expiry date of term of office: **2026**

—

Chairman of the Strategy and Sustainability Committee

—

Business address: **L'Oréal – 41, rue Martre - 92117 Clichy Cedex – France**

—

Holds 1,200,000 L'Oréal shares

Jean-Paul Agon

CHAIRMAN OF THE BOARD OF DIRECTORS

Jean-Paul Agon joined the Group in 1978. Following an international career as General Manager of the Consumer Products Division in Greece and of L'Oréal Paris in France, International Managing Director of Biotherm, General Manager of L'Oréal Germany, General Manager of the Asia Zone, Chairman and Chief Executive Officer of L'Oréal USA, Jean-Paul Agon was appointed as Deputy Chief Executive Officer of L'Oréal in 2005, and then Chief Executive Officer in April 2006, and finally Chairman and Chief Executive Officer from 2011 to 2021. Since 1 May 2021, Jean-Paul Agon has been the Chairman of the Board of Directors. Jean-Paul Agon has been a Director of L'Oréal since 2006. Jean-Paul Agon is the Chairman of the L'Oréal Corporate Foundation.

Other corporate offices and directorships held

French company	
• HEC Paris	Chairman of the Board of Directors
Other	
• L'Oréal Corporate Foundation	Chairman of the Board of Directors
• France-China Committee (Comité France Chine - CFC)	Co-Chairman and Member of the Board of Directors
• Société des Amis du Musée d'Art Moderne de Paris	Chairman
• French Association of Private Enterprises (AFEP)	Director
• French Institute of International Relations (IFRI)	Director
• European Round Table for Industry (ERT) (Belgium)	Member
• American Hospital of Paris	Member of the Board of Governors
• Endowment fund of the French School of Athens	Chairman

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French companies		
• Air Liquide SA	Director	2022
• L'Oréal	Chairman and Chief Executive Officer	2021
Other		
• RaiseSherpas endowment fund	Director	2024
• HEC Foundation	Member of the Board of Directors	2022
• L'Oréal Fund for Women	Chairman of the Board of Directors	2021

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Experience of General Management
- International profile
- Knowledge of consumers
- Financial expertise
- Digital/New Technologies
- BtoB/BtoC
- Industry
- Research & Innovation
- HR/employee relations
- ESG including Governance and Development of an ESG strategy for an international group



Age: **61**

French

Expiry date of term of office: **2029**

—

Business address: **L'Oréal – 41, rue Martre - 92117 Clichy Cedex – France**

—

Holds 237,828 L'Oréal shares

Nicolas Hieronimus

CHIEF EXECUTIVE OFFICER

Nicolas Hieronimus joined the Group in 1987 and was appointed Marketing Director of Laboratoires Garnier in 1993. After an international career as a General Manager of the Garnier Maybelline Division in the United Kingdom, General Manager in France, then International General Manager of L'Oréal Paris and General Manager of L'Oréal Mexico, Nicolas Hieronimus was appointed as the General Manager of the L'Oréal Professional Products Division and joined the Executive Committee in 2008. In 2011, he was appointed President of L'Oréal Luxe, a role that he held until the end of 2018. In 2013, Nicolas Hieronimus became President of Selective Divisions (Luxe, Active Cosmetics, Professional Products). He was appointed Deputy Chief Executive Officer in charge of Divisions in May 2017. Nicolas Hieronimus was appointed Chief Executive Officer of L'Oréal on 1 May 2021. He has been a Director of L'Oréal since April 2021 and is also Chairman of the L'Oréal Fund for Women and Director of the L'Oréal Corporate Foundation.

Other corporate offices and directorships held

Other	
• L'Oréal Fund for Women	Chairman of the Board of Directors
• L'Oréal Corporate Foundation	Director

Corporate offices and directorships held over the last five years that have expired

- None

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Experience of General Management
- International profile
- Knowledge of consumers
- Financial expertise
- Digital/New technologies
- BtoB/BtoC
- Industry
- Research & Innovation
- HR/employee relations
- ESG including Governance and Development of an ESG strategy for an international group



Age: **39**

French

Expiry date of term of office: **2028**

—

Committee Member:

Strategy and Sustainability

Nominations and Governance

Human Resources and Remuneration

—

Business address: **Téthys – 27-29, rue des Poissonniers - 92200 Neuilly-sur-Seine – France**

—

Holds 1,500 L'Oréal shares

Jean-Victor Meyers

VICE-CHAIRMAN

Jean-Victor Meyers, son of Françoise Bettencourt Meyers and Jean-Pierre Meyers, has been a member of the Supervisory Board of the family-owned holding company, Téthys, since January 2011, and a member of the Supervisory Board of the investment subsidiary Téthys Invest.

Jean-Victor Meyers has been a Director of L'Oréal since 2012 and Vice-Chairman of the Board since April 2025.

Other corporate offices and directorships held

French companies	
• Téthys SAS	Member of the Supervisory Board
• Téthys Invest SAS	Member of the Supervisory Board
• Orsay Holding SAS	Chairman

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French company		
• Exemplaire SAS	Chairman	2022

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Knowledge of consumers
- Financial expertise
- BtoB/BtoC
- ESG including Environment and Governance



Age: **71**

Belgian and Swiss

Expiry date of term of office: **2029**

—

Committee Member:

Strategy and Sustainability

Nominations and Governance

Human Resources and Remuneration

—

Business address: **Nestlé – Avenue Nestlé, 55 - CH 1800 Vevey – Switzerland**

—

Holds 3,000 L'Oréal shares

Paul Bulcke

VICE-CHAIRMAN

After pursuing an international career at the highest level within the Nestlé group, holding various positions in Europe and Latin America, in 2004 Paul Bulcke was appointed Executive Vice President and Zone Director for the Americas of Nestlé SA before becoming Chief Executive Officer of Nestlé SA from 2008 to 2016. Paul Bulcke served as the Chairman of the Board of Directors of Nestlé from 2017 until 1 October 2025.

Paul Bulcke was a Director of L'Oréal from 2012 to June 2014 and then again from 2017, and has been Vice-Chairman of the Board of Directors since April 2017.

Other corporate offices and directorships held

Other	
• 2030 Water Resources Group (WRG) (Switzerland)	Co-Chairman
• JP Morgan International Council (United States)	Member

Corporate offices and directorships held over the last five years that have expired

		Expiry date of term of office
Foreign companies		
• Nestlé SA (Switzerland)	Chairman of the Board of Directors	2025
• The Avenir Suisse foundation (Switzerland)	Member of the Board	2025
• World Economic Forum (WEF) (United States)	Member of the Community of Chairpersons	2025
• Roche Holding Ltd (Switzerland)	Member of the Board of Directors	2022
Other		
• European Round Table for Industry (ERT) (Belgium)	Member	2021

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- International profile
- Knowledge of consumers
- Financial expertise
- BtoB/BtoC
- Industry
- HR/employee relations
- ESG including Governance and Development of an ESG strategy for an international group



Age: **64**

French

Expiry date of term of office: **2027**

—

Chairwoman of the Human Resources and Remuneration Committee

Member of the Nominations and Governance Committee

—

Business address: **Sodexo – 255, quai de la Bataille de Stalingrad - 92130 Issy-Les-Moulineaux – France**

—

Holds 1,043 L'Oréal shares

Sophie Bellon

Sophie Bellon is Chairwoman of the Sodexo Board of Directors. After a career in finance in the United States, Sophie Bellon joined Sodexo in 1994, where she held various positions, including as the Chief Executive Officer of the Corporate Services business unit of Sodexo France and as Research, Development and Innovation Strategy Manager of Sodexo. She was appointed Chairwoman of the Board of Directors in 2016 and then interim Chief Executive Officer of Sodexo from October 2021, before taking the position of Chairwoman and Chief Executive Officer from February 2022 to November 2025.

Sophie Bellon has been a Director of L'Oréal since 2015.

Main corporate office held outside L'Oréal

• Sodexo*	Chairwoman of the Board of Directors

Other corporate offices and directorships held

French company	
• Bellon SA [S]	Member of the Management Board
Foreign company	
• Pluxee NV* [S] (Netherlands)	Director
Other	
• French Association of Private Enterprises (AFEP)	Member of the Board of Directors
• French Association of Joint Stock Companies (ANSA)	Member of the Board of Directors
• France-China Committee (Comité France Chine – CPC)	Member of the Board of Directors

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French company		
• Sodexo	Chairwoman and Chief Executive Officer	2025
Other		
• PB Holding SAS	Chairwoman	2023
• United Way Alliance (UWA)	Member of the Board of Directors	2021

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- International profile
- Knowledge of consumers
- Financial expertise
- BtoB/BtoC
- HR/employee relations
- ESG including Governance and Development of an ESG strategy for an international group

* *Listed company.*
[S] *Sodexo group company.*
It should be noted that Pluxee is a company created out of Sodexo's spin-off of its Benefits and Rewards Services business, and a large proportion of its capital is held by Bellon SA.



Age: **55**

French

Expiry date of term of office: **2026**

—

Chairman of the Nominations and Governance Committee

Member of the Strategy and Sustainability Committee

—

Business address: **Thales – 4, rue de la Verrerie - 92190 Meudon – France**

—

Holds 1,000 L'Oréal shares

Patrice Caine

Chairman and Chief Executive Officer of the Thales group since December 2014, after holding management positions in various operating units (Air and Naval, Communication, Navigation and Identification, Air Systems, Radio-Communication Products, Network and Infrastructure Systems, and Protection Systems) from 2002 to 2013.

Patrice Caine has been a Director of L'Oréal since 2018.

Main corporate office held outside L'Oréal

• Thales*	Chairman and Chief Executive Officer

Other corporate offices and directorships held

French company	
• Naval Group (formerly DCNS)	Director
Other	
• National Association for Research and Technology (ANRT)	Chairman
• France Industrie (created out of the merger between Cercle de l'Industrie and Industrial Federations Group)	Vice-Chairman
• French Aerospace and Defense Industries Association (GIFAS)	Vice-Chairman
• Conseil National de l'Industrie (CNI)	Member of the Executive Committee

Corporate offices and directorships held over the last five years that have expired

- None

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- International profile
- Financial expertise
- Digital/New Technologies
- Industry
- Research & Innovation
- HR/employee relations
- ESG including Governance and Development of an ESG strategy for an international group

* *Listed company.*



Age: **58**

French

Expiry date of term of office: **2027**

—

Committee Member:

Audit

Human Resources and Remuneration

—

Business address: **L'Oréal – 41, rue Martre - 92110 Clichy – France**

—

Holds 500 L'Oréal shares

Fabienne Dulac

After a 26-year career at Orange, where she served as Chief Executive Officer of Orange France from 2015 to 2023, then as Chief Transformation Officer of Orange group and Chairwoman of Orange Business, Fabienne Dulac has been Deputy Chief Executive Officer at emeis and a member of the Executive Committee from 2023 to 2025.

Fabienne Dulac has been a Director of L'Oréal since 2019.

She is also a Director of La Française des Jeux.

Other corporate offices and directorships held

French companies	
• La Française des Jeux*	Director
• Le Monde	Member of the Supervisory Board

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French companies		
• emeis	Deputy Chief Executive Officer	2025
• Orange	Executive Vice President of Transformation, Orange group - Chairwoman of Orange Business	2023
• Orange France	Chief Executive Officer	2023
• Orange	Deputy Chief Executive Officer	2023
Other		
• Willa	Member of the Board of Directors	2023

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- Knowledge of consumers
- Financial expertise
- Digital/New Technologies
- BtoB/BtoC
- Research & Innovation
- HR/employee relations
- ESG including Governance

* *Listed company.*



Age: **61**

French

Expiry date of term of office: **2028**

—

Member of the Audit Committee

—

Business address: **Nestlé – Avenue Nestlé, 55 - CH 1800 Vevey – Switzerland**

—

Holds 1,830 L'Oréal shares

Béatrice Guillaume-Grabisch

HR/IT & Integrated Business Services Director in charge of special projects for the Nestlé group until the end of October 2025, Béatrice Guillaume-Grabisch joined the Nestlé group in 2013 after a career in various consumer goods groups (Colgate-Palmolive, Beiersdorf, Johnson & Johnson, L'Oréal and The Coca-Cola Company). Within the Nestlé group, she previously held the positions of Chief Executive Officer of Nestlé Germany until December 2018, then Group Executive Vice President and Global Head of Human Resources and Business Services until December 2024.

Béatrice Guillaume-Grabisch has been a Director of L'Oréal since 2016.

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
Foreign companies		
• GS1 (Belgium)	Director	2025
• Nestlé SA (Switzerland)	HR/IT & Integrated Business Services Director in charge of special projects	2025
• Nestlé SA (Switzerland)	Executive Vice President and Global Head, Human Resources and Business Services	2024

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Experience of General Management
- International profile
- Knowledge of consumers
- Financial expertise
- Industry
- HR/employee relations



Age: **71**

French

Expiry date of term of office: **2026**

—

Member of the Human Resources and Remuneration Committee

—

Business address: **L'Oréal – 41, rue Martre - 92117 Clichy Cedex – France**

Thierry Hamel

Thierry Hamel joined the Group in 1979 and has spent a large part of his career in the Professional Products Division, where he serves as Project Manager – Sales Excellence, Onboarding and Training for the sales functions of the Professional Products Division in France.

In April 2022, Thierry Hamel was appointed as a Director representing employees by the CFE-CGC union for a four-year term.

Other corporate offices and directorships held

- None

Corporate offices and directorships held over the last five years that have expired

- None

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Knowledge of consumers
- HR/employee relations



Age: **43**

French

Expiry date of term of office: **2029**

—

Business address: **L'Oréal – 41, rue Martre - 92110 Clichy – France**

—

Holds 125 L'Oréal shares

Aurélie Jean

Aurélie Jean has a PhD in science, is a graduate of Sorbonne University, ENS Paris Saclay and Mines ParisTech, as well as having studied at the Massachusetts Institute of Technology (MIT). She has spent a large part of her career in applied digital sciences (Michelin, MIT, ParaSim – a virtual reality-based simulator – and Bloomberg). In 2016, she founded In Silico Veritas, an algorithmic and data development and consulting company, where she is Chief Executive Officer and Chairwoman. She is also co-founder of INFRA, a start-up that uses artificial intelligence to advance preventive health for women, where she serves as Chairwoman and Chief Artificial Intelligence Officer.

Aurélie Jean has been a Director of L'Oréal since 2025.

Main corporate offices held outside L'Oréal

• In Silico Veritas	Chairwoman and CEO
• INFRA	Chairwoman and Chief AI Officer

Other corporate offices and directorships held

French company	
• Arte France	Member of the Supervisory Board
Other	
• International Advisory Council of Edmond de Rothschild	Member
• ENGIE Foundation	Member of the Board of Directors
• INRIA Foundation	Member of the Board of Directors
• La Maison des Femmes	Member of the Fundraising Committee
• Institut Terram	Member of the Scientific Committee
• La French Tech Los Angeles	Member of the Board of Directors
• Centre des Arts de la Parole	Member of the Board of Directors
• Les Déterminés (non-profit organisation)	Member of the Board of Directors
• Code for Fun (USA)	Advisor

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French company		
• Navya	Member of the Supervisory Board	2023

Skills related to L'Oréal's strategy and development objectives

- International profile
- Digital/New Technologies
- Research & Innovation
- ESG, including Societal Engagement



Age: **56**

French and Moroccan

Expiry date of term of office: **2028**

—

Member of the Strategy and Sustainability Committee

—

Business address: **Syensqo – 98, rue de la Fusée - 1120 Brussels – Belgium**

—

Holds 250 L'Oréal shares

Ilham Kadri

Dr. Ilham Kadri is Chairwoman of the Executive Committee of the World Business Council for Sustainable Development (a non-profit member-led organisation). A science-driven industrial leader, she was Chief Executive Officer at the Solvay group and chaired its Executive Committee from 2019 to 2023. She steered a major transformation that led to the spin-off of the group and the creation of Syensqo, an international specialty chemicals group focused on innovation and sustainability. From December 2023 to the end of December 2025, she served as Chief Executive Officer of Syensqo. Dr. Ilham Kadri was previously Chairwoman and Chief Executive Officer of the American company Diversey, after having held senior leadership roles in research and development, sales, marketing, strategy, business management and digital transformation at Shell, UCB, Dow, Sealed Air.

Ilham Kadri has been a Director of L'Oréal since 2020.

She is also a Director of A.O. Smith Corporation.

Other corporate offices and directorships held

Foreign companies	
• A.O. Smith Corporation* (United States)	Member of the Board of Directors
Other	
• World Business Council for Sustainable Development (Switzerland)	Chairwoman of the Executive Committee
• Brussels University Hospital (Belgium)	Director
• European Round Table (ERT) (Belgium)	Vice-Chairwoman

Corporate offices and directorships held over the last five years that have expired

		Expiry date of term of office
Foreign companies		
• Syensqo* (Belgium)	Chief Executive Officer Member of the Board of Directors	2025
• Solvay (Belgium)	Chief Executive Officer Member of the Board of Directors	2023

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- International profile
- Financial expertise
- Industry
- Research & Innovation
- HR/employee relations
- ESG including Governance and Development of an ESG strategy for an international group

* *Listed company.*



Age: **37**

French

Expiry date of term of office: **2028**

—

Committee Member:

Nominations and Governance

Human Resources and Remuneration

—

Business address: **Téthys – 27-29, rue des Poissonniers - 92200 Neuilly-sur-Seine – France**

—

Holds 1,500 L'Oréal shares

Nicolas Meyers

Nicolas Meyers, who is the son of Françoise Bettencourt Meyers and Jean-Pierre Meyers, has been a member of the Supervisory Board of the family-owned holding company, Téthys, since 2011, a member of the Supervisory Board of the investment subsidiary Téthys Invest since 2016, and a Director of the Bettencourt Schueller Foundation since 2012.

Nicolas Meyers has been a Director of L'Oréal since 2020.

Other corporate offices and directorships held

French companies	
• Téthys SAS	Member of the Supervisory Board
• Téthys Invest SAS	Member of the Supervisory Board
• Lille Capital SAS	Chairman
Other	
• Bettencourt Schueller Foundation	Member of the Board of Directors

Corporate offices and directorships held over the last five years that have expired

- None

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Knowledge of consumers
- Financial expertise
- Digital/New technologies
- ESG including Governance and Societal engagement



Age: **53**

French

Expiry date of term of office: **2029**

—

Committee Member:

Audit

Human Resources and Remuneration Committee

—

Business address: **Pernod Ricard – 5, cours Paul Ricard - 75008 Paris – France**

—

Holds 500 L'Oréal shares

Alexandre Ricard

Alexandre Ricard has been Chairman and Chief Executive Officer of Pernod Ricard since February 2015. He joined Pernod Ricard in 2003 after seven years as a strategy consultant at Accenture and as an M&A consultant at Morgan Stanley. In 2004, he was appointed Director of Finance and Administration of Irish Distillers, and then in 2006, Chief Executive Officer of Pernod Ricard Asia Duty Free. In 2008, he was appointed Chairman and Chief Executive Officer of Irish Distillers and joined the Executive Committee of Pernod Ricard. In 2011, he joined Pernod Ricard's General Management as Managing Director in charge of the Distribution Network, before taking the position of Deputy Chief Executive Officer in 2012.

Alexandre Ricard has been a Director of L'Oréal since 2021.

Main corporate office held outside L'Oréal

• Pernod Ricard*	Chairman and Chief Executive Officer

Other corporate offices and directorships held

French companies	
• Martell & Co SA[PR]	Director
• Société Paul Ricard	Director
• Le Delos Invest I	Director
• Le Delos Invest II	Director
Foreign companies	
• Suntory Allied Limited (Japan) [PR]	Chairman
• Geo G. Sandeman Sons & Co. Ltd (United Kingdom) [PR]	Director
• Havana Club International SA (Cuba) [PR]	Member of the Board of Directors (*Junta de Directores*)
• Bendor SA (Luxembourg)	Director

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French company		
• Pernod Ricard Europe, Middle East and Africa	Member of the Supervisory Committee	2023

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- International profile
- Knowledge of consumers
- Financial expertise
- BtoB/BtoC
- Industry
- HR/employee relations
- ESG including Governance and Development of an ESG strategy for an international group

* *Listed company.*
[PR] *Pernod Ricard Group company.*



Age: **59**

French

Expiry date of term of office: **2028**

—

Chairman of the Audit Committee

Member of the Human Resources and Remuneration Committee

—

Business address: **Türkenstrasse 9 – 1090 Vienna, Austria**

—

Holds 400 L'Oréal shares

Jacques Ripoll

Jacques Ripoll has been the Chief Executive Officer of Kommunalkredit Austria AG since September 2025. He has spent a large part of his career in banking and finance. At Société Générale from 1991 to 2013, he then joined Banco Santander as Chief Executive Officer responsible for investment banking. In 2018, he was appointed Deputy Chief Executive Officer of Crédit Agricole in charge of the "Key accounts" division. From 2022 to 2025, he was a member of the Supervisory Board of Eren group, which puts technological innovation to the service of the natural resources economy by supporting entrepreneurs developing innovative technological solutions to help advance the transition to clean energy.

Jacques Ripoll has been a Director of L'Oréal since 2024.

He is also a Director of CMA CGM.

Main corporate office held outside L'Oréal

• Kommunalkredit Austria AG	Chief Executive Officer

Other corporate offices and directorships held

French companies	
• Accenta	Director
• CMA CGM	Director
Other	
• The Alice Ripoll Foundation	Chairman

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French companies		
• Accenta	Chief Executive Officer	2025
• Accenta Holding	Chairman of the Board of Directors	2025
• Aiden	Chairman	2025
• Crédit Agricole SA	Deputy Chief Executive Officer	2022
• Crédit Agricole CIB	Chief Executive Officer	2022
• CACEIS	Chairman of the Board of Directors	2022
• IDIA	Chairman of the Board of Directors	2022
Foreign company		
• Eren group SA (Luxembourg)	Member of the Supervisory Board	2025

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- International profile
- Financial expertise
- Research & Innovation
- HR/employee relations
- ESG including Environment and Governance



Age: **65**

French

Expiry date of term of office: **2029**

—

Committee Member:

Audit

Nominations and Governance

—

Business address: **L'Oréal – 41, rue Martre - 92110 Clichy – France**

—

Holds 250 L'Oréal shares

Isabelle Seillier

Chairwoman of the Supervisory Board of the Fondation pour la Recherche Médicale (FRM, French Foundation for Medical Research) since October 2025, after having served as Vice-Chairwoman since May 2024, Isabelle Seillier has worked in investment banking for most of her career. After spending the first six years of her career with Société Générale, she joined JP Morgan from 1993 to 2024. In 2008, she became Chairwoman for France and North Africa at JP Morgan, and in 2016 she was appointed Vice-Chairwoman of Investment Banking for Europe, the Middle East and Africa. In 2019, she took up the position of Chairwoman of Investment Banking, serving in this role until January 2024.

Isabelle Seillier has been a Director of L'Oréal since 2025.

Main corporate office held outside L'Oréal

• Fondation pour la Recherche Médicale	Chairwoman of the Supervisory Board

Other corporate offices and directorships held

French company	
• Reforma	Chairwoman
Foreign companies	
• Banijay (Netherlands)*	Vice-Chairwoman
• Warburg Pincus (United States)	Senior Advisor
Other	
• French-American Foundation	Member of the Board of Directors and the Executive Committee

Corporate offices and directorships held over the last five years that have expired

		Expiry date of term of office
French company		
• Danone	Director	2021
Foreign company		
• JP Morgan Investment Banking (United States)	Chairwoman	2024
Other		
• Fondation pour la Recherche Médicale	Vice-Chairwoman	2025

Skills related to L'Oréal's strategy and development objectives

- Experience of General Management
- International profile
- Financial expertise
- HR/employee relations
- ESG including Governance and Societal engagement

* *Listed company.*

French company

Expiry date of term of office: **2029**

—

Committee Member:

Audit

Strategy and Sustainability

Téthys

Téthys is the holding company of the Bettencourt Meyers family, L'Oréal's main shareholder. Téthys is chaired by Françoise Bettencourt Meyers, and Jean-Pierre Meyers serves as its Chief Executive Officer.

Téthys has been a Director of L'Oréal since 2025.

Business address: **Téthys SAS – 27-29, rue des Poissonniers - 92200 Neuilly-sur-Seine – France**

Holds 152,514,292 L'Oréal shares

Other corporate offices and directorships held

- None

Corporate offices and directorships held over the last five years that have expired

- None

Information relating to Alexandre Benais, appointed by Téthys as its representative on L'Oréal's Board of Directors in accordance with Article L. 225-20 of the French Commercial Code

Age: ***50***

French

Business address: ***Téthys SAS – 27-29, rue des Poissonniers - 92200 Neuilly-sur-Seine – France***

—

Alexandre Benais does not hold any L'Oréal shares.

Director represented by Alexandre Benais

Alexandre Benais is Deputy Chief Executive Officer of Téthys, which he joined in 2016, having previously been a managing partner of Lazard from 2011.

Other corporate offices and directorships held

French companies	
• Téthys Invest[T]	Chief Executive Officer
• Financière Senior Gallus (Ceva group)[TI]	Director
• Galileo Global Education Strategy (Galileo group)[TI]	Director
• Sphinx (Sebia group)[TI]	Member of the Supervisory Committee

Foreign company

- None

Corporate offices and directorships held over the last five years that have expired		Expiry date of term of office
French companies		
• Financière Senior Cinqus[TI]	Director	2025
• T-Inv 1[T]	Chairman	2024
• T-Inv 2[T]	Chairman	2024
• Elsan Santé Holding[TI]	Member of the Supervisory Board	2024
• Financière Rivage[TI]	Member of the Supervisory Board	2024
• Sphinx Reserve Co[TI]	Member of the Supervisory Committee	2024
• SAM Topco[TI]	Member of the Supervisory Committee	2024
• Horace Holding[TI]	Member of the Supervisory Board	2022
Foreign companies		
• Tethys Invest Corp[T] (United States)	Chairman and Director	2024
• Tethys Invest Corp II[T] (United States)	Chairman and Director	2024
• Cambridge Associates[TI] (United States)	Board Advisor (*censeur*)	2024

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Experience of General Management
- International profile
- Financial expertise
- ESG including Governance

[T]: *Téthys subsidiary.*
[TI]: *Téthys Invest holding.*



Age: **61**

Belgian

Expiry date of term of office: **2026**

—

Member of the Audit Committee

—

Business address: **L'Oréal – 41, rue Martre - 92117 Clichy Cedex – France**

Benny de Vlieger

Having previously worked at Delhaize group, Benny de Vlieger joined L'Oréal Belgium in 1989. He is a Sales Representative for the Consumer Products Division in Belgium.

In April 2022, Benny de Vlieger was appointed Director representing employees by L'Oréal's European Works Council for a four-year term.

Other corporate offices and directorships held

- None

Corporate offices and directorships held over the last five years that have expired

- None

Skills related to L'Oréal's strategy and development objectives

- Knowledge of the cosmetics sector and of L'Oréal
- Knowledge of consumers
- HR/employee relations
- Financial expertise

2.2.3 Changes in directorships and corporate offices

Changes in 2025

1. Non-reappointment of Directors

- **Non-reappointment of Françoise Bettencourt Meyers as a Director**

  The tenure of Françoise Bettencourt Meyers, a Director of L'Oréal since 1997, Vice-Chairwoman of the Board of Directors since 2020, and a member of the Strategy and Sustainability, Nominations and Governance, Human Resources and Remuneration Committees, expired at the end of the General Meeting on 29 April 2025.

  Françoise Bettencourt Meyers has informed the Board of Directors that she would not request the renewal of her tenure as Director. After 28 years on the Board, she has expressed her desire to ensure the continuity of the Bettencourt Meyers family's commitment to L'Oréal by proposing that the family-owned holding company Téthys join the Board of Directors alongside her two sons, Jean-Victor Meyers and Nicolas Meyers.

  Jean-Paul Agon, on behalf of the Board of Directors, warmly thanked Françoise Bettencourt Meyers for her outstanding contribution to L'Oréal's success for nearly three decades, her unwavering commitment, and her constant support to the Group. A guardian of its founding values, she played an essential role in the Group's strategic transformations through her consistently insightful guidance. The Board praised the strong and lasting tie that unites the Bettencourt Meyers family with L'Oréal, which represents an invaluable asset for the Group, both through the presence of Jean-Victor Meyers and Nicolas Meyers, as well as the presence of Téthys.

  To replace Françoise Bettencourt Meyers as Vice-Chair of the Board of Directors, the Bettencourt Meyers family proposed the appointment of Jean-Victor Meyers following the General Meeting of 29 April 2025, which the Board of Directors unanimously approved.

- **Non-reappointment of Virginie Morgon as a Director**

  The tenure of Virginie Morgon, a Director of L'Oréal since 2013, and Chairwoman of the Audit Committee since 2016, expired at the end of the General Meeting of 29 April 2025. After 12 years on the Board, her term was not submitted for renewal. The Board wished to highlight Virginie Morgon's contributions to the work of the Board and the Audit Committee, particularly her financial expertise. Virginie Morgon has brought to the Board her keen interest in innovation and her constant attention to new consumer trends. The Board thanked her for her commitment and her pro-active involvement in developing a sustainable business model underpinned by economic, environmental and social excellence.

2. Appointment of three new Directors: Téthys, Isabelle Seillier and Aurélie Jean

- **Appointment of Téthys**

  The General Meeting of 29 April 2025 appointed Téthys as a Director for a four-year term.

  Téthys, the Bettencourt Meyers family's holding company and the largest shareholder of L'Oréal, is chaired by Françoise Bettencourt Meyers. It is represented on L'Oréal's Board of Directors by Alexandre Benais, Deputy Chief Executive Officer of Téthys. Alexandre Benais brings to the Board of Directors his recognised financial expertise and long-term strategic vision.

- **Appointment of Isabelle Seillier**

  The General Meeting of 29 April 2025 appointed Isabelle Seillier as a Director for a four-year term.

  Isabelle Seillier has been Chairwoman of the Supervisory Board of the Fondation pour la Recherche Médicale (FRM, French Foundation for Medical Research) since October 2025, having previously served as the Board's Vice-Chairwoman since May 2024. Prior to that, she led a distinguished career in investment banking at JP Morgan.

  Isabelle Seillier brings to the Board her recognised financial expertise and her ability to develop a strategic vision in support of sustainable growth, as well as her deep knowledge of the economic environment across several geographical regions. She also brings her ability to seize new consumer trends, her experience of governance, and her commitment to social responsibility.

- **Appointment of Aurélie Jean**

  The General Meeting of 29 April 2025 appointed Aurélie Jean as a Director for a four-year term.

  Aurélie Jean has a doctorate in science, is a graduate of Sorbonne University, ENS Paris Saclay and Mines ParisTech, and trained at the Massachusetts Institute of Technology (MIT).

  She works in France and the United States, and is very actively involved in science and applied research.

  Aurélie Jean brings to the Board of Directors her recognised expertise in digital and new technologies, particularly in the field of artificial intelligence, as well as in the areas of research and innovation. She also brings an entrepreneurial mindset, her experience of the North American market and her commitment to diversity and inclusion.

3. Re-appointment of three Directors: Nicolas Hieronimus, Paul Bulcke and Alexandre Ricard

- **Re-appointment of Nicolas Hieronimus**

  The General Meeting of 29 April 2025 re-appointed Nicolas Hieronimus as a Director for a four-year term.

  The Board of Directors can count on his expertise in the cosmetics market, an intimate knowledge of L'Oréal and a vision of the future of Beauty, all of which will help the Group to implement future strategic priorities, take advantage of all the opportunities available in an ever-changing world and adapt and reinvent the Group, all while keeping with its values, commitments and Sense of Purpose to "Create the beauty that moves the world". He also brings to the Board his extensive experience in corporate governance and ESG strategy, as well as in-depth knowledge of the digital sector and new technologies. The Board considers it essential for the Chief Executive Officer to take part in Board discussions.

- **Re-appointment of Paul Bulcke**

  The General Meeting of 29 April 2025 re-appointed Paul Bulcke as a Director for a four-year term.

  The Board of Directors can count on his strategic vision, multicultural approach, in-depth knowledge of consumers on every continent and flair for innovation, all of which are invaluable assets for furthering L'Oréal's strategy. He also offers his industrial expertise, knowledge of new technologies and command of ESG strategy issues for a major international group.

- **Re-appointment of Alexandre Ricard**

  The General Meeting of 29 April 2025 re-appointed Alexandre Ricard as a Director for a four-year term.

  The Board of Directors can count on Alexandre Ricard's extensive experience in leading a major international company, combined with his strategic vision and his entrepreneurial mindset. He also brings in-depth knowledge of consumers and command of finance, corporate governance and ESG strategy for a major international group, as well as digital expertise, particularly on the Asian and American markets.

Changes in 2026

1. Departures following the General Meeting of 24 April 2026

The Board of Directors took note of the decision of **Paul Bulcke** to end his term of office as a Director at the end of the Annual General Meeting on 24 April 2026. He was a Director of L'Oréal from 2012 to 2014 and then rejoined the Board in 2017. He is the Vice-Chairman of the Board of Directors, and is a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee and the Human Resources and Remuneration Committee.

The Board of Directors paid tribute to Paul Bulcke for his unwavering commitment and outstanding contribution to the work of L'Oréal's Board and Committees over more than a decade.

Paul Bulcke has enhanced the Board's expertise with his strategic vision, enlightened multicultural approach, deep understanding of global consumer dynamics and his constant interest in innovation. His extensive range of input has been particularly valuable in addressing the major challenges of recent years.

The Board of Directors took note of the decision of **Béatrice Guillaume-Grabisch** to end her term of office as a Director at the end of the General Meeting on 24 April 2026. She has been a member of the Audit Committee since 2016.

The Board thanked Béatrice Guillaume-Grabisch for her dedicated work on the Board and the Audit Committee during her 10 years in office. In particular, she has brought to the Board the benefits of her experience in general management in the consumer goods sector, her marketing expertise and her extensive knowledge of international markets.

Her recognised skills in steering IT transformation management and human resources were also major assets for the Board during her directorship.

2. Appointment of three new Directors[(1)]: Pablo Isla, Anna Lenz and Christel Bories

- **Appointment of Pablo Isla**

On the proposal of Nestlé and on the recommendation of the Nominations and Governance Committee, the Board of Directors will propose to the General Meeting the appointment of Pablo Isla as a Director for a four year term.

Aged 62, Pablo Isla – a Spanish national – has been Chairman of the Board of Directors of Nestlé SA since October 2025. He has been a member of Nestlé's Board since 2018 and served as Deputy Chairman and Lead Director since 2024. He is also a member of the Supervisory Board of Bertelsmann SE & Co KGaA and Chairman of Fonte Film SL.

After starting out as a lawyer in the Spanish Ministry of Transport, Tourism and Communications, Pablo Isla became General Counsel of the Banco Popular Español group in 1992. In 1996, he was appointed General Manager at the National Heritage Department of the Spanish Treasury Ministry, before returning to Banco Popular Español in 1998 in the role of General Secretary. He joined the Altadis group in 2000 as Co-Executive Chairman. In 2005, he was appointed Chief Executive Officer and Vice-Chairman of Inditex SA (an international fashion group that owns several brands, including Zara), where he subsequently served as Executive Chairman from 2011 to 2022.

Pablo Isla will bring to the Board his proven ability to develop and execute a strategic vision that combines transformative change with international growth. He will also contribute his expertise in e-commerce, as well as in-depth understanding of regulatory and risk management issues, together with extensive knowledge of corporate governance.

Subject to his appointment as a Director, the Board of Directors has decided to appoint Pablo Isla as Vice-Chairman of the Board of Directors, alongside Jean-Victor Meyers, who is also Vice-Chairman, with effect from the close of the Annual General Meeting of 24 April 2026.

(1) Subject to the approval of these appointments at the General Meeting on 24 April 2026.

- **Appointment of Anna Lenz**

On the proposal of Nestlé and on the recommendation of the Nominations and Governance Committee, the Board of Directors will propose to the General Meeting the appointment of Anna Lenz as a Director for a four year term.

Aged 46, Anna Lenz – a Swiss and German national – has been Executive Vice President, Global Head of Human Resources of Nestlé SA and a member of Nestlé's Executive Board since January 2025.

Anna Lenz joined Nestlé in 2004, within the Audit Division in Switzerland. After holding various positions in Finance in the United Kingdom, Italy and Switzerland, she became Business Executive Director of Nestlé Nespresso in Portugal in 2017 and then Chief Executive Officer of Nestlé Nespresso for Europe in 2020. In 2022, she was appointed Chief Executive Officer of Nestlé Portugal.

Anna Lenz will bring to the Board a holistic understanding of an international group. Her expertise in human resources management, together with her proven track record of steering financial performance and managing operations in complex environments, will be major assets.

- **Appointment of Christel Bories**

On the recommendation of the Nominations and Governance Committee, the Board of Directors will propose to the General Meeting the appointment of Christel Bories as a Director for a four-year term.

Aged 61, Christel Bories – a French national – is Chairwoman of the Board of Directors of Eramet, where she has been acting as Interim Chief Executive Officer since February 2026. She is also a Director of Forvia.

After beginning her career as a strategy consultant (with Booz-Allen & Hamilton and Corporate Value Associates), Christel Bories joined Umicore, where she held the position of Strategy and Control Director from 1993 to 1995. She then held a number of leadership roles within the Pechiney group. After Pechiney was taken over by the Alcan group in 2003, Christel Bories was appointed Chairwoman and Chief Executive Officer of Alcan Packaging, and then Chairwoman and Chief Executive Officer of Alcan Engineered Products and finally Chief Executive Officer of Constellium (formerly Alcan), until her departure in 2012. Christel Bories was Deputy Chief Executive Officer at Ipsen between 2013 and 2016. She joined Eramet in 2017, serving as Chairwoman and Chief Executive Officer from May of that year until May 2025, and then as Chairwoman from then onwards.

Christel Bories will bring to the Board her leadership experience in international companies across a wide range of sectors, such as manufacturing, packaging and healthcare. She will contribute her recognised ability to drive far-reaching transformations while anchoring her work in a sustainable and responsible vision. Her in-depth knowledge of raw materials and industrial value chains, together with her extensive experience of issues across the world, particularly in Africa, will be a valuable addition to the Board's work.

3. Re-appointment of two Directors[1]: Jean-Paul Agon and Patrice Caine

- **Re-appointment of Jean-Paul Agon**

As Jean-Paul Agon's term of office as a Director is set to expire in 2026, his re-appointment for a further four-year term will be submitted to the General Meeting.

Jean-Paul Agon has been a Director of L'Oréal since 2006. He was appointed Chief Executive Officer of L'Oréal in 2006, then served as Chairman and Chief Executive Officer from 2011 to May 2021. Since then he has been Chairman of L'Oréal's Board of Directors and Chairman of the Strategy and Sustainability Committee. He also chairs the L'Oréal Corporate Foundation.

Jean-Paul Agon has been involved in L'Oréal's growth and success for 48 years. His in-depth knowledge of the Group, thorough understanding of the beauty market in all its diversity, and his ability to anticipate changes in the operating environment are major assets for the Board's discussions and decisions. The Board of Directors can rely on his experience, his total engagement and his expertise in governance to respond to the growing expectations of the Group's stakeholders. Jean-Paul Agon is also deeply attached to L'Oréal's values and the transmission of its culture.

Over the last four years as a Director, Jean-Paul Agon's attendance rate has been 100%, both for meetings of the Board of Directors and meetings of the Strategy and Sustainability Committee, which he chairs.

Furthermore, the Board decided to maintain the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer. Subject to the approval of the renewal of his mandate as Director by the General Meeting, Jean-Paul Agon will be reappointed as Chairman of the Board of Directors with effect from the close of the Annual General Meeting of 24 April 2026.

- **Re-appointment of Patrice Caine**

As Patrice Caine's term of office as a Director is set to expire in 2026, his re-appointment for a further four-year term will be submitted to the General Meeting.

Patrice Caine has been a Director of L'Oréal since 2018. He is the Chairman of the Nominations and Governance Committee and a member of the Strategy and Sustainability Committee.

Patrice Caine has been Chairman and Chief Executive Officer of the Thales group since 2014, after holding management positions between 2002 and 2013 in various operating units (Air and Naval, Communication, Navigation and Identification, Air Systems, Radio-Communication Products, Network and Infrastructure Systems and Protection Systems).

Patrice Caine is an independent Director. He is highly involved in the work of the Committees of which he is a member, and in the discussions of the Board of Directors. He brings to the Board his strategic vision, his understanding of major geopolitical issues, his industrial expertise and his in-depth knowledge of new technologies and cybersecurity.

Over the last four years as a Director, Patrice Caine's attendance rate has been 97%[2] for meetings of the Board of Directors, 100% for meetings of the Nominations and Governance Committee and 100% for meetings of the Strategy and Sustainability Committee.

(1) Subject to the approval of these re-appointments at the General Meeting on 24 April 2026.
(2) This attendance rate would have been 100% had it not been for an additional Board meeting scheduled in 2025, which Patrice Caine was unable to attend.

2.3 Organisation and operating procedures of the Board of Directors

2.3.1 General information on the meetings of the Board of Directors and its Committees in 2025

The Board met eight times in 2025.

Four Committees prepare discussions and meetings on behalf of the Board. 23 meetings were held in 2025:

- 7 Strategy and Sustainability Committee meetings;
- 6 Audit Committee meetings;
- 5 Nominations and Governance Committee meetings; and
- 5 Human Resources and Remuneration Committee meetings.

Directors may freely and independently propose any subject that is linked to good governance to be included on the agenda of Board and Committee meetings. L'Oréal's Directors are regularly informed of all the Company's activities and its performances in a highly competitive environment. Board meetings are generally held with senior executives of the Company in attendance, who are invited to attend based on topical developments at L'Oréal and a range of matters related to its strategy. As a matter of principle, however, the Board of Directors prefers its members to physically attend meetings of the Board and its Committees. In an open, constructive dialogue in a trustful environment, exchanges of views contribute to the quality of the Directors' work. Board discussions, encouraged by the Chairman, take place transparently and in great detail.

Executive sessions

Directors meet at least once a year without the executive corporate officer, Directors representing employees or any other Group employees attending (Article 4.2 of the Internal Rules). The agenda for these meetings is open, allowing the Directors to freely discuss executive corporate officers' performance and/or succession planning if they consider fit. An executive session was held in December 2025. The Chairman of the Board attended the start of this meeting to present his annual activity report as Chairman of the Board, after which the executive session continued without his attendance. The Audit Committee also meets twice a year, with the presence of the Statutory Auditors and without any representatives from General Management, at the close of the meetings dedicated to reviewing the annual and interim financial statements.

Succession planning

1. The succession planning process

One of the roles of the Nominations and Governance Committee is to prepare succession plans for the corporate officers, both on a short-term basis (in the event of an unexpected vacancy) and for the long term.

In conjunction with the Chairman of the Board, the Nominations and Governance Committee draws up a succession plan for the corporate officers to cover any unforeseen vacancy.

Regarding the longer-term succession plan, the Committee may involve the corporate officer concerned in order to obtain their informed opinion on the skills, expertise and capabilities required of candidates to meet L'Oréal's future strategic challenges. A key criterion is that the candidates' profiles match the Group's culture and values.

2. Type of work carried out

The Nominations and Governance Committee conducts an annual review of the short-term succession plan for corporate officers (i.e., the plan for unforeseen vacancies).

Each year, the Committee also carries out a review of L'Oréal's key positions, focusing in particular on the succession plan for Executive Committee members and the assessment of their annual performance. This enables the Committee to make sure that the succession plans are consistent, to identity new and high-potential talent and, where necessary, work on career development plans together with the Chief Executive Officer.

In 2025, the Committee carried out this work at its meeting held in June.

Attendance rates

Preparing and holding Board and Committee meetings requires significant availability and commitment from Directors. In 2025, the attendance rate at Board meetings was 99.4% on average. The individual attendance rates at Board and Committee meetings are shown in the table below. The allocation of Directors' fees, based on the attendance rate of each member at Board meetings and various Committee meetings, is described in section 2.4.

INDIVIDUAL ATTENDANCE RATES OF DIRECTORS IN 2025 AT BOARD AND COMMITTEE MEETINGS

	Board of Directors	Committees			
		Strategy and Sustainability	Audit	Nominations and Governance	Human Resources and Remuneration
	8 meetings	7 meetings	6 meetings	5 meetings	5 meetings
Jean-Paul Agon	100%	100%			
Nicolas Hieronimus	100%				
Françoise Bettencourt Meyers [1]	100%	100% [3]		100% [3]	100% [3]
Jean-Victor Meyers	100%	100%		100% [4]	100% [4]
Paul Bulcke	100%	100%		100%	100%
Sophie Bellon	100%			100%	100%
Patrice Caine	88% [5]	100%		100%	
Fabienne Dulac	100%		100%		100%
Béatrice Guillaume-Grabisch	100%		100%		
Thierry Hamel	100%				100%
Aurélie Jean [2]	100%				
Ilham Kadri	100%	100% [4]	100% [3]		
Nicolas Meyers	100%		100% [3]	100% [4]	100% [4]
Virginie Morgon [1]	100%		100% [3]		
Alexandre Ricard	100%	100% [3]	100% [4]		100%
Jacques Ripoll	100%		100%		100% [4]
Isabelle Seillier [2]	100%		100% [4]	100% [4]	
Téthys [2]	100%	100% [4]	100% [4]		
Benny de Vlieger	100%		100%		
2025 AVERAGE	**99.4%**	**100%**	**100%**	**100%**	**100%**

(1) The Director left the Board at the close of the 29 April 2025 General Meeting.
(2) The Director joined the Board at the close of the 29 April 2025 General Meeting.
(3) The Director left this Committee at the close of the 29 April 2025 General Meeting.
(4) The Director joined this Committee at the close of the 29 April 2025 General Meeting.
(5) This attendance rate would have been 100% had it not been for an additional Board meeting scheduled in 2025, which Patrice Caine was unable to attend.

2.3.2 Activities of the Board of Directors

Each year, the Board of Directors defines L'Oréal's strategic priorities, which integrate the challenges of climate change and, more generally, the issues of sustainability, ethics and L'Oréal's Sense of Purpose to "Create the beauty that moves the world". The Board ensures these strategic priorities are implemented, in accordance with the best interests of the Company, taking the social and environmental challenges of its business activity into consideration.

The Group's economic and financial position and cash position are reviewed at Board meetings at least twice a year, when the annual financial statements are approved and when the interim financial statements are reviewed, or at any other time it is necessary to do so.

All of the four Board Committees set up by the Board of Directors to work on topics falling within their field of expertise are involved in defining and monitoring the strategy. The Committees' work is systematically presented at Board meetings through reports delivered by the Chair of each Committee.

The work of the Board of Directors is governed by its Internal Rules. These Internal Rules are reproduced in full in this document, which is available on the loreal-finance.com website. The Internal Rules are regularly updated by the Board of Directors in order to take account of changes in laws and regulations, best corporate governance practices and L'Oréal's own operating procedures, particularly within the scope of the annual assessment of its work.

The composition of L'Oréal's Board of Directors, the rules it is subject to, its operating procedures and the work that it has carried out over the year are reviewed annually by the Directors, and, alongside any decisions made by the Board, can be found in more detail in sections 2.2. and 2.3.

The Board's work in 2025

Composition as of 31 December 2025	Independence ◆	Number of meetings in 2025	Attendance rate	Committees
17 Directors	53%	8	99.4%	4

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors. Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*

The work and agendas are prepared so as to cover all of the subjects within the Board's remit and to respond to issues raised by the Directors in the annual assessment of the Board's operation.

The Chair of each Committee keeps the Board of Directors consistently informed on the work done by the Committees, and the Board bases its decisions on their recommendations.

2025 main activities

Business activity, results and strategy

- Setting strategic priorities that take social and environmental needs into consideration;
- Systematic review at each meeting of the Group's activities and results (sales generated by Division, by Region, by brand and through e-commerce) and of changes in the cosmetics market, the results of competitors and the Group's relative positioning;
- Analysis of proposed acquisitions (in particular, Color Wow, Medik8, Dr. G and Kering), acquisitions of major shareholdings (Galderma) and disposals (Sanofi);
- **Strategic themes** reviewed by the Board in 2025, with presentations by the senior executives at L'Oréal responsible for these issues, followed by discussions:
  - Luxe Division,
  - China,
  - Adjacent territories and R&I, including work on longevity,
  - United States,
  - Retrospective and forward-looking review of M&A strategy,
  - One L'Oréal, including the transformation projects,
  - CSR (including progress report on the L'Oréal for the Future programme and the decarbonisation strategy),
  - Ethics Policy,
  - Digital (including AI);
- **Annual Strategic Seminar** in October 2025 in India.

Corporate governance

Composition of the Board of Directors:

- Work on the Board's proposal put forward at the 29 April 2025 General Meeting to re-appoint Nicolas Hieronimus, Paul Bulcke and Alexandre Ricard as Directors; and
- Proposal for the shareholders at the General Meeting to appoint three new Directors – Aurélie Jean, Isabelle Seillier and Téthys, represented by Alexandre Benais.

Composition of the Committees:

- Review of the Committees' composition (see following pages), with Jacques Ripoll becoming Chairman of the Audit Committee.

Assessment of the operation and organisation of the Board:

- Definition of the strategic topics on which the Board wishes to focus in 2025; and
- Proposals for improvement.

Organisation of an executive session:

- A meeting of Directors in the absence of any executive corporate officers, Directors representing employees or other Group employees;
- As the introduction to the executive session: presentation by Jean-Paul Agon of his report on his activity as Chairman of the Board in 2025 (meeting continued in his absence).

Dialogue with shareholders and investors:

- Information and discussion about the expectations and positions of the main investors and proxy advisors, as expressed during meetings with the Company's departments responsible for preparing for the General Meeting;
- Information and discussion about the assessment of "shareholder relations": roadshows, conferences, events and meetings on specific topics, particularly CSR issues;
- Information and discussion about variations in investor expectations before and after the publication of results; and
- Responses to written questions put forward by shareholders prior to the General Meeting.

Review of current agreements and the independence of Directors

Remuneration policy, Human Resources and gender balance within the management bodies

- Discussion of the 2025 remuneration policy for corporate officers, including the Chairman of the Board of Directors and the Chief Executive Officer;
- Setting the 2024 remuneration for corporate officers and assessing the Chief Executive Officer's performance;
- Adoption of the Performance Share Plan (ACAs) of 10 October 2025;
- Review of the fourth employee share ownership plan;
- Information and discussion on the Group's Human Resources policy, including the remuneration policy, diversity and gender balance policy, professional gender equality, talent retention and L'Oréal's attractiveness as an employer, transformation of working methods, social responsibility, value sharing, Pulse results (internal employee engagement survey); and
- Keeping the target gender balance for strategic positions (60/40), which is relevant in view of the fact that 58% of the Group's key positions were held by women as of 31 December 2025.

2.3.3 Activities of the Board Committees

The Board's discussions and decisions are supported by the work performed by its Committees, which report to it after each of their meetings. The remits of each Committee are described in detail in the Internal Rules of the Board of Directors. The Board's Committees act strictly within the framework of the remits given to them by the Board. They actively support the Board and make proposals, but they do not have any decision-making powers. All Directors who are members of a Committee participate in Committee meetings with complete freedom of judgement and act in the interest of all the shareholders. In 2025, the Committees were again tasked with discussions on behalf of the Board. The composition of these Committees, their remits and their work in 2025 are described below. This information also includes the responsibilities of each Committee regarding sustainability, which are summarised in section 2.3.4.

Strategy and Sustainability Committee

Composition as of 31 December 2025	Independence	Number of meetings in 2025	Attendance (average 100%)	Date of appointment to the Committee
Jean-Paul Agon (Chairman)		7	100%	2011
Jean-Victor Meyers			100%	2020
Paul Bulcke			100%	2017
Patrice Caine	◆		100%	2020
Ilham Kadri *	◆		100%	2025
Téthys, represented by Alexandre Benais*			100%	2025

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors.*
* *Directors who joined the Strategy and Sustainability Committee at the close of the 29 April 2025 General Meeting.*

It is specified that two members are members of the Bettencourt Meyers family and one member is linked to Nestlé.

An update on the latest CSR initiatives is presented at each meeting by L'Oréal's Chief Corporate Responsibility Officer.

Planned changes after the General Meeting of 24 April 2026

On the recommendation of the Nominations and Governance Committee, the Board of Directors appointed Pablo Isla as a member of the Strategy and Sustainability Committee, effective as of the close of the General Meeting to be held on 24 April 2026[1].

Composition as of 24 April 2026	Independence	Date of appointment to the Committee
Jean-Paul Agon (Chairman)		2011
Jean-Victor Meyers		2020
Pablo Isla		2026
Patrice Caine	◆	2020
Ilham Kadri	◆	2025
Téthys, represented by Alexandre Benais		2025

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors.*

2025 main activities

Strategy

- Analysis of sales, update on business activities;
- Update on market developments and on competition;
- Analysis of the performance of the latest product launches;
- Review of acquisition projects;
- Follow-up of recent acquisitions;
- Retrospective and forward-looking review of M&A strategy;
- Review of the Group's strategic development prospects; and
- Review of one of the Group's brands at each meeting.

Sustainability

- Systematic review at each meeting of the latest initiatives of the L'Oréal for the Future programme, presented by the Chief Corporate Responsibility Officer:
- Update on the L'Oréal for the Future programme and monitoring the mid-programme realignment;
- Analysis of the Group's resilience to water-related challenges;
- Monitoring the Group's decarbonisation pathway;
- Monitoring the innovation accelerator programme.

Audit Committee

Composition as of 31 December 2025	Independence 67%	Number of meetings in 2025	Attendance (average 100%)	Date of appointment to the Committee
Jacques Ripoll (Chairman)	◆	6	100%	2024
Fabienne Dulac	◆		100%	2019
Béatrice Guillaume-Grabisch			100%	2016
Alexandre Ricard*	◆		100%	2025
Isabelle Seillier*	◆		100%	2025
Téthys, represented by Alexandre Benais*			100%	2025
Benny de Vlieger**			100%	2023

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors. Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*
** *The Directors joined this Committee at the close of the 29 April 2025 General Meeting.*
*** *Director representing employees.*

(1) *Subject to approval of the appointments and re-appointments submitted to the General Meeting of 24 April 2026.*

Since the 2025 General Meeting, the Audit Committee has been chaired by Jacques Ripoll, who has recognised expertise in finance, accounting and sustainability. Due to their professional experience and their good knowledge of the Group's accounting and financial procedures, all the members of the Audit Committee have financial and/or accounting skills[1].

In addition to the specific skills of certain Committee members, the Committee is given regular updates on sustainability issues, particularly draft regulations. Since 2018, the Committee has been responsible for monitoring issues relating to financial and non-financial information and monitoring risk management systems, including sustainability risks. Since the start of 2024, the Audit Committee has been responsible for the implementation of the CSRD.

The Statutory Auditors attend the meetings, except where discussions directly concern them. The Committee meets at least twice a year without management being present, and the Statutory Auditors attend these meetings. The Committee did not deem it necessary to call upon outside experts. The Chairman of the Board of Directors and the Chief Executive Officer are not members of the Committee.

Planned changes after the General Meeting of 24 April 2026

On the recommendation of the Nominations and Governance Committee, the Board of Directors appointed Anna Lenz as a member of the Audit Committee, effective as of the close of the General Meeting to be held on 24 April 2026[2].

Composition as of 24 April 2026	Independence 67%	Date of appointment to the Committee
Jacques Ripoll (Chairman)	◆	2024
Fabienne Dulac	◆	2019
Anna Lenz		2026
Alexandre Ricard	◆	2025
Isabelle Seillier	◆	2025
Téthys, represented by Alexandre Benais		2025
Benny de Vlieger *		2023

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors. Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*
* *Director representing employees.*

2025 main activities

Monitoring the process for preparation of financial information

- Review of annual and interim results, including press releases and the balance sheet;
- Analysis of operating profit by Division and Region;
- Monitoring the business plan for major acquisitions, goodwill and impairment;
- Review of the Statutory Auditors' Reports on the parent company and consolidated financial statements (including the key points of the audit);
- Review of the Statutory Auditors' 2025 audit plan and the results of the audits carried out, their recommendations and the follow-up actions taken, as part of the statutory audit of the accounts; and
- Approval of non-audit services.

Selection of Statutory Auditors and Sustainability Auditors

- Defining the selection process prior to the 2028 General Meeting.

Internal Control, risks and compliance

- Review of the internal control systems implemented;
- Summary of the Internal Control reviews (financial and sustainability) carried out in 2025 by the Statutory Auditors;
- Monitoring the Internal Audit activities performed in 2025 and the 2026 Audit Plan (including CSR objectives and cybersecurity);
- Update of the Group's risk map and the risk factors (including ESG risks) described in the Universal Registration Document;
- Review of legal risks and potential litigation and major events that could have a significant impact on L'Oréal's financial position and its assets and liabilities;
- Cybersecurity update: main issues and cybersecurity risk prevention programmes;
- Review of L'Oréal's Compliance processes (in particular the Vigilance Plan and the corruption prevention plan);
- Group insurance policy and strategy;

* *Sites exploités, à l'exception des installations de sécurité et de sûreté du site.*
(1) *They are considered to be financial experts within the meaning of Article L. 821-67 of the French Commercial Code.*
(2) *Subject to approval of the appointments and re-appointments submitted to the General Meeting of 24 April 2026.*

- Update on the Group's employee benefit obligations;
- Update on the reputation risk management system;
- Examination of controversial substances;
- Presentation of the Finance Department's shared service centres; and
- Presentation of the IT transformation project aimed at setting up a Group-wide SAP solution.

Monitoring the process for compiling sustainability risk information

- Review of the Sustainability Auditors' report and summary of the 2024 audit;
- Sustainability Report:
  - Update on sustainability reporting regulations work on the Corporate Sustainability Reporting Directive (CSRD);
  - Sustainability reporting strategy for 2025 and regulatory developments in 2026, and changes to market standards and practices;
  - Study of the Omnibus initiatives.

Nominations and Governance Committee

Composition as of 31 December 2025	Independence 50%	Number of meetings in 2025	Attendance (average 100%)	Date of appointment to the Committee
Patrice Caine (Chairman)	◆	5	100%	2018
Jean-Victor Meyers*			100%	2025
Paul Bulcke			100%	2017
Sophie Bellon	◆		100%	2016
Nicolas Meyers*			100%	2025
Isabelle Seillier*	◆		100%	2025

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors.*
* *Directors who joined the Nominations and Governance Committee at the close of the 29 April 2025 General Meeting.*

The Chairman of the Board of Directors and Chief Executive Officer may attend Committee meetings, unless items on the agenda concern them directly.

Planned changes after the General Meeting of 24 April 2026

On the recommendation of the Nominations and Governance Committee, the Board of Directors appointed Pablo Isla as a member of the Nominations and Governance Committee, effective as of the close of the General Meeting to be held on 24 April 2026[1].

Composition as of 24 April 2026	Independence 50%	Date of appointment to the Committee
Patrice Caine (Chairman)	◆	2018
Jean-Victor Meyers		2025
Pablo Isla		2026
Sophie Bellon	◆	2016
Nicolas Meyers		2025
Isabelle Seillier	◆	2025

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors.*

(1) Subject to approval of the appointments and re-appointments submitted to the General Meeting of 24 April 2026.

2025 main activities

Composition of the Board of Directors

- Reflection on the composition of the Board (diversity, complementary profiles, expertise, gender balance, overboarding, etc.) and update of the skills matrix for Directors;
- Short- and medium-term projections for the composition of Board Committees and proposals;
- Onboarding programme for Aurélie Jean, Isabelle Seillier and Téthys, represented by Alexandre Benais;
- Annual training plan for the two Directors representing employees; and
- Preparation of re-appointments of Directors submitted for approval at the General Meeting of 24 April 2026.

Governance

- Analysis of the 2025 voting policies for investors and proxy advisors with regard to governance topics (composition of the Board, balance of powers, terms of office, independence of Directors, etc.);
- Analysis of resolutions voted at the 2025 General Meeting;
- Examination of the independence of each Director in light of the criteria set out in the AFEP-MEDEF Code, and examination of the current agreements;
- Review of the executive session held in December 2024;
- Drawing up the procedures for the annual assessment of the Board of Directors and review of the summarised results of the Board's self-assessment; and
- Values Committee: recap on the work carried out in 2025, particularly in relation to reliable and responsible artificial intelligence.

Succession plans and emergency plan

- Review of the succession plans for the purpose of ensuring the continuity of General Management and Chairmanship of the Board in the event of an unforeseen vacancy and in the medium term;
- Review of L'Oréal's key positions – including Executive Committee members – to ensure business continuity (in the short term); and
- Review of the annual performance of Executive Committee members.

Regulatory updates and knowledge of market practices and expectations

- Regulatory developments (Women on Board Directive, etc.);
- Review of the 2025 General Meeting season; and
- Analysis of the 2024 reports issued by the AMF and the French High Committee on Corporate Governance.

Human Resources and Remuneration Committee

Composition as of 31 December 2025	Independence 57%	Number of meetings in 2025	Attendance (average 100%)	Date of appointment to the Committee
Sophie Bellon (Chairwoman)	◆	5	100%	2018
Jean-Victor Meyers*			100%	2025
Paul Bulcke			100%	2017
Fabienne Dulac	◆		100%	2020
Thierry Hamel**			100%	2023
Nicolas Meyers*			100%	2025
Alexandre Ricard	◆		100%	2024
Jacques Ripoll*	◆		100%	2025

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors. Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*
* *Director who joined the Human Resources and Remuneration Committee at the close of the 29 April 2025 General Meeting.*
** *Director representing employees.*

The Chairman of the Board of Directors and Chief Executive Officer may attend Committee meetings, unless items on the agenda concern them directly.

Planned changes after the General Meeting of 24 April 2026

On the recommendation of the Nominations and Governance Committee, the Board of Directors appointed Pablo Isla and Catherine Olivry as members of the Human Resources and Remuneration Committee, effective as of the close of the General Meeting to be held on 24 April 2026[1].

Composition as of 24 April 2026	Independence 57%	Date of appointment to the Committee
Sophie Bellon (Chairwoman)	◆	2018
Jean-Victor Meyers		2025
Pablo Isla		2026
Fabienne Dulac	◆	2020
Nicolas Meyers		2025
Catherine Olivry*		2026
Alexandre Ricard	◆	2024
Jacques Ripoll	◆	2025

◆ *Independence within the meaning of the criteria of the AFEP-MEDEF Code, as assessed by the Board of Directors. Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*
* *Director representing employees.*

(1) Subject to approval of the appointments and re-appointments submitted to the General Meeting of 24 April 2026.

2025 main activities

Remuneration of corporate officers

- Analysis of the voting policies of investors and proxy advisors concerning remuneration issues;
- Remuneration of the corporate officers for financial years 2024 and 2025:
  - analysis of the Chief Executive Officer's performance in 2024 and recommendation to the Board of Directors on 2024 variable annual remuneration, and
  - proposal of the targets and weightings for 2025 for the Chief Executive Officer;
- Remuneration of the corporate officers for financial year 2026:
  - review of the remuneration policy applicable to the Chairman of the Board of Directors and to the CEO,
  - analysis of the voting results of the 2025 General Meeting, particularly those relating to the Chief Executive Officer's 2025 remuneration policy;
  - reflection about the various components of the Chief Executive Officer's remuneration for 2026;
- Say on Pay: preparation of the draft resolutions to be proposed to the General Meeting of 24 April 2026;
- Review of pay gap ratios; and
- Review of the 2025 General Meeting season.

Remuneration of Directors

- Remuneration of Directors, breakdown for 2025; and
- Proposed changes to the policy and aggregate amount for Directors' remuneration to be put to the vote of the General Meeting of 24 April 2026.

Related-party agreements

- Review of the ongoing related-party agreement relating to Nicolas Hieronimus.

Human Resources policy

- Review of L'Oréal's remuneration and benefits policy, including measures to reduce the gender pay gap;
- Review of the skills-related Learning policy;
- Review of executive pension schemes in France and abroad;
- Analysis of the achievements of, and outlook for, the Human Resources Policy; and
- Review of the policy on diversity, equality and inclusion in management bodies: presentation of the various levers and results obtained, specifically regarding gender balance in executive management bodies[1];

Long-Term Incentives (LTI) Policy

- Delivery of LTI plans: recording of performance relating to the 2021 ACAs Plan;
- Preparation of the October 2025 ACAs Plan; and
- Proposed allocation to the Chief Executive Officer for 2025.

Employee share ownership plan

- Review of the fifth Worldwide Plan implemented in 2025 and review of the proposed sixth Worldwide Plan for 2026.

(1) The Group's objectives and results in relation to gender balance in strategic positions, as defined in section 4.1.4.3. S1-9, are presented in sections 4.7.4.2.1 and 4.7.5.3.

2.3.4 Involvement of the Board and its Committees in sustainability issues

Main tasks

Strategy and Sustainability Committee

- Reviews the Group's strategic orientations, including multi-year strategic orientations in terms of social and environmental responsibility.
- Reviews strategic projects and their economic, financial, societal and environmental impacts.
- Reviews the sustainable development commitments and regularly reviews CSR issues.

Audit Committee

- Carries out the process for preparation of non-financial information and, where applicable, makes recommendations to guarantee the integrity thereof.
- Monitors the efficiency of the internal control and risk management systems.
- Monitors the certification of sustainability information by the Statutory Auditors.

Nominations and Governance Committee

- Oversees governance issues related to the operating methods and organisation of the Board, particularly the Board's diversity policy.
- Reviews and proposes candidates for appointment as Directors to the Board under the diversity policy applied to the Board of Directors and evaluates candidates' knowledge and expertise in terms of the Board's needs.

Human Resources and Remuneration Committee

- Makes proposals on the remuneration of corporate officers, including the non-financial targets for variable remuneration.
- Reviews the Human Relations policy and the rules of ethical conduct.

2025 main activities

- Review of the Group's strategic development prospects
- Systematic review at each meeting of the latest initiatives of the L'Oréal for the Future programme, presented by the Chief Corporate Responsibility Officer:
  - Update on the L'Oréal for the Future programme
  - Review of the decarbonisation trajectory
  - Review of the Group's resilience to water challenges
  - Monitoring of the innovation accelerator programme

2025 main activities

- Review of sustainability reporting regulations: CSRD
- Review of internal control systems, including sustainability
- Monitoring Internal Audit activities, including CSR and cybersecurity commitments
- Risk mapping
- Review of compliance (Vigilance Plan and Corruption Prevention)
- Sustainability Auditors' Report
- 2025 sustainability reporting strategy and 2026 regulatory changes, review of standards and market practices
- Omnibus initiatives

2025 main activities

- Reflection on the composition of the Board (diversity, complementary profiles, expertise, gender balance, overboarding, etc.) and update of the skills matrix for Directors
- Specific review of CSR expertise as part of updating the skills matrix for Directors
- 2025 Values Committee: 2025 activity report
- Review of investor and proxy advisor expectations
- Report on 2025 Annual General Meetings including "Say on Climate"

2025 main activities

- Analysis of the Chief Executive Officer's financial and non-financial performance
- Preparation of the 2025 ACAs Plan, including CSR (15%) and HR (5%) criteria
- Review of the Human Resources policy; including remuneration policy; skills-based Learning policy; Diversity, Equity and Inclusion policy and diversity policy within management bodies
- Review of pay gap ratios
- Review of the proposed sixth worldwide employee share ownership plan
- Review of investor and proxy advisor expectations

Board of Directors

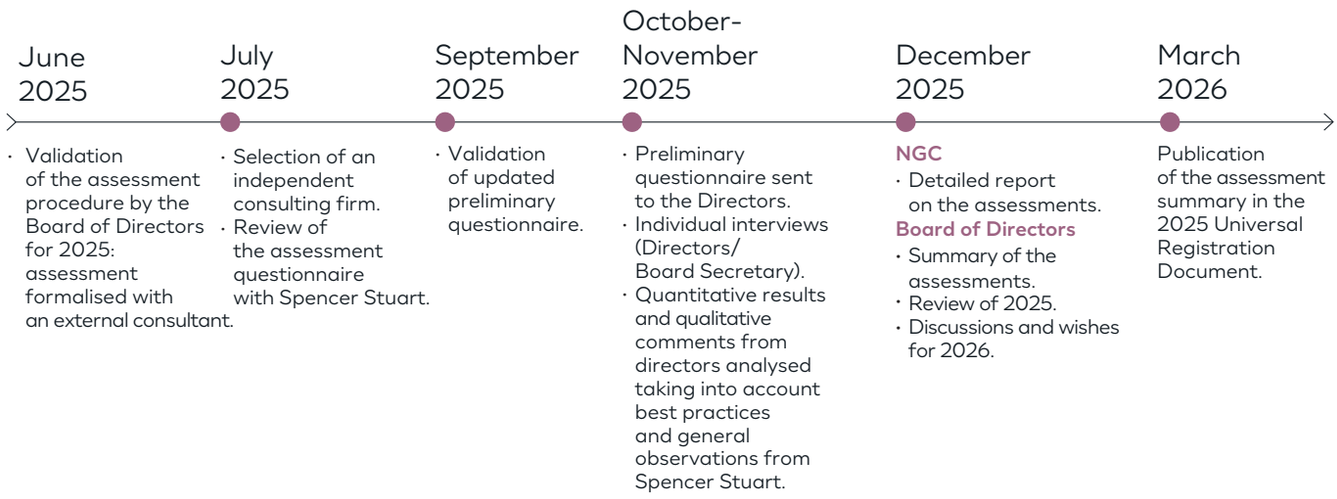
- Defines the strategic orientations, factors social and environmental issues into its decisions, reviews the Group's CSR policy every year and receives a report from each S&S Committee meeting on the L'Oréal for the Future programme.

2025 main activities

- Systematic reporting on the work carried out by the four Committees
- Updating of the strategic orientations, taking social and environmental challenges into consideration
- Review of the status of the L'Oréal for the Future sustainability programme by the Chief Corporate Social Responsibility Officer
- Presentation of the members of the Executive Committee, systematically taking into account the CSR challenges facing their business: Human Resources, Luxe Division, China, United States, adjacent territories and R&I including work on longevity
- Update on Ethics

2.3.5 Board of Directors' self-assessment

ORGANISATION OF THE ANNUAL ASSESSMENT ON THE BOARD'S OPERATION



- **Annual procedure** for the formal evaluation of the Board, carried out within the framework of the AFEP-MEDEF Code which is used as the corporate governance code of reference, and of market recommendations such as those issued by the AMF.
- **Principal objectives:**
  - ensure that the agendas for Board meetings cover the full scope of the Board's remit, that important issues have been appropriately prepared and discussed and evaluate each member's contribution to the work of the Board;
  - measure the extent to which the skills matrix and the composition of the Board are commensurate with the Group's current and future challenges;
  - make suggestions for improvements; and
  - put forward proposals on the strategic issues to be addressed next year, including those to be debated at the Strategic Seminar.
- **Format and procedure:**
  - in 2025, on the recommendation of the Nominations and Governance Committee, the Board decided to commission an independent consulting firm – Spencer Stuart – to assist it with the assessment process. Spencer Stuart therefore reviewed the assessment questionnaire, incorporating some of the questions from the Interview Guide and making sure that the questions raised fully covered all the issues that needed to be addressed;
  - individual meetings were held between the Directors and the Board Secretary in October and November 2025;
  - the results of the questionnaire and the qualitative comments raised were analysed taking into account Spencer Stuart's general observations and best governance practices.
  - **feedback on responses and interviews** was given at the Nominations and Governance Committee meeting of 4 December 2025 and then at the Board of Directors meeting of 5 December 2025, which was followed by discussions between Directors and on 2026 priorities. If necessary, the Chairman may meet Directors individually.
- **Key themes of the evaluation**:
  - composition of the Board, its organisation and its operation;
  - the quality and relevance of the information provided;
  - the Board's involvement in defining L'Oréal's strategy;
  - the work and composition of the Committees; and
  - key governance topics.
- **Individual self-assessment of each Director's contribution to the Board and its Committees on the following subjects:**
  - time spent preparing for Board and Committee meetings;
  - attention paid to rereading meeting minutes;
  - attention paid to implementing Board decisions;
  - specific skills used by the Board; and
  - areas where training would be useful.

General assessment	Areas for improvement/Action to be taken/Issues to be addressed
COMPOSITION OF THE BOARD	
• **Diversity** in terms of gender, age, profile and experience. The Directors consider that the breadth and depth of the Board's discussions are the result of its diverse composition. • Appropriate **size** in relation to quality of work, discussions and decision-making. Although the Directors acknowledge that the Board is large, they do not view this as an issue because it has a strong, well-balanced and collaborative composition. • Appropriate number of **independent Directors** (53%), given their profile, considerable freedom of expression and the ownership structure. • **Required expertise** well represented in terms of the Board's requirements (see section 2.2.1.2), particularly experience of General Management of large international companies. • The fact that most of the Directors have **international experience** is seen as a key contributor to the Board's diversity beyond just taking into account nationality.	• When future Directors are recruited, this level and diversity of skills and international experience should be maintained/ increased.
OPERATING PROCEDURES OF THE BOARD OF DIRECTORS	
• Operating procedures enabling the Board to fully carry out its duties, in particular drawing up and monitoring the implementation of strategic priorities. The procedures have been further enhanced thanks to continuous improvement measures and the input of new skills. • **Very good level of involvement;** active, committed Directors who express themselves very freely. • **Agendas well suited** to the challenges facing the Company and the Board's remit; **adaptable** throughout the year; collaborative Board work appreciated by the Directors. • **Sufficient frequency and length of meetings,** with very positive views on the extra meeting added in 2025. • Time set aside for discussion entirely satisfactory. • **Confidentiality** of discussions well respected. • Proper application of the rules relating to **conflicts of interest**. • Organisation and logistics of meetings highly satisfactory. • Non-Board events helping to strengthen the collective. • **Digital platform well used.** • The induction process for new Directors is considered to be thorough and essential for enabling them to take up office quickly, although it does require a high level of commitment from the new Board members. • 2025 areas identified for improvement addressed.	• It was suggested that the Board continue to hold off-site meetings.
INFORMATION PROVIDED BY THE BOARD	
• **Information "at the right level"** for effective participation in the work of the Board. • **Topics covered in 2025** very **comprehensive** and **well aligned** with the issues facing the company. • **Document delivery times improving** and generally satisfactory. • **Presentations by managers concise** and sufficiently analytical to give a clear understanding of the issues at stake. • **Adequate information provided on acquisition projects.** • **Good information** on **market trends** and the **competitive environment**. • Adequate information on **key strategic issues, including CSR issues**. • **Useful and sufficient information** provided between Board meetings. • Based on the Directors' open-mindedness and keenness to learn, and the many training courses they have already followed, training is viewed as a key opportunity for strategic reflection and discussion tailored to L'Oréal's challenges and unique characteristics.	• It could be useful for the Directors to be given in-depth documentary resources on topics falling within the Board's remit to help them review in detail key points specific to L'Oréal. • It was suggested that a Strategic Seminar be organised on AI.
THE BOARD AND STRATEGY	
• **Good anticipation of medium- and long-term planning**. • Holding a Strategic Seminar at least once a year viewed as very useful, with all the Directors very positive about the one held in India. • **Acquisition projects** well presented and discussed, in line with the strategy. • Good analysis of the main **risks**.	• Inclusion of the proposed topics to be addressed for 2026 and during the next Strategic Seminar (see above).
BOARD COMMITTEES	
• **Strategy and Sustainability Committee:** high level of satisfaction with the quality of discussions about sustainability and the importance attached to sustainability-related topics. • **Audit Committee:** very satisfactory performance, with a lot of discussion and in-depth work, particularly on CSR issues. • **Human Resources and Remuneration Committee:** meetings well prepared, enabling in-depth discussions; work well planned ahead of meetings. • **Nominations and Governance Committee:** very good planning in the selection of new Directors.	• Continued focus on cross-cutting sustainability issues.

General assessment
GOVERNANCE MATTERS
• **How General Management operates:**   ◦ Separation of the roles of Chairman and Chief Executive Officer, which is working very well. • **Complementary relationship** between the Chairman and the Chief Executive Officer is valued: ◦ Attentive and receptive Chairman, who leads very open discussions, with excellent knowledge of the subject matter, which is a real added value.   ◦ Transparent communication with the Chief Executive Officer, enabling in-depth strategic discussions in a climate of trust. • **Balance of power ensured** (presence and number of major shareholders; profile of independent Directors; freedom of expression). • **Lead Director:** The appointment of a Lead Director is not considered necessary, given the Company's shareholding structure and the fact that 53% of the Board's members are independent Directors. • **Executive sessions:** running well. • **Conflicts of interest:** well managed by the rules in force (non-participation in discussions and decisions, annual declaration of independence, procedure for reviewing current agreements). • **Contact with investors and proxy advisors**: current procedures for meetings with L'Oréal teams are deemed satisfactory.

2.3.6 Appendix: Full text of the Internal Rules of the Board of Directors

These Rules are applicable to all present and future Directors, whether they are appointed by the General Meeting or by the employees, and are intended to complement the legal, regulatory and statutory rules and those under the Articles of Association in order to state accurately the operating procedures of the Board of Directors and its Committees, in the interests of the Company and its shareholders.

L'Oréal's Board of Directors uses the principles of corporate governance presented by the AFEP-MEDEF Code as its code of reference. The Board's Internal Rules specify the operating procedures of the Board, in the interests of the Company and of all its shareholders, and those of its Committees, whose members are Directors to whom it gives preparatory assignments for its work.

As was the case for previous versions, the Board's Internal Rules are made public in full in this paragraph. These Rules were last updated in February 2026 to ensure regulatory harmonisation and clarification.

PREAMBLE

The Board of Directors of L'Oréal ("the Company") is a collegial body which is mandated by all the shareholders. It has the authority given to it by law to act in all circumstances in the best interests of the Company.

By exercising its legal prerogatives, the Board of Directors (the "Board") fulfils the following main duties: it determines the Company's strategic priorities, appoints the corporate officers which are given responsibility for managing the Company within the scope of this strategy, chooses how General Management is organised (the combination of the functions of Chairman and Chief Executive Officer or the dissociation of these functions), oversees management and ensures the quality of the financial and non-financial information provided to the shareholders and to the markets.

The organisation of the Board's work and its composition is personalised to L'Oréal's needs and is part of a continuous progress approach. The Board's main responsibility is to adopt the method of organisation and the operating methods which best enable it to complete its duties. Its organisation and operating methods are described in these Internal Rules which were prepared by the Board and are published in full and in the Universal Registration Document available on L'Oréal's website.

The Board's actions are carried out within the framework of the AFEP-MEDEF Code. The Company's Corporate Governance Report more detail on the Board's composition and on the way in which the Board's work is prepared and organised, and explains, where applicable, the recommendations that have not been adopted in line with the Company's specificities.

These Rules apply to all Directors, both current and future, whether they are appointed by the Annual General Meeting or by employees, and are intended to complement the legal, regulatory and statutory rules and those under the Articles of Association in order to state accurately the operating methods of the Board of Directors and its committees.

1 Remit and authority of the Board of Directors

1.1 General powers of the Board

The Board defines the strategic direction of the Company and monitors its implementation, in accordance with the corporate interest of the Company, taking into consideration the social and environmental issues of its business activity. It considers any issue concerning the efficient operation of the Company, particularly in terms of cybersecurity (directly or based on the work of the Audit Committee).

Subject to the powers expressly conferred to Annual General Meetings and within the limit of the Company's corporate purpose, the Board deals with all matters regarding the smooth running of the Company and settles issues concerning the Company through its decisions. All year round, the Board carries out the controls and verifications it deems appropriate.

The Board ensures, as applicable, that a mechanism for the prevention and detection of corruption and influence-peddling is in place.

The Board also ensures that the Executive Corporate officers implement a policy of non-discrimination and diversity as regards gender balance in management bodies.

The Corporate Governance Report outlines the Board's activity.

The Board prepares and convenes Annual General Meetings and sets the agenda. It puts the parent company and consolidated financial statements to the vote and presents its Management Report to which the Corporate Governance Report is appended to the meeting.

The Board sets the remuneration of corporate officers. It reports on its policy and decisions in its Management Report and in the Corporate Governance Report. The Annual General Meeting determines every year on the components of remuneration allocated or paid to each corporate officer for the past financial year in respect of their mandate. The Board is a collegial body which is legally unable to delegate its authority, except to General Management in those cases expressly provided for by law. Within the scope of its work, it may decide to set up Committees which do not have decision-making powers but provide useful information to support the Board with discussions and decisions. The Board decides on the composition of the Committees and the rules with regard to their operating methods.

The Board may ask one or more of its members or third parties to carry out special assignments or projects aimed in particular at studying one of more specific topics.

1.2 Relations between General Management and the Board

1.2.1. Forms of General Management

General Management of the Company is carried out under the responsibility of either the Chairman and Chief Executive Officer, or by another individual with the position of Chief Executive Officer where the two roles are separate. French law does not stipulate whether the positions of Chairman of the Board and Chief Executive Officer must be one role or two separate roles, meaning the Board is free to choose between either organisational structure for its General Management, depending on which is better suited.

Whether General Management is carried out by a Chairman and Chief Executive Officer or a Chief Executive Officer, the Board has the same prerogatives. It may in particular take all specific measures aimed at ensuring an ongoing balance of power.

1.2.2. Powers of General Management

General Management, which may be carried out by the Chairman and Chief Executive Officer or by a Chief Executive Officer, is granted the broadest powers to act in the name of the Company in any circumstances. It must exercise these powers within the limit of the Company's corporate purpose subject to the powers expressly granted by French law to General Shareholders' Meetings and the Board of Directors.

The Board has the possibility to limit the powers of General Management. Thus, transactions which may materially impact the scope of consolidation of the Company, in particular, transactions involving an amount in excess of €250,000,000 and all new transactions which are outside the normal course of business for an amount in excess of €50,000,000, must be submitted to the Board. In any event, the Board of Directors must be informed of the conclusion and implementation of all transactions.

General Management represents the Company in its dealings with third parties.

Upon a proposal by the Chief Executive Officer, the Board may appoint one or more individuals responsible for assisting the Chief Executive Officer, who will hold the corporate office of Deputy Chief Executive Officer(s).

1.2.3. Duties of General Management

Whatever the form of organisation chosen (Chairman and Chief Executive Officer or Chief Executive Officer), General Management is required to provide each Director with all the documents and information they require to carry out their duties.

More specifically, General Management provides Board members with information that may prove useful as they prepare meetings, or whenever the importance or urgency of the information so requires. This provision of ongoing information also includes any relevant information concerning the Company, and in particular press articles and reports containing financial analysis.

General Management allows Board and its Committees to meet with senior managers at L'Oréal, within the strict framework of their duties. In consultation with General Management, the Board and the Committees may use external consultants if they consider it necessary.

The Board is informed of the Company's financial position and cash position at the close of the annual financial statements and the review of the interim financial statements, or at any other time it is necessary to do so.

2 Composition of the Board

2.1 Directors

The Directors of the Company:

- provide their expertise and professional experience;
- are required to act with due care and attention and participate actively in the word and discussions of the Board;
- have complete freedom of judgement.

This freedom of judgement enables them in particular to participate, completely freely, in the decisions and work of the Board, and, where applicable, its Committees.

2.1.1. Independence

The Board reviews the independence of each of its members every year, after obtaining the opinion of the Nominations and Governance Committee, in particular in light of the independence criteria in the AFEP-MEDEF Code and taking L'Oréal's specific needs into account. The findings of this evaluation are reported to the shareholders and made available to the general public.

2.1.2. Diversity

The Board focuses closely on its targets in terms of composition, for both itself and for its Committees, in particular in terms of gender equality, nationalities and international profiles, as well as a diverse range of skills. The objectives, terms and conditions, and results of its policy in this area are made public in the Corporate Governance Report and included in the Universal Registration Document.

2.1.3. Terms of office

The length of the term of office of Directors is four years. However, terms of office are staggered in order to avoid renewing too many Directors at once and instead renew Directors harmoniously.

In principle, it is agreed by the Board members that Directors are to resign from the Board before the Annual General Meeting following their 73rd birthday and that they not stand for re-appointment if this means they will not be able to carry out their duties for at least two years.

In any event, in accordance with French law and the Articles of Association, the total number of Directors who are over 70 years of age may not exceed one-third of the Directors in office.

2.2 Chairman of the Board

The Board of Directors must elect a Chairman from among its members.

The Chairman of the Board organises and oversees the Board's work and reports thereon to the Annual General Meeting.

The Chairman sets the dates and the agenda for Board meetings and leads the discussions.

The Chairman is actively involved in defining the Company's growth strategy and encourages and strengthens, inter alia, links between the Company and the main market players.

The Chairman oversees the work of the Company's bodies responsible for corporate governance and ensures, in particular, that Directors are able to carry out their duties. He may request that any document or information that is likely to assist the Board of Directors in preparing meetings is shared.

The Chairman of the Board must strive as far as possible to promote the values and image of the Company at all times. His views are expressed in this capacity.

He is provided with the material resources required to perform his duties.

The Chairman of the Board takes care, particularly where roles of Chairman and Chief Executive Officer are separated, to develop and maintain a relationship built on trust and regular interaction between the Board and General Management, in order to ensure the continuous and ongoing implementation of the strategies defined by the Board.

3 Rights and obligations of the Directors

3.1 Knowledge of and compliance with regulatory texts, recommendations and obligations

Each of the members of the Board declares that they have read the following documents:

- The Company's Articles of Association;
- the legal and regulatory texts that govern French *sociétés anonymes* (public limited companies) within the framework of the Board of Directors operations and, in particular, the rules relating to:
  - the number of offices that may be held simultaneously,
  - the agreements and transactions concluded between the Director and the Company,
  - the definition of the powers of the Board of Directors,
  - the holding and use of inside information, which are discussed in section 3.6;
- recommendations defined in the AFEP-MEDEF Code;
- L'Oréal's Code of Ethics;
- L'Oréal's Stock Market Code of Ethics; and
- The provisions of these Internal Rules.

3.2 Respect for the interests of the Company

The Directors are required to act in the interest of the Company and all its shareholders at all times.

The Directors are required to notify the Board of any situation that may constitute a conflict of interest, even if such conflict is only potential, and must refrain from participating in the corresponding deliberations.

Directors must inform the Board every year of the offices and positions they hold in other companies and of any conflicts of interest, even if only potential, that they have identified (see Annual Report on independence under Article 4.4).

Furthermore, the Board carries out an annual analysis of any business relationships between L'Oréal and companies in which Directors hold directorships or perform functions, to ensure these relationships are not significant. It reports on its findings in the Universal Registration Document.

3.3 Obligations of due diligence and provision of information

Directors are required to devote the necessary time and attention to their duties.

They must limit how many other directorships they hold, so as to ensure their availability.

Directors may not hold more than four other directorships in listed companies outside the Group, including in foreign companies. Where required, any Directors concerned are given time to bring their situation into compliance with this rule.

Directors must keep the Board informed of any executive or non-executive directorships they hold in other companies, including any involvement in Board Committees of any French or foreign companies.

Corporate officers may not hold more than two other offices in listed companies outside the Group, including in foreign companies. Directors must seek the Board's approval before accepting a new corporate office in a listed company.

Each Board member undertakes to be diligent:

- by attending all Board meetings, online (videoconference or telecommunication) where necessary, except in unavoidable circumstances;
- by attending all General Shareholders' Meetings, as far as possible;
- by attending the meetings of the Board Committees of which they are a member.

The Corporate Governance Report gives shareholders all the relevant information on the Directors' individual participation in these sessions and meetings.

When it comes to making decisions, Directors must ensure that they have all the information they consider essential in relation to the smooth conduct of the work of the Board or the Committees. If this information is not made available to them, or they consider this to be the case, they must request the relevant information from the Chairman of the Board, who is required to ensure that the Directors are in a position to carry out their duties.

3.4 Training for Directors

All Directors, and in particular those representing employees, can benefit, on their appointment or throughout their term of office, from the training programmes relevant to their position.

These training programmes are organised, proposed and covered by the Company.

3.5 Obligation of confidentiality

Directors undertake not to express themselves individually to third parties outside of the Board's internal deliberations of the Board on questions raised at Board meetings. Outside the Company, unless agreed by the Board, only collegial expression is possible, particularly in the form of press releases intended to provide markets with information.

With regard to information not in the public domain to which Directors have access as a result of their duties, the Directors must consider him/herself to be bound by an obligation of confidentiality, which is more demanding than the legal duty of discretion. Generally, this obligation applies to all persons called on to attend Board meetings, its Committees, or their preparatory meetings, and includes all information provided to Board members as well as the opinions expressed.

In the case of a Director who is a Legal Entity (administrateur personne morale), the information obtained in accordance with the paragraph above may be communicated to its legal representative(s), to a limited number of people who need to know within the legal entity, as well as to its external advisors, in the interest of the Company and provided that the confidentiality of said information is preserved.

The Chairman is authorised to share information with third parties when this proves necessary for the work of the Board and the Committees, provided that these third parties are then subject to the same confidentiality obligations.

3.6 Stock market ethics

3.6.1. Principles

The Company has put in place a Stock Market Code of Ethics that is regularly updated, in particular to take into account changes in the regulations in force. This Code was updated following the applicability, as from 3 July 2016, of European Regulation (EU) No. 596/2014 on market abuse (the "Market Abuse Regulation"). The Board members comply with the Principles of Stock Market Ethics related to inside information provided for by this code.

Inside information may only be used by the Director in the performance of his duties. Such information must in no case be communicated to a third party other than in order to perform their duties, and for no other purpose or activity than those for which it is held.

All Directors must refrain from trading in, having others trade in or enabling others (including through recommendations or encouragements) to trade in the securities of the Company on the basis of this information, until such time as the information has been made public.

It is the personal responsibility of each Director to determine whether the information they hold is inside information or not, and accordingly whether they may or may not use or transmit any of the information, and whether they may or may not trade or have others trade in the Company's securities.

3.6.2. Abstention periods

During the period preceding the publication of any inside information to which Directors have access, in their capacity of insiders, the members of the Board must by law refrain from all trading in the Company's securities.

Furthermore, in accordance with the Market Abuse Regulation and the recommendations of the French Financial Markets Authority (AMF), they are prohibited from trading in the Company's shares over the following periods:

- a minimum of 30 calendar days before the date of publication of the press release on the annual and halfyear results;
- a minimum of 15 calendar days before the date of publication of the press release on quarterly financial information.

Directors are only authorised to trade in L'Oréal shares the day after the press release is published.

3.6.3. Insider trading

Directors have been informed of the provisions in force relating to the holding of inside information, insider trading and the unlawful disclosure of inside information: Articles 465-1 *et seq.*, L. 621-14 and L. 621-15, III c of the French Monetary and Financial Code and Articles 7 *et seq.* of the Market Abuse Regulation.

3.6.4. Obligation to declare trading in the securities of the Company

In accordance with the applicable regulations, Directors and closely associated persons, as defined by Article 3.1.26 of the Market Abuse Regulation, must inform the AMF[1] of all acquisitions, sales, subscriptions or trades of the Company's shares and transactions involving related instruments where the cumulative amount of such transactions is higher than 50,000 euros for the current calendar year[2].

Directors and closely associated persons must submit their declarations to the AMF by email within three trading days following completion of the transaction.

These individuals must also provide a copy of this declaration to the Secretary of the Company's Board of Directors at the same time.

The declarations are then posted on the AMF's website and are included in an annual summary in the Company's Management Report.

(1) Via the AMF's secure website, called ONDE.
(2) Threshold defined by the French financial markets authority, in accordance with European regulation.

3.6.5. Appointment of an Internal Stock Market Ethics Advisor

L'Oréal has appointed an internal Stock Market Ethics Advisor. This Advisor is responsible for assisting those who request support, in complete confidentiality, to analyse and assess their situation, without prejudice to the principle of personal accountability.

3.7 Holding of a minimum number of shares

In accordance with the AFEP-MEDEF Code and independently of any obligation to hold shares under the Articles of Association, the Directors must personally be shareholders of the Company and hold a significant number of shares.

Each Director must own at least 250 shares in the Company: at least 125 shares on the date of their election by the Annual General Meeting, and the remaining 125 shares no later than 24 months after this date.

The decision as to whether the shares held by the Director should be registered or deposited, in full or in part, is the responsibility of the Director.

This stock ownership obligation is not applicable to Directors representing employees.

4 Operating methods of the Board of Directors

4.1 Convening the Board

The Board is convened by any appropriate means. Notices convening a meeting may be transmitted by the Board Secretary of Directors. They are sent in writing at least eight days prior to a meeting, except in particular circumstances. The notices specify the venue of the meeting, which may be the headquarters or any other venue.

All the documents that are necessary to inform Directors about the agenda and about any questions submitted to the Board for review are enclosed with the convening notice or are sent or provided to the Directors within a reasonable period of time prior to the meeting.

These documents may be provided to them on a secure digital platform, within a reasonable period of time prior to the meeting. In exceptional cases, they may be provided at the meeting.

4.2 Board meetings and method of participation

The Board meets as often as required in the best interest of the Company, and at least five times per year.

The dates of the Board meetings for the following year are set no later than the beginning of the summer, except in the case of Extraordinary Meetings.

The frequency and length of Board meetings must allow for an in-depth review and discussion of the matters that fall into the remits of each of the Committees.

The Directors meet once a year without any executive corporate officers, Directors representing the employees or other Group employees in attendance.

In accordance with the applicable legal and regulatory provisions, Directors who take part in Board meetings through telecommunication facilities are deemed to be present for the purpose of calculating the quorum and majority. The telecommunication facilities used must be such that the Directors can be identified and actually take part in the meeting, i.e., the system must at least transmit participants' voices and retransmit the Board's discussions and debates in an unbroken and simultaneous manner. However, the Board can decide, at its discretion, to rule out this method of participation.

A Director who takes part in a meeting through telecommunication facilities must ensure that the discussions remain confidential.

In accordance with the applicable legal and regulatory provisions and the Company's Articles of Association, unless any Director raises an objection, any decision of the Board of Directors may be taken by way of a written consultation, including electronically. The Board Secretary counts the votes of the Directors on the proposed resolution and informs the Board of the result of the vote.

4.3 Minutes of Board meetings

Minutes are kept for each Board meeting.

The minutes of the meeting mention the use of videoconference or telecommunication facilities and the name of each Board member who participated in the meeting by such means. The minutes also indicate whether any technical incidents occurred during a meeting held by means of videoconference or telecommunication facilities, and if such incidents disrupted the course of the meeting.

The minutes of the deliberations include a summary of the debates and specify the decisions that were made. They mention the questions raised and the reservations expressed by participants.

The draft minutes of the last Board meeting are sent or given to all Directors no later than the date when the next meeting is convened.

The Board Secretary is granted the power to issue and certify copies or extracts of the minutes of Board meetings.

Decisions taken by means of written consultation with the Directors are recorded in minutes that are stored under the same conditions as other decisions taken by the Board of Directors.

4.4 Board Secretary

The Secretary is appointed by the Board. He/she assists the Chairman in organising the Board's work, in particular with drawing up the annual work programme and setting the dates of Board meetings.

With the support of General Management, he/she ensures the quality and production, sufficiently in advance, of the documents and drafts put to the vote of the Board at its meetings.

He/she prepares the draft minutes of Board meetings, which are submitted for the Board's approval.

He/she is responsible for the secure IT platform made available to the Directors.

He/she monitors on an ongoing basis changes in the regulations and reflections in the marketplace with regard to the corporate governance of listed companies.

The Secretary organises, together with the Chairman, the annual assessment of the Board's work and receives the annual reports on independence from each Director (see Article 3.2).

Every Director may consult the Board Secretary at any time with regard to the scope of the rights and obligations linked to his/her role.

4.5 Annual assessment on how the Board operates

Each year, the Board carries out an evaluation of its ability to respond to the expectations of shareholders by reviewing its composition, its organisation and its modus operandi.

At its last meeting for the year and on the basis of a summary of the interviews that are organised and conducted with each Director prior to this meeting, the Board discusses points of view and opinions expressed, based on a guide which in particular includes the recommendations adopted by the AFEPMEDEF Code. It draws the conclusions from this with the aim of improving the conditions for the preparation and organisation of its work and that of its Committees.

The results of the evaluation, together with aspects that remain to be approved, are passed on to the shareholders in the Universal Registration Document and at the time of the Annual General Meeting.

5 Board Committees

When the Board sets up Committees, it appoints the members of these Committees and determines their duties and responsibilities.

These Committees act within the remit granted to them by the Board and therefore have no decision-making power. The Committees may not at any time take over the powers of General Management as set out in article 1.2.2 of these Rules.

All Committee members are Directors. They are appointed by the Board in person and may not be represented. All Board members have the necessary qualifications due to their professional experience. They actively take part in Committee meetings with complete freedom of judgement and act in the interest of the Company.

The Secretary of each Committee is appointed with the approval of the Chairman/Chairwoman of the Committee. The Board Secretary may also be a Committee Secretary.

Each Committee decides upon the frequency of its meetings. These meetings are held at the Company's headquarters or at any other place decided by the Chairman/Chairwoman of the Committee.

The Chairman/Chairwoman of each Committee prepares the agenda for each meeting.

The Committees may make contact, in the exercise of their duties, with the Company's main senior managers, in agreement with the Chairman/Chairwoman of the Board and after informing General Management. They report on such contacts to the Board.

The Board may entrust a Committee Chair, or one or more of its members, with a special assignment or project to carry out specific research or study future possibilities. The designated individual will report on this work to the Committee concerned to allow the Committee to deliberate on this work and in turn report thereon to the Board.

For each Committee meeting, Committee members may decide to invite third parties to attend where necessary or on an advisory basis, whenever they see fit.

In its field of expertise, each Committee makes proposals and recommendations and expresses opinions as the case may be. For this purpose, it may carry out or request any studies that may assist the Board's deliberations. When they use the services of external consultants, the Committees must ensure that their service is objective.

5.1 Strategy and Sustainability Committee

5.1.1. Remits

The remit of the Strategy and Sustainability Committee is to use its analyses and debates to highlight the strategic direction, including its multi-annual strategic priorities for corporate social responsibility, falling within the Board's remit, and to monitor the implementation and advancement of significant operations in progress.

The Committee examines:

- the main strategic lines of development, options and projects presented by General Management, and their economic, financial, social and environmental consequences;
- opportunities for acquisitions or investments that involve significant amounts or represent a departure from the Group's usual business operations, and the conditions relating to their implementation;
- financial transactions that could significantly change the balance sheet;
- the Company's sustainability commitments in light of the issues specific to the Group's business activities and its objectives, and the means and resources put in place;
- the proposed strategic priorities to be defined by the Board with a view to consulting the Central Economic and Social Committee.

More generally, the Committee debates all issues considered essential for the future strategy of the Group and for preserving its main financial balances.

5.1.2. Work organisation

It meets when convened by the Chairman/Chairwoman of the Committee, whenever he/she or the Board deem it necessary.

The agenda of the meetings is set by the Chairman/Chairwoman of the Committee, or together with the Board of Directors where the Board calls the meeting.

The Strategy and Sustainability Committee reports on its work to the Board whenever necessary at least once a year.

5.2 Audit Committee

5.2.1. Remits

The Audit Committee, acting under the responsibility of the members of the Board, is responsible for monitoring issues relating to the preparation and control of accounting, financial and sustainability reporting, the Internal Control and risk management systems and the Statutory Auditors.

The Audit Committee must ensure that General Management has the means to be able to identify and manage the economic, financial, legal and sustainability risks the Group faces, both within and outside France, in the conduct of its normal or exceptional operations.

Without prejudice to the authority of the Board of Directors, this Committee is responsible in particular for:

- **monitoring the process for developing financial information and sustainability reporting**, including in digital format, where applicable, and making recommendations to ensure the integrity of these processes.

  The Committee is informed of the accounting rules applicable within the Group. Any issues that may be encountered in the due and proper application of such rules are referred to this Committee. It examines any proposals for a change in accounting principles or in accounting methods and stays informed, in particular of accounting principles at the national and international level.

  The Audit Committee's review of the financial statements is accompanied by a presentation from the Chief Financial Officer describing the Company's significant off-balance sheet commitments.
- **monitoring the efficiency of the Internal Control and risk management systems, as well as Internal Audit**, with regard to the procedures for developing and processing accounting and financial information and sustainability reporting, including in digital format, without its independence being undermined;
- **monitoring the Group's main risk exposures and sensitivities**. The Committee reviews, in particular, the programme and objectives of the Internal Audit Department and reviews the main topics that it identifies as well as the methods and procedures used by Internal Control systems.

  It conducts an annual review of the risk factors section of the Management Report and of Internal Control and risk management procedures.

  The Audit Committee's review of the financial statements is accompanied by a presentation from the Chief Financial Officer describing the Company's exposure to significant risks.
- **monitoring the performance of the statutory audit of the annual and consolidated financial statements by the Statutory Auditors and the independent third-party (OTI)** of its remit to audit the annual and consolidated financial statements, as well as the certification of sustainability information.

  It reviews the audit plan and the work programme of the Statutory Auditors and, where applicable, the independent third-party, the findings of their audits, their recommendations and the follow-up action taken further to such recommendations.

  It reviews the breakdown of fees billed by the Statutory Auditors and, where applicable, the independent third-party.

  It takes into account the findings and conclusions of the French regulatory body for statutory auditors (Haute Autorité de l'Audit) following the audits carried out;.
- **ensuring that the Statutory Auditors and, where applicable, the independent third-party, comply with their independence requirements.**

  It makes a recommendation with regard to the Statutory Auditors and, where applicable, the independent third-party, proposed for appointment by the Annual General Meeting, and makes further recommendations for the renewal of such appointments.
- **approving the provision of services, in accordance with the "Code of Conduct for the provision of services that may be entrusted to the Statutory Auditors of the L'Oréal Groupe and to their networks."** The Committee decides on this point after analysing the risks related to the independence of the Statutory Auditors and of any independent third-party, and the safeguards applied by them. The Committee may therefore approve each service on a case-by-case basis or approve a set of services as a whole.
- **reporting regularly to the Board on the progress of its work.** It also reports on the repercussions of the audit and sustainability reporting certification, as well as on the way in which this audit contributed to the integrity of financial information and sustainability reporting. It reports on the role that it has played in this process. The Committee informs the Board of Directors without delay of any difficulties encountered.

This monitoring makes it possible for the Committee to issue recommendations, where necessary, concerning the improvement of existing processes and the possible setting up of new procedures.

The Audit Committee can be consulted for all questions relating to procedures for controlling risks of an unusual nature, particularly when the Board or General Management considers it appropriate to submit such questions to this Committee.

5.2.2. Composition

All Directors who sit on this Committee have the necessary qualifications due to their professional experience and their good knowledge of the Group's accounting and financial procedures.

As soon as they are appointed, the members of the Audit Committee must receive specific information on the Company's accounting, financial or operational particularities.

The appointment or re-appointment of the Chairman/Chairwoman of the Audit Committee, proposed by the Nominations and Governance Committee, must be subject to a specific review by the Board.

The Chairman/Chairwoman and Chief Executive Officer, or the Chief Executive Officer where the roles are separated, is not a member of the Audit Committee.

5.2.3. Work organisation

The Chairman/Chairwoman of the Audit Committee issues guidelines for the Committee's work each year, based on an assessment of risk exposure, in agreement with General Management and the Board.

The Committee meets when convened by its Chairman/Chairwoman, whenever the Chairman/Chairwoman or Board deem it necessary.

The agenda of the meetings is set by the Chairman/Chairwoman of the Committee, or together with the Board of Directors where the Board calls the meeting. The agenda is sent to the Committee members before the meeting, together with the information which will be useful for their debates.

To carry out its remit successfully, the Audit Committee may also, subject to approval from General Management, obtain information from people who are able to assist it in the performance of its tasks, and in particular senior managers in charge of economic and financial issues and those in charge of information processing.

5.2.3.1. Relations with the Statutory Auditors and, where applicable, the independent third-party

The Committee regularly interviews the Statutory Auditors and, where applicable, the independent third-party, sometimes without management being present.

The Statutory Auditors and, where applicable, the independent third-party, inform the Audit Committee of:

- the general work programme implemented as well as the various sampling tests they have carried out;
- the changes which they consider should be made to the financial statements to be approved or any other accounting documents, making any appropriate observations on the valuation methods used to prepare them;
- any irregularities and inaccuracies they may have discovered;
- the conclusions resulting from the above observations and corrections to be made to the results for the period compared to those for the previous period.

The Statutory Auditors and, where applicable, the independent third-party, also assess, with the Audit Committee, risks related to their independence and the protective measures taken to mitigate these risks. For this purpose, the Committee obtains a statement of independence from the Statutory Auditors and, where applicable, the independent third-party.

They inform the Committee of significant Internal Control weaknesses related to the procedures for preparing and processing accounting and financial information and sustainability reporting, and provide the Committee with the documents required by law every year.

5.2.3.2. Activity Report

The Audit Committee regularly reports to the Board on the progress of its work and takes note of the Board's observations.

The Committee informs the Board without delay of any difficulties encountered.

In its report, the Audit Committee makes the recommendations it considers appropriate with regard to:

- the suitability of the various procedures and of the system as a whole for achieving the objective of managing information and risk;
- the effective application of the procedures in place, and where applicable, the means implemented to achieve this aim.

It also formulates in its report all recommendations and proposals aimed at improving the effectiveness of the various procedures or at adapting them to a new situation.

If the Committee detects a substantial risk over the course of its work which in its view is not adequately handled, it notifies the Chairman of the Board accordingly.

5.3 Nominations and Governance Committee

5.3.1. Remits

The main tasks of the Nominations and Governance Committee, within the context of the work of the Board, are to:

- review and propose candidates for appointment as new Directors to the Board. For this purpose, the Committee prepares a list, which is continually updated, of persons who could be appointed as Directors under the diversity policy applied to the Board of Directors and detailed in the Management Report. The Nominations and Governance Committee may commission one or more international firms that specialise in scouting for independent Directors and may also collect possible suggestions from the Directors. The Committee evaluates candidates' knowledge and expertise in terms of the Board's needs, identified in line with the diversity policy. The Nominations and Governance Committee makes its recommendations to the Board in the context of the selection of future new Directors;
- make recommendations on the diversity policy that is applied to the Board of Directors;
- provide the Board with clarifications on the conditions of performance of General Management and the status of the corporate officers;
- issue an opinion on proposals made by the Chairman of the Board for the appointment of the Chief Executive Officer;
- ensure the implementation of a procedure for the preparation of succession plans for corporate officers, both in the short term (in the event of an unforeseen vacancy) and in the long term;
- ensure that the AFEP-MEDEF Code to which the Company refers is applied;
- discuss governance issues related to the functioning and organisation of the Board;
- decide on the conditions under which the regular evaluation of the Board is carried out;
- discuss the classification of Directors as independent, which is reviewed by the Board every year prior to publication of the Universal Registration Document;
- conduct a review of the Committees that are in charge of preparing the Board's work;
- review the implementation of the procedure for regular evaluation of current agreements concluded under normal terms;
- review the rules of ethical conduct, as set out in the Code of Ethics, and the Group's strong values, such as respect and integrity, which must be widely shared, understood and put into practice;
- prepare the Board's decisions with regard to updating its Internal Rules.

5.3.2. Work organisation

The Committee meets when convened by its Chairman/Chairwoman, whenever the Chairman/Chairwoman or Board deem it necessary.

The agenda of the meetings is set by the Chairman/Chairwoman of the Committee, or together with the Board of Directors where the Board calls the meeting.

The Committee may meet at any time it considers to be appropriate, for example to assess the performance of the Company's senior managers.

The Chairman/Chairwoman of the Board is involved with its work, except where it concerns him or her personally.

The Committee must regularly report on its work to the Board and make proposals to the Board.

5.4 Human Resources and Remuneration Committee

5.4.1. Remits

The Board freely determines the remuneration of the Chairman/Chairwoman, the Chief Executive Officer and, where applicable, the Deputy Chief Executive Officers.

Within this framework, the main tasks of the Human Resources and Remuneration Committee are to make proposals with regard to the following in particular:

- the fixed and variable remuneration of the Chairman/Chairwoman of the Board and any other benefits he or she receives;
- the fixed and variable remuneration of the Chief Executive Officer and any other benefits he or she receives (pension, severance indemnities, etc);
- the amount of the remuneration budget for Directors to be submitted to the Annual General Meeting and the method of distribution;
- the implementation of long-term incentive plans.

The Committee considers questions relating to the remuneration of corporate officers while they are not present at the meeting.

The Committee also considers all of the other components of the Human Relations policy, including employee relations, recruitment, diversity, talent management and fostering employee loyalty. As part of this review, the Committee is informed, in particular, of the remuneration policy for the main managers who are not Directors or corporate officers.

5.4.2. Work organisation

The Committee meets when convened by its Chairman/Chairwoman, whenever the Chairman/Chairwoman or Board deem it necessary. The agenda of the meetings is set by the Chairman/Chairwoman of the Committee, or together with the Board of Directors where the Board calls the meeting.

The Committee may meet at any time it considers to be appropriate, for example to assess the performance of the Company's senior managers.

The Chairman/Chairwoman of the Board is involved with its work, except where it concerns him or her personally. The Committee is required to report regularly on its work to the Board and make proposals to the Board.

6 Remuneration of Directors

Directors receive a remuneration for their duties, the amount of which is approved by the Ordinary General Meeting and allocated as decided by the Board.

The main component of this remuneration is a variable portion determined on the basis of attendance at Board and Committee meetings.

The Board of Directors may award exceptional remuneration for specific assignments or offices entrusted to the Directors and subject to related-party agreements.

The Directors have the possibility of asking for reimbursement of the expenses necessary for the exercise of their corporate office upon presentation of supporting documents.

2.4 Remuneration of Directors and corporate officers

2.4.1 Remuneration policies for Directors and corporate officers

Pursuant to Article L. 22-10-8 of the French Commercial Code, the General Meeting of 24 April 2026 is called to approve the remuneration policies for Directors and corporate officers as established by the Board of Directors (13th to 15th resolutions), i.e., the remuneration of:

- the Directors;
- the Chairman of the Board of Directors; and
- the Chief Executive Officer.

These policies describe all the components of remuneration of the Directors and corporate officers, and explain the decision-making process followed to determine, review and implement them.

Shareholder dialogue and response to the vote at the 29 April 2025 General Meeting

At the General Meeting of 29 April 2025, the shareholders approved the remuneration policy for Directors by 99.93% of votes cast, for the Chairman of the Board of Directors by 97.82% and for the Chief Executive Officer by 87.74%. As it does each year, on the basis of the work carried out by the Nominations and Governance Committee and/or the Human Resources and Remuneration Committee, the Board of Directors analysed the results of the votes for all of the resolutions approved at the General Meeting, paying particular attention to any resolutions that had an approval rate of less than 80% of the free float.

Following the 2025 General Meeting, the Board of Directors analysed the result of the shareholders' say-on-pay vote on the remuneration policy for the Chief Executive Officer. Although the resolution was approved by a large majority (87.74%), the Board decided to launch a specific in-depth dialogue process before defining its future guidelines.

To that end, the Board asked the Company's teams to engage with L'Oréal's shareholders earlier than in previous years. This process, which includes face-to-face meetings as circumstances allowed, forms part of a yearly exercise of direct and in-depth dialogue with shareholders.

The shareholder dialogue carried out in 2025 led to constructive discussions on how the Chief Executive Officer's remuneration policy was perceived by investors and proxy advisors.

Very positive feedback was given about the changes made to this remuneration policy in 2025, particularly:

- the increase in the proportion of total remuneration linked to performance conditions;
- greater clarity regarding the trigger thresholds applicable to the performance criteria for the Chief Executive Officer's annual variable remuneration;
- closer alignment with the long-term interests of shareholders by strengthening the lock-up requirement for performance shares;
- the introduction of a clawback mechanism; and
- a lower ceiling on any potential additional performance share grants.

Feedback was also given on the reasons for some of the "against" votes (see below). The Human Resources and Remuneration Committee analysed this feedback in detail and reported its findings to the Board of Directors at the Board meeting on 12 February 2026. The Board used this work as a basis for providing concrete responses, reaffirming its aim to be transparent without jeopardising L'Oréal's strategic interests.

	Topics raised by investors and proxy advisors	Board of Directors' analysis and responses
Benchmark panel	There were **mixed views** about the composition of the benchmark panel, with some investors preferring a strictly geographical approach excluding US peers, and others favouring sector relevance and **alignment with the Group's actual global footprint**.	On the recommendation of the Human Resources and Remuneration Committee, the Board re-examined the composition of the benchmark panel, with the support of an independent consultancy firm, to ensure that it is still suited to L'Oréal's profile. This review was based on the following principles: **Rigour and transparency:** The companies in the panel are selected based on objective criteria (business sector, sales, market capitalisation, headcount and geographical location) which are set out in the remuneration policy. This stable methodological framework ensures that the analysis remains consistent over time. **Alignment with the Group's geographical footprint:** Because North America accounts for over a quarter of its sales, L'Oréal considers it necessary to include peers from this market to reflect its global competitive environment. The Board pays close attention to the specific features of remuneration practices in the United States, with any non-comparable remuneration structures excluded from the analysis. **Stability:** The acquisition of Kenvue by Kimberley Clark announced for 2026 (a company that the Board removed from the panel at the time of its 2025 review), is likely to compromise the panel's consistency over time. In view of this context, the Board decided to take action in advance of this acquisition in order to ensure stability in the methods used and preserve the panel's readability. The removal of Kenvue without replacing it also helps address the reservations expressed by certain shareholders regarding the weighting of US companies within the panel. At the same time it increases the relative proportion of European companies, while maintaining a robust and representative comparison basis that reflects L'Oréal's international dimension.
Transparency of performance	There was a request for **greater transparency** about financial targets and the associated payment scales for the annual variable remuneration.	The Board of Directors has taken care to seek the right balance between the need to be transparent to shareholders and the imperative of protecting the Group's interests. **Preserving L'Oréal's competitive advantage:** The Board has chosen to base the Chief Executive Officer's remuneration on the Company's key performance indicators, thereby guaranteeing clear and close alignment between remuneration and value creation. As these indicators are intrinsically linked to L'Oréal's growth strategy and internal budget, the disclosure of quantified targets (whether ex ante or ex post) would reveal sensitive information relating to growth assumptions and market strategies, whereas L'Oréal has a policy of not providing quantified financial targets in its financial communications. In addition, the Group operates in an extremely competitive global industry, where such disclosure would be detrimental to the protection of L'Oréal's interests. **Transparency:** In order to meet investors' expectations without jeopardising the confidentiality of L'Oréal's internal data, the Board has decided to adopt a differentiated approach. From now on, the payment scale for the criterion of "sales growth differential as compared to main competitors" will be published on an ex ante and ex post basis. This criterion, which is based on relative performance rather than internal budget data, increases the transparency of remuneration without disclosing the Company's forward-looking information.

	Topics raised by investors and proxy advisors	Board of Directors' analysis and responses
Alignment of remuneration with performance	While some investors said they wanted to see **more long-term profitability indicators** in order to more closely align the remuneration with their interests, other investors think that the current operations-focused criteria are better, and welcome the absence of an indicator based on relative share performance.	The Board of Directors still firmly believes that the current financial criteria, which are fully consistent with the Group's financial communications, are a very effective management tool for achieving balanced and sustainable growth. While deciding to maintain these criteria, the Board took steps to meet the expectations of certain shareholders who wanted to verify that the remuneration is aligned with overall performance (in particular with the share price or with a long-term profitability indicator). The Human Resources and Remuneration Committee therefore commissioned an **independent "Pay for Performance" study** covering the first four years of the Chief Executive Officer's tenure. This study measured the correlation between the remuneration (actual 2024 remuneration and 2025 remuneration policy) and four fundamental indicators: ROCE, EBITDA, EPS and share price performance. To ensure that the analysis was totally objective, L'Oréal's performance was compared not only to its international benchmark panel, but also to a specifically European panel. The findings of this study confirm that the criteria used are appropriate. In terms of ROCE, EBITDA and EPS, L'Oréal ranks among the best companies in the two panels, which confirms its ability to create superior value. For the share performance criterion, L'Oréal's value creation is at the median of the panels. **These results confirm the strong correlation between the Chief Executive Officer's remuneration and L'Oréal's multi-dimensional performance**. They support the Board's decision to keep the current structure of the remuneration policy, which has been demonstrated to be appropriate and demanding over the long term.
Potential additional share grants	Some shareholders expressed reservations about the possibility of the Board **granting any potential additional performance shares**, although any such grants would be strictly limited and capped.	This system was originally included in the remuneration policy for the sake of completeness, in order to cover any exceptional situations, without any particular intention of using it. Since that time, it has never actually been used. In order to simplify the remuneration policy and in view of the opinions expressed, based on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors has decided **to remove that possibility** in the 2026 remuneration policy for the Chief Executive Officer.

2.4.1.1 Remuneration policy for Directors

Directors receive remuneration[1], the maximum amount of which is approved by vote at the Ordinary General Meeting, and which is allocated by the Board in accordance with the remuneration policy.

At the 24 April 2026 General Meeting, the Board of Directors will propose an increase to the maximum amount of the annual remuneration of Directors provided for in the Directors' remuneration policy. In the ninth resolution, therefore, the Board will invite the shareholders to increase this maximum annual amount from €2,000,000 set in 2025 to €2,100,000. This decision was made by the Board to take into account (i) the increase in the number of Directors in view of the appointments submitted for approval at the General Meeting, and (ii) the proposed increase in the remuneration of the members of the Audit Committee.

This authorisation would supersede the authorisation given at the 2025 General Meeting.

On the recommendation of the Human Resources and Remuneration Committee, the Board of Directors is seeking to raise the variable portion of remuneration for the members of the Audit Committee as the number of meetings held by this Committee has increased. If the new remuneration policy is approved, the remuneration for attending an Audit Committee meeting will rise from €30,000 to €35,000, with the variable portion increasing from €20,000 to €25,000.

(1) Formerly known as "attendance fees".

In relation to the Directors' remuneration policy that will be put to the vote in the 13th resolution of the 24 April 2026 General Meeting, the Board will propose the following allocation methods (on a full-year basis, effective as from the close of the General Meeting):

Board of Directors	Annual fixed sum	Amount per Board meeting	Total for the Board of Directors*
	€30,000	€6,500	**€75,500**
		€10,000 (Directors located outside Europe – presence at a meeting)	**€100,000**
Board Committees	Annual fixed sum	Variable annual amount**	**Total amount per Committee*** **
Audit	€10,000	€25,000	**€35,000**
Strategy and Sustainability	€6,000	€14,000	**€20,000**
Nominations and Governance	€6,000	€10,000	**€16,000**
Human Resources and Remuneration	€6,000	€10,000	**€16,000**

* *Based on seven meetings per year.*
** *Allocated on the basis of attendance at Committee meetings.*
*** *Based on a 100% attendance rate.*

In accordance with the provisions of the AFEP-MEDEF Code, the majority of this remuneration for Directors comprises a variable portion that depends on attendance at meetings.

Committee Chairs receive double the remuneration of Committee Members.

Attendance at Board meetings for Directors located outside Europe is remunerated at €10,000 per meeting, except for participation by videoconference; in this case, attendance at the Board meeting is remunerated at €6,500.

In the event of the meeting of an ad hoc Committee formed to work on a specific matter that does not fall within the remit of any other existing Committee, the Human Resources and Remuneration Committee may propose to the Board the payment of additional remuneration to the Directors who are members of this Committee, in accordance with the overall budget.

2.4.1.2 Remuneration policy for executive and non-executive corporate officers

The Board refers notably to the recommendations of the AFEP-MEDEF Code for the determination of the remuneration and benefits granted to executive and non-executive corporate officers.

According to this Code, the corporate officers of a French *société anonyme à conseil d'administration* (public limited company with a Board of Directors) are: the Chairman and Chief Executive Officer, the Chief Executive Officer, the Deputy Chief Executive Officer(s) (executive corporate officers) and the Chairman of the Board who is not also the Chief Executive Officer (non-executive corporate officers).

The remuneration policies are designed to apply to:

- Nicolas Hieronimus, as Chief Executive Officer; and
- Jean-Paul Agon, as Chairman of the Board of Directors.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board ensures that the remuneration policy complies with the principles of comprehensiveness, balance, comparability, consistency, transparency and proportionality, and takes into account market practices.

2.4.1.2.1 Remuneration policy applicable to the executive corporate officer(1)

A/ Fundamental principles for determination of the remuneration of the executive corporate officer

Specific requirements for appointments as executive corporate officers for employees who have been very successful throughout the various stages of their careers in the Group

L'Oréal's ongoing policy has been to appoint to the positions of executive corporate officers senior executives who have been very successful throughout the various stages of their careers in the Group.

The remuneration policy applicable to the executive corporate officer is the logical result of this choice.

It must serve to attract L'Oréal's most talented employees to the very top positions in General Management, without them being deprived after a long career in the Group of the benefits to which they would have continued to be entitled if they had remained employees.

To achieve this objective, the Board of Directors decided to maintain the employment contracts of the executive corporate officer with at least 15 years' service at the time of their appointment and ensured that the benefits under the suspended employment contract are not combined with those of the executive corporate office.

The Board of Directors has considered that the objective of the AFEP-MEDEF Code's recommendations to avoid the combination of benefits drawn from both an employment contract and a corporate office could be fully achieved by maintaining the suspended employment contract, and clearly separating the benefits from the corporate office from those from the employment contract.

This is why the Board of Directors has decided to make a clear distinction between:

- on the one hand, the remuneration components related to the corporate office: fixed and variable remuneration and grant of performance shares; and
- on the other hand, the other benefits that may be due pursuant to the suspended employment contract: termination indemnities, retirement indemnities in the event of voluntary retirement or retirement at the Company's request, financial consideration for the non-compete clause and the defined benefit pension scheme.

(1) *See also the section on shareholder dialogue on page 105.*

Remuneration in respect of the corporate office will in no event be taken into consideration in the calculation of all benefits that may be due under the employment contract described above.

The reference remuneration to be taken into account for all rights attached to the employment contract, in particular, for the calculation of the aforementioned pension scheme, will be based on the amount of remuneration at the date of suspension of the employment contract. This reference remuneration is revised annually by applying the revaluation coefficient in respect of salaries and pension contributions published by the French state pension fund (Caisse Nationale d'Assurance Vieillesse). The seniority applied will cover the entire career, including the years spent as a corporate officer.

Information on the benefits that could be owed under the suspended employment contract are discussed in section 2.4.3.

The executive corporate officer is also considered in the same way as senior executives during the term of his corporate office, which allows him to continue to benefit from the supplementary social protection schemes and, in particular, from the defined contribution pension scheme, and the employee benefit and healthcare schemes applicable to the Company's employees.

Remuneration that is consistent with the remuneration of the Company's senior executives

The remuneration policy for the executive corporate officer is, where applicable, in line with the policy which was applied to them as senior executives.

Their level of remuneration as an executive corporate officer is set on the basis of the level of responsibilities they exercised in the Company at the time of their appointment.

The remuneration policy is based on the same foundations and instruments as those applied to the Company's senior executives. The remuneration principles are therefore stable and durable.

The Board of Directors is informed every year of the Group's Human Resources policy. The Board is in a position to verify the consistency between the remuneration of the executive corporate officer and procedures in place, particularly for the members of the Group's Executive Committee, based on the work by the Human Resources and Remuneration Committee and the Nominations and Governance Committee.

Competitive remuneration in comparison to a coherent and stable reference panel

The remuneration of the executive corporate officer must be competitive in order to attract, motivate and retain the best talents in the Company's top positions.

This remuneration is assessed as a whole, namely by taking into account all the components that make it up[(1)].

To assess the competitiveness of this remuneration, a coherent and stable reference panel is put in place, with the assistance of an external independent consulting firm.

The panel is made up of a range of leading global French and international companies that must operate on similar markets and are L'Oréal's direct competitors in the cosmetics sector, or operate on the wider consumer goods, luxury or pharmacy markets for all or a portion of their business activities.

This panel is re-examined each year by the Human Resources and Remuneration Committee to ensure that it continues to be relevant, it being specified that some companies making up the panel may be changed, based on proposals by an independent consultancy firm, particularly if there are changes to their business or structure.

Accordingly, at the end of the reviews carried out in 2025 and 2026 with the assistance of an independent consultancy firm, the Committee recommended to the Board that a targeted change be made to the composition of the panel in order to:

- maintain the stability of the panel as adjusted in 2025; and
- take into account the expectations expressed by certain investors and proxy advisors regarding the weighting of US companies in the panel.

The adjustment recommended by the Committee consists of removing Kenvue from the panel, as the acquisition of this company by Kimberley Clark (that the Board removed from the panel at the time of its 2025 review) has been announced for 2026, which is likely to compromise the panel's consistency over time. In view of this context, the Board decided to take action in advance of this acquisition in order to ensure stability in the methods used and preserve the panel's readability. The removal of Kenvue without replacing it also helps address the reservations expressed by certain shareholders regarding the weighting of US companies within the panel. At the same time it increases the relative proportion of European companies, while maintaining a robust and representative comparison basis that reflects L'Oréal's international dimension.

(1) *Only recurring components of remuneration are taken into account in the Chief Executive Officer's competitiveness analysis, and any exceptional components paid to the executives of the companies that make up the panel are excluded.*

2025 Panel

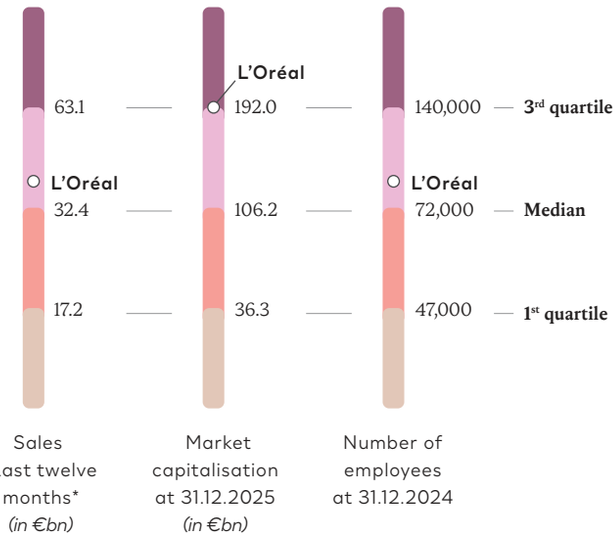
	Pharmaceutical	FMCG	Luxury
3 French companies			Kering LVMH EssilorLuxottica
5 European companies (excl. France)	GSK Novartis	Beiersdorf Unilever Henkel	
5 US companies		Colgate Palmolive Pepsico Procter & Gamble Kenvue (Johnson&Johnson)	Estée Lauder
Total 13 companies	2	7	4

2026 Adjusted panel

	Pharmaceutical	FMCG	Luxury
3 French companies			Kering LVMH EssilorLuxottica
5 European companies (excl. France)	GSK Novartis	Beiersdorf Unilever Henkel	
4 US companies		Colgate Palmolive Pepsico Procter & Gamble	Estée Lauder
Total 12 companies	2	6	4

Company exiting the 2026 Panel

Following this adjustment, L'Oréal is well positioned in the benchmark panel for the key indicators. Based on data available at end-September 2025, the Group is positioned (i) between the median and the third quartile for sales (59%), (ii) in the third quartile for market capitalisation (76%), based on L'Oréal's capitalisation at 31 December 2025, and (iii) between the median and the third quartile for headcount at 31 December 2024 (58%).



** Last twelve months: total sales from 01.10.2024 to 30.09.2025.*

Remuneration that is aligned with the best interests of the Company and directly linked to its strategy

The Board of Directors aligns the remuneration policy for the executive corporate officer with the interests of the Company in order to ensure its long-term sustainability and development, taking into consideration the social and environmental challenges of its business activity and L'Oréal's Sense of Purpose.

a) Close links with strategy

The remuneration policy applied to the executive corporate officer is directly linked to the Group's strategy. It supports its development model. It promotes harmonious, regular, durable growth, both over the short and long term. The Board of Directors strives constantly to encourage General Management to maximise performance for each financial year and to ensure that this performance is repeated and regular year after year. This is in line with L'Oréal's objective of economic and societal excellence.

b) Performance targets that are directly correlated with those of the Company and create value

The Board of Directors chooses to correlate executive corporate officer's performance directly with the Company's performance by using the same performance indicators, and in particular financial indicators.

The choice of correlating the performance criteria for the executive corporate officer's remuneration with the Company's performance indicators, particularly those of a financial nature, serves as a guarantee of a clear and relevant remuneration policy.

These criteria make it possible to use internal performance indicators to assess L'Oréal's intrinsic performance, namely its year-on-year progress, as well as its relative performance as compared to the market and its competitors through external growth indicators.

The objectives adopted generate long-term value creation. In particular, the choice of varied operational financial criteria aims at encouraging durable, balanced growth. Overall long-term performance results from the convergence of these criteria.

These objectives must also be an incentive for the executive corporate officer to adapt the Group's strategy to the profound transformations in the world of beauty, and in particular the digital revolution.

c) Major portion of remuneration subject to performance conditions

A major component of executive corporate officer remuneration must be subject to performance conditions, with annual and multi-annual assessment periods adapted to the time horizon of each of these objectives.

Remuneration that is directly aligned with the Group's ambitious social, societal and environmental objectives

The remuneration must promote ongoing and sustainable development, in line with the Group's commitments with regard to ethics, and be respectful of the environment in which L'Oréal operates. In 2020, L'Oréal unveiled its 2030 Corporate Social Responsibility vision as part of the L'Oréal for the Future programme. At the General Meeting held on 29 April 2025, i.e., halfway through the programme, L'Oréal presented a number of adjustments to its roadmap and introduced new objectives. The social and societal commitment is just as important since no environmental transition is possible without an inclusive society.

The annual variable portion of executive corporate officer remuneration, and their long-term remuneration, includes non-financial criteria related to L'Oréal's Sense of Purpose and the objectives defined by the Group, particularly in the context of its corporate social, societal and environmental responsibility programmes.

These criteria will be assessed year-on-year with a long-term perspective.

Remuneration that creates medium- and long-term value for shareholders

Executive corporate officer remuneration must be linked to the medium-to long-term variation in the Company's intrinsic value and share performance. A significant proportion of the executive corporate officer's remuneration therefore consists of performance shares.

50% of the performance shares granted to the Chief Executive Officer, with a four-year vesting period, are subject to a further holding period of two years. This holding period still applies in the case where the beneficiary ceases to be Chief Executive Officer before the end of the holding period. If the beneficiary continues to exercise his function as Chief Executive Officer beyond the end of the holding period, he will be required to hold his shares in registered form until the termination of his duties in accordance with section (II) of Article L. 225-197-1 of the French Commercial Code. The executive corporate officer formally undertakes not to enter into any risk hedging transactions with regard to the performance shares until the end of the holding period set by the Board of Directors.

This leads to alignment with the shareholders' interests, which serves as long-term value creation.

B/ Policy on fixed and variable remuneration and granting of performance shares to the executive corporate officer

The key for allocating target annual remuneration

The annual remuneration of the executive corporate officer consists of annual fixed remuneration, annual variable remuneration and the granting of performance shares.

It does not include any exceptional components.

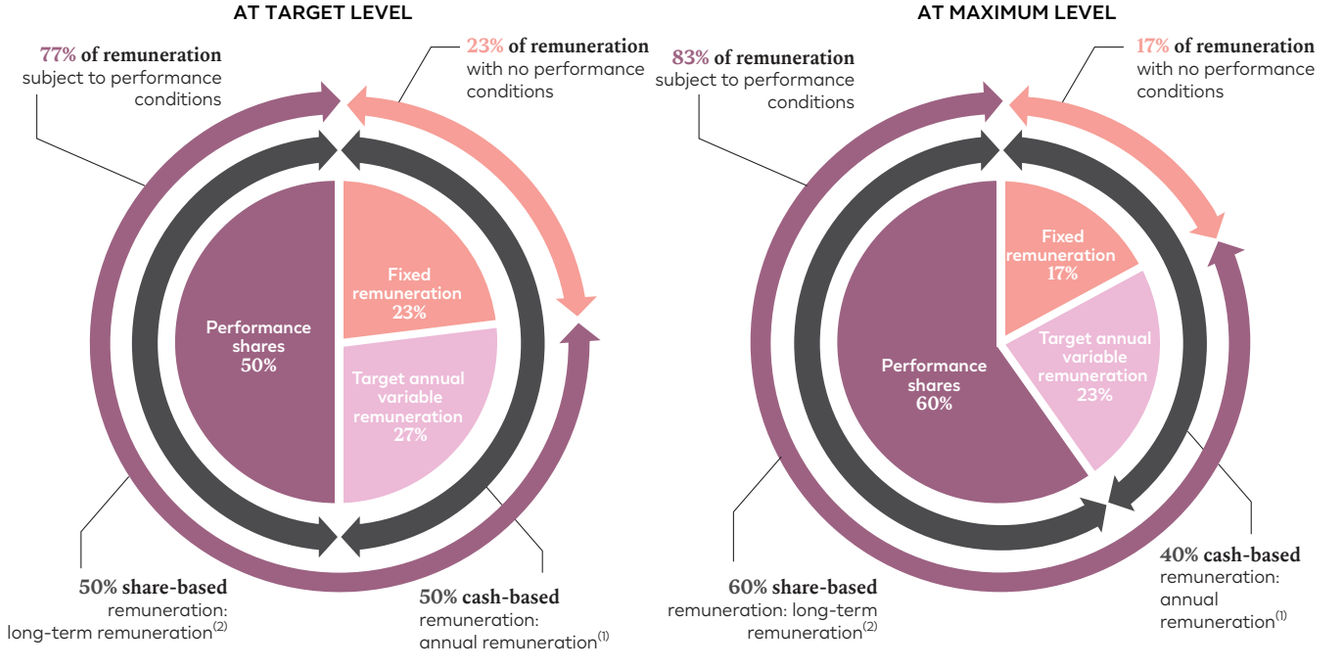
The Board of Directors adopts the various components of this remuneration, paying attention to the necessary balance between each of them.

Each component of the target annual remuneration corresponds to a well-defined and clearly substantiated objective.

The various components of annual remuneration therefore form a balanced whole, breaking down approximately as follows:

- 46/54 between fixed remuneration and target annual variable remuneration[1];
- 50/50 between annual remuneration and long-term remuneration (performance shares)[2];
- 50/50 between cash remuneration and share-based remuneration; and
- 77/23 between remuneration subject to performance conditions and remuneration not subject to performance conditions.

DIAGRAM SHOWING THE BALANCE BETWEEN THE DIFFERENT COMPONENTS OF THE ANNUAL REMUNERATION



N.B.: the employer's contributions to the additional social protection plans are to be added to the above.

(1) Annual variable remuneration may reach 130.4% of annual fixed remuneration (i.e., €3 million) in the event of outperformance. See below.
(2) Long-term remuneration (performance shares) may not exceed 60% of maximum annual remuneration. See below.

Fixed remuneration

The fixed remuneration must reflect the responsibilities of the executive corporate officer, his/her level of experience and skills.

It has remained stable for several years and may be re-examined at the time of their re-appointment. It serves as a basis to determine the maximum percentage of the target annual variable remuneration.

Annual variable remuneration

The target annual variable remuneration represents 113% of the fixed compensation.

The annual variable remuneration may exceed 113% of the fixed compensation and represent up to a maximum of 130.4% in the event of outperformance. Outperformance is assessed on a criterion-by-criterion basis.

The aim is not to encourage inappropriate and excessive risk taking. For this purpose, the annual variable remuneration remains reasonable in comparison with the fixed portion.

The variable remuneration is designed to align the executive corporate officer's remuneration with the Group's annual performance and to promote the implementation of its strategy year after year.

The variable remuneration is based on precise performance appraisal criteria determined at the beginning of the year by the Board of Directors.

These criteria are financial, non-financial and qualitative.

The financial and non-financial criteria are simple and quantifiable. They represent a predominant portion of the annual variable remuneration. A limit is set on the qualitative portion.

The weighting of each of the criteria and the objectives to be met are set at the beginning of the year in question and communicated to the executive corporate officer.

DETAILS OF WEIGHTING OF ANNUAL VARIABLE REMUNERATION

The quantifiable, financial (60%) and non-financial (25%) criteria account for 85% of annual variable remuneration.

Annual financial objectives

These objectives represent **60% of the annual variable remuneration** and are directly correlated with the Company's performance indicators:

- change in like-for-like sales as compared to the budget (15%);
- change in market share compared to that of key competitors (15%);
- change in consolidated operating profit as compared to the budget (10%);
- change in earnings per share as compared to the budget (10%); and
- change in cash flow to net profit ratio (10%).

Minimum values (floors) have been set for each criterion, and if performance is below the floors no amounts are due. This ensures that underperformance is penalised at least as harshly as outperformance is rewarded, with no possibility of offsetting between criteria.

The Board of Directors has decided to base the Chief Executive Officer's remuneration on the Company's key performance indicators to ensure full alignment between the Group's growth strategy and the management of its operations. As most of these indicators derive directly from the internal budget, the disclosure of quantified targets (either on an ex ante or ex post basis) would reveal growth assumptions and market strategies that absolutely need to remain confidential in order to protect L'Oréal's interests.

In order to meet investors' expectations without jeopardising the confidentiality of L'Oréal's internal data, the Board has decided to adopt a differentiated approach. From now on, the payment scale for the criterion of "sales growth differential as compared to main competitors" will be published on an ex ante and ex post basis (see following page). This criterion, which is based on relative performance rather than internal budget data, increases the transparency of remuneration without disclosing the Company's forward-looking information.

Annual non-financial and qualitative objectives

These objectives represent **40% of the annual variable remuneration** and include the following:

- non-financial criteria, linked in particular to:
  - the progress of the L'Oréal for the Future programme, which brings together L'Oréal's sustainability objectives for 2030 (10%),
  - the implementation of the Human Resources policy with special attention to the development of gender balance in management bodies (7.5%), and
  - the digital development policy (7.5%);
- qualitative criteria (15%).

DETAILS OF NON-FINANCIAL CRITERIA LINKED TO THE PROGRESS OF THE L'ORÉAL FOR THE FUTURE PROGRAMME USED TO ASSESS THE PERFORMANCE OF THE EXECUTIVE CORPORATE OFFICER, AND FOR WHICH THE 2030 OBJECTIVES ARE SET OUT IN CHAPTER 1

Stewarding the climate transition

- % of renewable energy use on operated sites and stores[1].

Safeguarding nature

- % of recycled or reused water for industrial purposes in factories.
- % of sustainably sourced biobased materials used in formulas and packaging.

Driving circularity

- % reduction in the use of virgin plastic for product packaging in absolute terms compared to 2019.

Supporting communities

- Number of people from disadvantaged communities helped to gain access to employment[2].

(1) Operated stores that hold an electricity subscription.
(2) Over the period 2020-2030.

Summary table of trigger thresholds

Financial criteria	Weighting (out of 100)	As a % of fixed remuneration		
		Min	Target	Max
FINANCIAL CRITERIA				
Like-for-like sales as compared to budget[1]	15%	0%	17%	19.5%
Sales growth differential as compared to main competitors[2]	15%	0%	17%	19.5%
Trigger threshold for the "Sales growth differential as compared to main competitors" criterion		lower than the panel	+1 pt vs panel	+3 pts vs panel
Operating profit as compared to the budget[1]	10%	0%	11.25%	13.1%
Earnings per share[3] as compared to the budget[1]	10%	0%	11.25%	13.1%
Cash flow[4] as compared to net profit	10%	0%	11.25%	13.1%
TOTAL FINANCIAL CRITERIA	**60%**	**0%**	**67.8%**	**78.3%**
NON-FINANCIAL AND QUALITATIVE CRITERIA				
CSR criteria: L'Oréal for the Future programme	10%	0%	11.25%	13.1%
Human Resources criteria	7.5%	0%	8.5%	9.75%
Digital development criteria	7.5%	0%	8.5%	9.75%
Qualitative criteria: Management	7.5%	0%	8.5%	9.75%
Qualitative criteria: Image, company reputation, dialogue with stakeholders	7.5%	0%	8.5%	9.75%
TOTAL NON-FINANCIAL AND QUALITATIVE CRITERIA	**40%**	**0%**	**45.2%**	**52.1%**
TOTAL	**100%**	**0%**	**113%**	**130.4%**

(1) Budget not provided for reasons of confidentiality.
(2) Panel of competitors: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Puig, Henkel, LVMH, Kao, Coty.
(3) Diluted share attributable to owners of the company per share excluding non-recurring items.
(4) Cumulative operating cash flow = Cash flow generated by operating activities less purchases of property, plant and equipment and intangible assets.

Performance share grants

Since 2009, the Board of Directors has granted performance shares to employees of the Group and, since 2012, also to its executive corporate officer, under Articles L. 225-197-1 *et seq.*, L. 22-10-59, L. 22-10-60 and L. 22-10-8 of the French Commercial Code and the authorisations granted by the General Meeting.

These grants are linked to performance and their aim is to encourage achievement of the Group's long-term objectives and the resulting value creation for shareholders. Consequently, vesting is subject to performance conditions which are recorded at the end of a vesting period of four years from the grant date.

50% of the performance shares granted to the Chief Executive Officer, with a four-year vesting period, are subject to a further holding period of two years.

This holding period still applies in the case where the beneficiary ceases to be Chief Executive Officer before the end of the holding period.

If the beneficiary continues to exercise his function as Chief Executive Officer beyond the end of the holding period, he will be required to hold his shares in registered form until the termination of his duties in accordance with section (II) of Article L. 225-197-1 of the French Commercial Code.

The value of these shares, estimated at the grant date in accordance with IFRS as applied for the preparation of the consolidated financial statements, represents approximately 50% of the executive corporate officer's annual remuneration and may not exceed 60%.

In view of observations by L'Oréal's main investors and by proxy advisors, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors decided to remove the possibility to decide on an additional grant of performance shares if a particular event justified it.

The executive corporate officer formally undertakes not to enter into any risk hedging transactions with regard to the performance shares until the end of the holding period set by the Board of Directors.

An executive corporate officer may not be granted performance shares at the time of his or her departure.

Performance conditions

The performance criteria cover all shares granted to the executive corporate officer.

They take into account:

- in part, **criteria for financial performance** based on:
  - growth in L'Oréal's comparable cosmetics sales compared to a panel of L'Oréal's major direct competitors;
  - change in L'Oréal's consolidated operating profit;
- in part, **criteria for non-financial performance** based on:
  - fulfilment of environmental and social responsibility objectives defined by the Group as part of the L'Oréal for the Future programme (hereinafter "L'Oréal for the Future Objectives"):
    - % of renewable energy use on operated sites and stores[(1)].
    - % of all materials used in product packaging either from recycled or biobased sources,
    - % of recycled or reused water in industrial purposes in factories.
  - gender balance within strategic positions including the Executive Committee.

The Board of Directors considers that both these types of criteria, assessed over a period of three full financial years and reapplied to several plans, are complementary, in line with the objectives and specificities of the Group and likely to promote continuous, balanced and sustainable long-term growth. They are exacting but remain a source of motivation for the beneficiaries.

The shares are only fully vested at the end of a four-year period, allowing sufficient time to be able to assess the performance achieved over three full financial years.

DETAILS OF WEIGHTING OF CRITERIA FOR GRANTING PERFORMANCE SHARES

(1) Operated stores that hold an electricity subscription.

Conditional vesting thresholds

Pursuant to the criterion relating to sales, in order for all of the free shares granted to beneficiaries to fully vest at the end of the vesting period, L'Oréal must outperform the average growth in sales of the panel of competitors. If this is not achieved, the number of shares that fully vest is reduced. If L'Oréal's comparable growth in sales is lower than the average growth in sales of the panel of competitors, no shares will be fully vested under this criterion.

Pursuant to the criterion related to operating profit, a certain level of growth, defined by the Board, but not made public for confidentiality reasons, must be met or exceeded in order for all free shares granted to fully vest to the beneficiaries at the end of the vesting period. If this is not achieved, the number of shares that fully vest is reduced. If the operating profit does not increase in absolute value over the period, no shares will fully vest in relation to this criterion.

With regard to the criterion of fulfilling objectives defined under the L'Oréal for the Future programme, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, a specific level of achievement for each L'Oréal for the Future Objective, defined by the Board and made public, must be reached on average over the vesting period. If this is not achieved, the grant is reduced. If the average achievement level for each L'Oréal for the Future Objective is below a certain minimum level, as defined by the Board and made public, no shares will fully vest under this Objective.

Pursuant to the criterion relating to gender balance in strategic positions, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, the average gender quota in strategic positions must be a minimum of 40% of members that are the same gender. If this is not achieved, the grant is reduced. No shares will fully vest in relation to this criterion if the average representation of one of the genders is below 35% over the vesting period.

The results recorded each year to determine the levels of performance achieved are published in **chapter 7**.

Performance shares in the event of departure

A corporate officer will lose their rights to the performance shares granted to them if either of the following events occurs before the end of the applicable vesting period:

- in case of resignation; or
- in case of termination for gross misconduct or gross negligence.

If a corporate officer retires before the end of the vesting period (liquidation of statutory and compulsory supplementary pension schemes), they will retain their rights to performance shares.

If an executive corporate officer is dismissed, the Board of Directors will decide, pursuant to the provisions of the AFEP-MEDEF Code, on the outcome of any performance shares granted.

Where the benefit of performance shares granted to the executive corporate officer is maintained in the event of his or her departure prior to expiry of the vesting period, it is motivated by the following considerations:

- performance shares represent a predominant component of the executive corporate officer's annual remuneration assessed during the year of the grant;
- they are the consideration for the execution of his or her corporate office subject to the achievement of long-term performance;
- the maintenance thereof encourages the executive corporate officer to take a long-term view;
- the full vesting of the shares remains subject to achievement of the performance conditions; and
- some of the shares are subject to a two-year lock-up period.

Achievement of the performance conditions of the last three performance share plans

Performance share plan dated:	14 October 2020	7 October 2021
Arithmetic mean of performances across the three financial years concerned	**2021–2022–2023**	**2022–2023–2024**
• For 50%: Growth in like-for-like sales as compared to a panel of competitors*	+6.7 points	+5.03 points
• For 50%: Growth in the Group's operating profit	+16.2%	+12.29%
Level of achievement of the performance conditions	**100%**	**100%**

* *Panel of competitors: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.*

Performance share plan dated:	13 October 2022
Arithmetic mean of performances across the three financial years concerned	**2023–2024–2025**
80% based on financial performance criteria	
• For 40%: growth in like-for-like sales as compared to a panel of competitors*	+3.6 points
• For 40%: growth in the Group's operating profit	+7.09%
20% based on non-financial performance criteria	
• For 15% based on the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme	≥ 65% achieved
◦ *% of sites achieving 100% renewable energy (formerly referred to as "carbon neutral"[1])*	
◦ *% of our formula ingredients that are biobased, traceable and come from sustainable sources*	
◦ *% of plastic packaging that comes from either recycled or biobased sources[2]*	
◦ *number of people benefitting from the Group's brands' social commitment programmes in relation to the target of 3 million by 2030[3]*	
• For 5% based on gender balance within strategic positions including the Executive Committee	Proposal for each gender to represent ≥ 40%
Level of achievement of the performance conditions**	100%

* *Panel of competitors: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.*

** *See Chapter 7, section 7.4.3.5, for further details about performance criteria.*

(1) *A site must meet the following criteria: Direct CO_2 (Scope 1) = 0, with the specific exception of the gas used for catering, the fuel oil used for sprinkler tests, the fuel oil (or diesel) used temporarily by backup units, fossil energy consumed during maintenance of on-site renewable facilities and cooling gas leaks if they are lower than 130 tonnes CO_2 eq./year; and indirect market-based CO_2 (Scope 2) = 0. It should be noted that renewable energy sources no longer need to be located less than 500 kilometres from the site concerned.*

(2) *Note: following the realignment in 2025 of the L'Oréal for the Future programme, this objective has been revised, and is now to, "by 2030, source 50% of all materials used in product packaging either from recycled or biobased sources". In line with the "Use 100% recycled or biobased plastics in packaging by 2030" target (including an interim target of 50% by 2025) as published in the 2024 report, the Group used 50% recycled or biobased plastics in its packaging in 2025.*

(3) *The original objective, cumulatively since 2020, the year the L'Oréal for the Future programme was launched.*

Other benefits

a) Remuneration for term of office as a Director

The executive corporate officer does not receive any remuneration for his/her position as a Director.

b) Benefits in addition to remuneration

Benefits in kind

There are no plans to supplement the executive corporate officer's fixed remuneration by granting benefits in kind.

The executive corporate officer benefits from the necessary material resources to carry out his/her duties such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use, are not benefits in kind.

Supplementary social protection schemes

The executive corporate officer continues to be treated in the same way as a senior executive during the term of his/her corporate office, which allows him to continue to benefit from the supplementary social protection schemes and, in particular, the defined contribution pension scheme, and the employee benefit and healthcare schemes applicable to the Company's employees.

Illustration of the remuneration policy in financial year 2026: components of remuneration attributable to Nicolas Hieronimus, Chief Executive Officer

The structure of Nicolas Hieronimus' remuneration is in line with the principles developed in section 2.4.1.2.1 on the remuneration policy applicable to the executive corporate officer, and forms a balanced whole with a target allocation of approximately:

- 46/54 between fixed remuneration and target annual variable remuneration;
- 50/50 between annual remuneration and long-term remuneration (performance shares);
- 50/50 between cash remuneration and share-based remuneration; and
- 77/23 between remuneration subject to performance conditions and remuneration not subject to performance conditions.

Nicolas Hieronimus' annual variable remuneration may exceed 113% of his fixed remuneration and represent up to a maximum of 130.4% in the event of outperformance. Outperformance will be assessed on a criterion-by-criterion basis.

The Board of Directors will be called upon to decide on a grant of performance shares in 2026 in accordance with the remuneration policy submitted for approval at the General Meeting of 24 April 2026.

	Amount	Description
Fixed remuneration	€2,300,000 per annum	At its meeting of 5 March 2026, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors proposed to the General Meeting of 24 April 2026 to maintain the fixed remuneration of Nicolas Hieronimus at the gross amount of €2,300,000 on an annual basis. This amount is unchanged compared with 2025.
Annual variable remuneration	€2,600,000 per annum (target 113% of fixed remuneration) Maximum €3,000,000 per annum (130.4% of fixed remuneration)	The annual variable remuneration is designed to align the executive corporate officer's remuneration with the Group's annual performance and the implementation of its strategy year after year. The Board of Directors strives to constantly encourage the executive corporate officer to maximise performance for each financial year and to ensure that this performance is repeated and regular year after year. Target annual variable remuneration is set at €2,600,000 and may represent up to €3,000,000 in the case of outperformance versus objectives. **Criteria for assessment of performance for 2026** — **Weightings** • **Financial criteria** — **60%** • *Change in like-for-like sales as compared to the budget* — *15%* • *Change in sales growth differential as compared to main competitors* — *15%* • *Change in consolidated operating profit as compared to the budget* — *10%* • *Change in earnings per share as compared to the budget* — *10%* • *Change in cash flow to net profit ratio* — *10%* • **Non-financial and qualitative criteria** — **40%** • *Quantifiable criteria: 25%* – L'Oréal for the Future: sustainability objectives for 2030 — 10% – Human Resources: gender balance, development of talented employees, access to training — 7.5% – Digital development — 7.5% • *Individual qualitative performance: 15%* – Management — 7.5% – Image, company reputation, dialogue with stakeholders — 7.5% The quantifiable, financial (60%) and non-financial (25%) criteria account for 85% of annual variable remuneration. The weighting of each of these criteria, both financial, non-financial and qualitative, and the targets to be met were set at the start of the year and communicated to the executive corporate officer. The assessment is made with no possibility to offset between criteria.
Performance shares		Concerning the granting of performance shares in 2026, the Board of Directors will be called upon to decide on the implementation of a new Plan within the scope of the authorisation that will be put to the vote of the General Meeting of 24 April 2026. The grant that would be decided for Nicolas Hieronimus would comply with the recommendations of the AFEP-MEDEF Code. The value of the grant (estimated in accordance with IFRS), would represent approximately 50% of the executive corporate officer's annual remuneration without exceeding 60% of maximum annual remuneration. 50% of the performance shares granted to the Chief Executive Officer, with a four-year vesting period, will be subject to a further holding period of two years. This holding period still applies in the case where the beneficiary ceases to be Chief Executive Officer before the end of the holding period. If the beneficiary continues to exercise his function as Chief Executive Officer beyond the end of the holding period, he will be required to hold his shares in registered form until the termination of his duties in accordance with section (II) of Article L. 225-197-1 of the French Commercial Code. Full vesting of these shares is subject to achievement of performance conditions which will be recorded at the end of a four-year vesting period as from the grant date. The number of vested shares will depend: • on growth in comparable sales versus those of a panel of competitors, which consists of the companies[1] Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Puig, Henkel, LVMH, Kao and Coty (40%); • on the change in the Group's consolidated operating profit (40%); • on the fulfilment of environmental and social responsibility objectives defined by the Group as part of the L'Oréal for the Future programme (% of renewable energy use on operated sites and stores[2]; % of all materials used in product packaging either from recycled or biobased sources; % of recycled or reused water for industrial purposes in factories) (15%); and • on gender balance within strategic positions including the Executive Committee (5%). The calculation will be based on the arithmetic mean for the three full financial years of the vesting period. The first full year taken into account for assessment of the performance conditions relating to this grant would be 2027.
		Nicolas Hieronimus will not receive remuneration for his position as a Director.

(1) Or any other equivalent company in the event of a change in the panel of competitors.
(2) Operated stores that hold an electricity subscription.

Amount	Description
Remuneration as a Director	
Benefits in addition to remuneration	• **Benefits in kind** Nicolas Hieronimus will benefit from the material resources needed to carry out his duties, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use and may not be used for any private use, are not benefits in kind. • **Supplementary social protection schemes: defined contribution pension, employee benefit and healthcare schemes** Nicolas Hieronimus will continue to be treated in the same way as a senior executive during the term of his corporate office, which will allow him to continue to benefit from the supplementary social protection schemes and, in particular, the defined contribution pension scheme, and the employee benefit and healthcare schemes applicable to the Company's employees. The amount of the pension resulting from the employer's contributions for the defined contribution pension scheme will be deducted from the pension due in respect of the defined benefit pension in accordance with the provisions of this group scheme.

2.4.1.2.2 Remuneration policy applicable to the Chairman of the Board of Directors who does not hold the position of Chief Executive Officer

Annual fixed remuneration only

The Board of Directors, in accordance with the recommendation of the AFEP-MEDEF Code (Article 26.2), is proposing to the General Meeting of 24 April 2026 that the exercise of the office of Chairman of the Board of Directors without assuming the office of Chief Executive Officer, should be remunerated only by fixed remuneration, excluding any variable remuneration, grant of performance shares or any indemnity related to departure or any consideration for a non-compete agreement.

The Board of Directors also decided that the office of Director held by the Chairman of the Board would not be remunerated.

The Chairman of the Board will benefit from the necessary material resources to carry out his duties such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use, are not benefits in kind.

The Chairman of the Board will benefit from the same employee benefit scheme as the Company's senior executives.

Principles for determining annual fixed remuneration

The remuneration of the Chairman of the Board of Directors is determined based on the following components:

- the goals set by L'Oréal's Board of Directors for the performance of the statutory duties by Chairman of the Board of Directors who does not also hold the office of Chief Executive Officer duties;
- the Chairman's corporate governance and sustainable governance experience, expertise and reputation;
- specific duties assigned to the Chairman by the Board of Directors;
- competitiveness and level of the remuneration compared to that of a relevant reference panel put together by an independent consultancy firm.

Application to Jean-Paul Agon

At the 24 April 2026 General Meeting, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors is proposing to keep Jean-Paul Agon's annual fixed remuneration at the same amount as in 2025, i.e., €950,000.

The Board of Directors has taken into account Jean-Paul Agon's full commitment to serving the governance of the Company and performing the specific duties set out in section 2.1.2.3. The Board is fully aware of the challenges of sustainable governance, notably in light of European regulations and the growing expectations of authorities and stakeholders.

It is essential for the Board that the Chairman remains committed and experienced with in-depth knowledge of the business, its environment and strategic challenges, and recognised for his expertise in governance matters and stakeholder relations.

The Board is satisfied that the fixed remuneration is competitive in comparison with an international reference panel that was put in place with the assistance of an independent consultancy firm, by ensuring that it is higher than the median remuneration paid to the chairs of the Boards of Directors of 16 international benchmark companies (see table below).

Illustration of the remuneration policy in 2026: components of remuneration attributable to Jean-Paul Agon, Chairman of the Board of Directors

	Amount	Description
Fixed remuneration	€950,000	At its meeting of 5 March 2026, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors proposed to the General Meeting of 24 April 2026 that Jean-Paul Agon's annual fixed remuneration be maintained at a gross amount of €950,000.
Benefits in addition to remuneration		• **Benefits in kind** Jean-Paul Agon will benefit from the material resources needed to carry out his duties such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use and may not be used for any private use, are not benefits in kind. • **Supplementary social protection schemes** The Chairman of the Board will benefit from the same employee benefit scheme as the Company's senior executives.

2.4.1.2.3 Decision-making, review and implementation process for the remuneration of corporate officers

Remuneration is established in such a way as to guarantee the due and proper application of the policy and rules set by the Board of Directors. The Board relies on the work and recommendations of the Human Resources and Remuneration Committee, comprising eight Directors, 57% of whom are independent Directors[1], including its Chairwoman, and one member who is a Director representing employees. The corporate officer is not a member of the Committee. The Committee's recommendations are made taking into account the studies carried out at its request by an independent consultant.

The Human Resources and Remuneration Committee met five times in 2025 (see section 2.3.3 for details of its work during the year).

The Committee has the necessary information to prepare its recommendations and more particularly to assess the performance of the corporate officer in light of the Group's short- and long-term objectives.

This organisation and process are designed to prevent any conflicts of interest.

The Human Resources and Remuneration Committee uses the studies conducted by an independent consultancy firm

These studies were based on an international panel of leading global companies, which serves as a benchmark for comparative remuneration studies.

Executive corporate officer

This panel is made up of a range of leading global French and international companies that operate in similar markets and are L'Oréal's direct competitors in the cosmetics sector, or operate in the wider consumer goods, luxury or pharmacy markets for all or a portion of their business activities.

The panel applicable comprised executive corporate officers from the following 12 companies:

PANEL SELECTED FOR ANALYSIS OF THE POSITIONING OF THE REMUNERATION FOR THE CHIEF EXECUTIVE OFFICER			
Beiersdorf	Colgate Palmolive	EssilorLuxottica	Estée Lauder
GSK	Henkel	Kering	LVMH
Novartis	PepsiCo	Procter & Gamble	Unilever

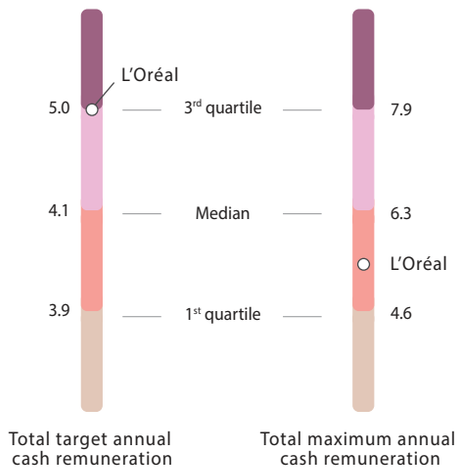
The panel is used to assess the competitiveness and structure of the Chief Executive Officer's total remuneration in 2025 compared with the most recent remuneration packages published by the companies in the panel.

It should be noted that the Company's remuneration policy, especially that in place for senior executives, aims to position their annual cash remuneration between the median and the third quartile.

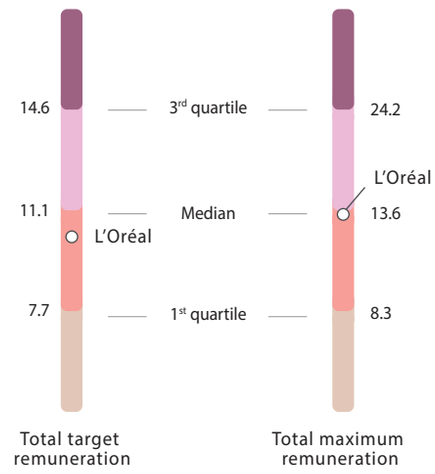
(1) *Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*

The total annual target compensation for 2025 is positioned between the first quartile and the median of the panel (relative positioning: 41%), while the theoretical maximum total annual remuneration is slightly below the median (relative positioning: 48%).

POSITIONING OF ANNUAL CASH REMUNERATION (1) (2)
(in millions of euros)



POSITIONING OF TOTAL REMUNERATION(3), TARGET REMUNERATION AND MAXIMUM REMUNERATION (2)
(in millions of euros)



The studies conducted with the independent consultancy firm also enable the Committee to measure:

- the competitiveness and comparability of the overall remuneration versus this benchmark panel;
- the relevance over time of the overall remuneration structure and the objectives assigned;
- L'Oréal's comparative results in light of the criteria adopted by the Group to assess the executive corporate officer's performance; and
- the link between the executive corporate officer's remuneration and his or her performance.

Non-executive corporate officer

To determine the positioning of the Chairman's remuneration, a panel was defined with the help of an independent consultancy firm. It comprises 16 international companies, selected on the basis of governance, industry, size and nationality.

They are the following dual governance companies:

PANEL SELECTED FOR ANALYSIS OF THE POSITIONING OF THE REMUNERATION FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS(4)

AstraZeneca	AB In Bev	BASF	Bayer	Coty	Diageo
Estée Lauder	GSK	Henkel	Linde	Nestlé	
Novartis	Reckitt Benckiser	Roche	Starbucks	Unilever	

The analysis of the remuneration of chairs of boards of directors of companies in the benchmark panel, which includes five companies with two-tier governance structures already included in the benchmark panel for the executive corporate officer, reports average remuneration of €1,278,284 and median remuneration of €803,080, revealing large disparities.

The Human Resources and Remuneration Committee has all the useful internal information in its possession

This information enables it to assess the performance of the Company and that of its executive corporate officer both from a financial standpoint and in non-financial areas.

The Group's annual economic and financial results are presented each year in full and exhaustively to the members of the Human Resources and Remuneration Committee, and are used as a basis for the assessment of the financial performance criteria for the executive corporate officer's variable remuneration.

The principles of the Human Resources policy are regularly presented to the Committee members or at Board of Directors meetings by the Chief Human Relations Officer. The Directors are therefore able to verify the consistency between the remuneration of the executive corporate officer and the remuneration and employment conditions of the Company's employees.

Two members of the Human Resources and Remuneration Committee are members of the Strategy and Sustainability Committee, a body where the Group's social and environmental responsibility programmes are discussed.

(1) Annual fixed and variable remuneration.
(2) Excluding pension benefits and Directors' remuneration.
(3) Total annual remuneration: cash and long-term.
(4) Kering will be included in the panel referred to below when the Chairman's remuneration is next reviewed.

Three members of the Human Resources and Remuneration Committee are also members of the Audit Committee, which reviews the Group's financial and non-financial results and the Sustainability Report.

This information contributes to the assessment of the non-financial and qualitative portion of annual variable remuneration.

The Committee can also carry out a more in-depth evaluation of the Company's performance by contacting the Company's main senior executives, after having informed General Management.

This information enriches their vision of the implementation of the strategy decided by the Board and performance of the Company and its executive corporate officer.

Recommendations are made on these bases to the Board of Directors, which then decides on the executive corporate officer's remuneration collectively, in accordance with the remuneration policy approved by the General Meeting.

The organisation of the work of the Committee on the remuneration of the executive corporate officer is shown in the table below.

The Committee examines the expectations of investors and proxy advisors, and the rules and recommendations of the regulatory authorities

The Human Resources and Remuneration Committee carefully analyses the law and reports concerning executive remuneration, notably the report of the French Financial Markets Authority (AMF) on corporate governance and the remuneration of executives of listed companies, and the report of the French High Committee on Corporate Governance (Haut Comité de Gouvernement d'Entreprise).

It is mindful of the observations and requests of investors and strives to accommodate them while preserving consistency in the remuneration policy adopted by the Board and subject to constraints relating to the confidentiality of certain information.

Adjustment of the remuneration policy in the event of exceptional circumstances

In accordance with Article L. 22-10-8 of the French Commercial Code, the Board of Directors can, in exceptional circumstances, deviate from the application of the remuneration policy, provided that the exemption applied is temporary and in line with the best interests of the Company or necessary to ensure the Company's continuity or viability. In this case, the Board of Directors would be able to grant an element of remuneration not provided for in the remuneration policy previously approved by the General Meeting, but necessary in view of these exceptional circumstances.

The Board of Directors also has discretionary powers to adapt the remuneration policy if unforeseeable or exceptional circumstances so justify. For example, the recruitment of a new corporate officer under unforeseen conditions might require the temporary adaptation of certain existing remuneration components or the proposal of new ones. In this case, the Board of Directors would take into account the experience, expertise and remuneration of the corporate officer concerned in order to propose a sign-on bonus that may not exceed the amount of the benefits he or she would have had to relinquish by leaving his or her previous role.

It might also be necessary to amend, subject to compliance with the limits determined in the remuneration policy, the performance conditions governing the vesting of some or all of the existing remuneration components in the event of exceptional circumstances resulting from a significant change in the Group's scope following a merger or sale, the acquisition or creation of a significant new business activity or the elimination of a significant business activity, a change in accounting policy or a major event affecting the markets and/or L'Oréal's major competitors.

The Board of Directors makes its decisions on the recommendation of the Human Resources and Remuneration Committee and, when necessary, after obtaining the opinion of an independent consultancy firm.

It is specified that any such derogation may only be temporary, pending approval of the amended remuneration policy by the subsequent General Meeting, and would be duly documented.

Clawback mechanism

To the extent permitted by law, in the event of an accounting fraud where the executive corporate officer was aware of the situation and the financial statements had to be restated, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors would reserve the right to (i) reduce or cancel any unvested performance shares or amounts of annual variable remuneration due, (ii) demand, within a period of three years, repayment of all or some of any annual variable remuneration paid, and/or (iii) seek damages.

2025 WORK SCHEDULE OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE CONCERNING THE REMUNERATION OF CORPORATE OFFICERS

February 2025	• **Report on investor meetings on the remuneration policies for corporate officers** • **Recommendations on the remuneration of corporate officers for 2024:** ◦ assessment of the Chief Executive Officer's variable annual remuneration for 2024 following a review of financial and non-financial results; ◦ draft Say on Pay ex post resolutions. • **Long-term incentive plan:** ◦ recognition of the performance levels achieved for the expiring 2021 plan for the conditional grants of shares (ACAs). • **Presentation of the 2025 study on the remuneration of corporate officers:** ◦ panel, balance and structure of remuneration, link between performance and remuneration. • **Recommendations concerning the 2025 remuneration policies:** ◦ applicable to corporate officers (Chief Executive Officer and Chairman of the Board of Directors); ◦ review of draft resolutions.
April 2025	• **Report on say-on-pay voting intentions for the remuneration policies for corporate officers**
June 2025	• **Analysis of the outcome of the say-on-pay votes at the General Meeting of 29 April 2025 relating to the 2025 remuneration policy for the Chief Executive Officer** (16th resolution), and proposal of a detailed analysis methodology based on an off-season and in-depth shareholder engagement process.
September 2025	• **2025 ACAs Plan:** ◦ proposed award for the Chief Executive Officer, with application of non-financial performance conditions. • **Initial review on the 2025 General Meeting season** and analysis of issues relating to the remuneration of corporate officers.
December 2025	• **2026 remuneration policy:** ◦ review of opinions and questions raised during discussions with investors and proxy advisors; ◦ analysis of the “Pay for Performance” alignment of the Chief Executive Officer's remuneration, with the assistance of an independent consultancy firm; ◦ examination of the different policy options regarding the remuneration policy of the Chief Executive Officer.

2.4.2 Remuneration of Directors and corporate officers for 2025

The information in this paragraph relating to the remuneration of L'Oréal's Directors and corporate officers (Directors, Chairman of the Board of Directors and Chief Executive Officer), as required by Articles L. 22-10-9 I and L. 22-10-34 I and II of the French Commercial Code, is subject to the approval of the General Meeting of 24 April 2026 and is subject to a vote in the 10th to 12th resolutions.

2.4.2.1 Remuneration paid in or allocated in respect of 2025 to Directors

A total amount of €1,686,614, within the limits of the €2,000,000 budget approved by the General Meeting of 29 April 2025, will be paid to the Directors for financial year 2025.

The Board of Directors met eight times in 2025 (including one unremunerated meeting) and 23 meetings of its Committees were organised.

The average attendance rates at meetings in 2025 were 99.4% for the Board of Directors, 100% for the Strategy and Sustainability Committee, 100% for the Audit Committee, 100% for the Nominations and Governance Committee and 100% for the Human Resources and Remuneration Committee.

It should be noted that neither Jean-Paul Agon nor Nicolas Hieronimus receive any remuneration for their roles as Directors, and neither Jean-Paul Agon nor Nicolas Hieronimus receive any remuneration for their roles as directors of Group companies.

Directors	**Remuneration awarded in respect of 2025 and paid in 2026** *(in euros)* **8 Board meetings (of which 7 paid), 23 Committee meetings**	**Remuneration awarded in respect of 2024 and paid in 2025** *(in euros)* **7 Board meetings (of which 6 paid), 21 Committee meetings**
Jean-Paul Agon	0	0
Nicolas Hieronimus	0	0
Sophie Bellon	123,500	117,000
Françoise Bettencourt Meyers (1)	38,942	117,000
Paul Bulcke	126,357	117,000
Patrice Caine	119,857	117,000
Fabienne Dulac	121,500	113,000
Belén Garijo	0	13,900
Béatrice Guillaume-Grabisch	105,500	99,000
Thierry Hamel	91,500	85,000
Aurélie Jean(2)	71,429	0
Ilham Kadri	99,786	92,500
Jean-Victor Meyers	113,557	85,000
Nicolas Meyers	104,700	99,000
Virginie Morgon (1)	41,571	129,000
Alexandre Ricard	116,071	94, 600
Jacques Ripoll	135,100	81,500
Isabelle Seillier (2)	83,529	0
Téthys (2)	88,215	0
Benny de Vlieger	105,500	99,000
TOTAL	**1,686,614**	**1,459,500**

(1) The Director left the Board at the close of the 29 April 2025 General Meeting.
(2) The Director joined the Board at the close of the 29 April 2025 General Meeting.

2.4.2.2 Remuneration paid in or allocated in respect of 2025 to Nicolas Hieronimus, Chief Executive Officer

At the General Meeting of 29 April 2025, the shareholders approved the remuneration policy for the Chief Executive Officer that was proposed by the Board of Directors on the recommendation of the Human Resources and Remuneration Committee.

All aspects of this policy applied as from 1 January 2025.

2.4.2.2.1 Fixed remuneration

Nicolas Hieronimus' annual fixed remuneration for 2025 was set at €2,300,000 gross.

2.4.2.2.2 Annual variable remuneration

With regard to Nicolas Hieronimus's annual variable remuneration for 2025, the target was set at an annual gross amount of €2,600,000, or 113% of his fixed remuneration, with a maximum of 130.4% of fixed remuneration in the event of outperformance, or a gross amount of €3,000,000. This sum represents the maximum amount of variable remuneration that may be paid to him.

At its meeting on 13 March 2025, the Board of Directors had set the variable remuneration criteria applicable for 2025 and the respective weighting of such criteria. Financial criteria represent 60% of his variable remuneration and non-financial criteria represent the remaining 40%[1]. The financial criteria are directly correlated with the Company's financial performance indicators: growth in sales and market share as compared to its main competitors, and growth in operating profit, earnings per share (EPS) and cash flow.

On 5 March 2026, the Board of Directors assessed the performance of Nicolas Hieronimus, based on the recommendations of the Human Resources and Remuneration Committee. The payment rate was 106.2% of the target bonus, i.e., a payment rate of 102.1% for financial criteria and 112.4% for non-financial and qualitative criteria.

It was thus decided that, in respect of annual variable remuneration for 2025, Nicolas Hieronimus would be awarded an amount of €2,762,000. i.e., 120.1% of the 2025 annual fixed remuneration.

FINANCIAL TARGETS 2025 (60% OF TOTAL ANNUAL VARIABLE REMUNERATION)

Financial criteria	Weighting	2025 results	Payment rate versus target *(maximum 115.4%)*	Board appraisal
Like-for-like sales as compared to budget[1]	15%	€44,052m	**96.2%**	Performance below target.
Sales growth differential as compared to main competitors[2]	15%	+3 points[5]	**115.4%**	Maximum target achieved. *Reminder of the payment scale:* *Performance below panel: payment = 0* *+1pt vs panel: target payment* *+3pts vs panel: maximum payment*
Operating profit as compared to the budget[1]	10%	€8,891.9m	**100%**	Performance in line with the target.
Earnings per share[3] as compared to the budget[1]	10%	€12.71	**95.4%**	Performance below target.
Cash flow[4] as compared to net profit	10%	105%	**100%**	Performance in line with the target.
PAYMENT RATE FOR 2025 FINANCIAL TARGETS			**102.1%**	

(1) Budget not provided for reasons of confidentiality.
(2) Panel of competitors: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.
(3) Diluted share attributable to owners of the company per share excluding non-recurring items.
(4) Cumulative operating cash flow = Cash flow generated by operating activities less purchases of tangible and intangible assets.
(5) With an estimate (based on the first nine months of 2025) for Henkel, which had not published its 2025 annual results as of the Board meeting of 5 March 2026.

The Board of Directors has decided to base the Chief Executive Officer's remuneration on the Company's key performance indicators to ensure full alignment between the Group's growth strategy and the management of its operations. As most of these indicators derive directly from the internal budget, the disclosure of quantified targets (whether ex ante or ex post) would reveal sensitive information relating to growth assumptions and market strategies. In addition, the Group operates in an extremely competitive global industry, where such disclosure would be detrimental to the protection of L'Oréal's interests.

In order to meet investors' expectations without jeopardising the confidentiality of L'Oréal's internal data, the Board has decided to adopt a differentiated approach. From now on, the payment scale for the criterion of "sales growth differential as compared to main competitors" is published on an ex ante and ex post basis. This criterion, which is based on relative performance rather than internal budget data, increases the transparency of remuneration without disclosing the Company's forward-looking information.

(1) This paragraph incorporates information required by the CSRD (E1 GOV-3) for the sustainability report (section 4.1.1) by reference.

2025 NON-FINANCIAL AND QUALITATIVE TARGETS (40% OF TOTAL ANNUAL VARIABLE REMUNERATION)

Non-financial and qualitative criteria	Weighting	2025 performance indicators	Payment rate vs target (maximum 115.4%)	Board appraisal
CSR criteria: L'Oréal for the Future programme	10%	See indicators on the following pages	**109.2%**	Outperformance
Human Resources criteria	7.5%	See indicators on the following pages	**107.7%**	Outperformance
Digital development criteria	7.5%	See indicators on the following pages	**115.4%**	Outperformance Maximum reached
Qualitative criteria: Management	7.5%	See evaluation on the following pages	**115.4%**	Outperformance Maximum reached
Qualitative criteria: Image, company reputation, dialogue with stakeholders	7.5%	See evaluation on the following pages	**115.4%**	Outperformance Maximum reached
PAYMENT RATE FOR 2025 NON-FINANCIAL AND QUALITATIVE TARGETS			**112.4%**	

TABLE OF NON-FINANCIAL AND QUALITATIVE ACHIEVEMENTS IN 2025

The Board of Directors, at its meeting of 5 March 2026, used the following indicators and achievements examined by the Human Resources and Remuneration Committee to determine the level of achievement of the non-financial and qualitative targets for 2025.

CSR criteria: L'Oréal for the Future programme	Weighting 10%	
The L'Oréal for the Future programme sets out the sustainability objectives[1] for 2030 that L'Oréal defined in 2020 and adjusted in 2025, for which the 2025 achievements are summarised in the table in section 1.4.2.		
	2025 results	**2024 results**
Fighting climate change		
• By 2025, 100% of the **energy use**[2] on operated sites, including stores[3], will be renewable.	100%	Not avail.
Managing water sustainably		
• By 2030, 100% of the **water used for industrial purposes** will be recycled and reused.	56%	*53%*
Respecting biodiversity		
• By 2030, 100%[4] of ingredients in the Group's formulas and biobased packaging materials will be **traceable and come from sustainable sources.**	95%	*92%*
Preserving natural resources		
By 2030, reduce **the use of virgin plastic** used in the Group's primary and secondary packaging by 50%, compared to 2019.	-37%	Not avail.
Empowering our ecosystem in our transformation		
• By 2030, **100,000 people** from disadvantaged communities helped gain **access to employment**[5]**.**	109,674	*71,349*

(1) A purely formal change to the previous wording ("commitments") with no impact on the criteria.
(2) At sites operated by the Group, apart from site safety and security equipment.
(3) Operated stores that hold an electricity subscription.
(4) Note: following the realignment in 2025 of the L'Oréal for the Future programme, this objective has been revised, and is now to, "by 2030, source at least 90% of biobased materials used in formulas and packaging".
(5) Over the period 2020-2030.

Human Resources criteria	Weighting 7.5%	
Gender Balance	**2025 Results**	**2024 Results**
• Improving gender balance, in particular in senior management.	• 38% of Executive Committee members are women. • 48.5% of strategic positions are held by women (strategic positions include Executive Committee positions, i.e., approximately 300 positions). • Equileap Women's Equality in the Workplace 2025 ranking: • France: 3rd place • International: 18th place	*32%* *49%* *1st place in France* 9th worldwide
TALENT DEVELOPMENT		
• Results of the policy regarding the recruitment of both experienced and more junior talented employees, and talent development all over the world, in order to nurture local talent.	• 6th place for European companies in [1] the Universum (business schools) ranking. L'Oréal is the only company in the beauty market and in the FMCG sector to be ranked in the top 10.	*8th worldwide*
• Attractive, targeted, digital employer communication.	• Strong presence on social networks: 6.3 million followers on LinkedIn. • 242,000 entries for the 2025 edition of the Brandstorm international innovation competition open to young people under the age of 30.	*5.38 million* *135,000 entries*
ACCESS TO TRAINING		
• 100% of employees to participate in training sessions every year.	• 100% of statutory employees[2] participated in learning sessions in 2025. Balance between face-to-face and e-learning: 32% of the total hours were completed via digital learning (e-learning modules, videos, virtual classes and webinars). Face-to-face format preferred for leadership and culture topics that require high added-value human interaction. • 65,300 employees trained in the "GenAI for all" e-learning module.	*100%* *41,700*

Digital development criteria	Weighting (%)
Increase in sales achieved in e-commerce	• **€13.3 billion** in sales, i.e., 30.2% of Group sales[3], up 12.7% in 2025. • **Amazon and Bytedance** remain powerful growth drivers.
Partnerships and innovation	• Increase in the pace of digital innovation in 2025, thanks to **AI/GenAI/Agentic AI:** • **One Intelligence**, which incorporates AI, has become L'Oréal's global Consumer Intelligence library. It contains over 100,000 documents on beauty categories and consumer behaviour, from TikTok trends to the beauty behaviour of boomers/men. • **CreAItech Lab**, the Group's GenAI content creation laboratory, is revolutionising the creation of marketing content, making it possible to produce more than 495,000 assets per month, by integrating Google's latest AI model, Nano Banana Pro, and with more than 4,000 monthly users. • **Beauty Genius**, an AI-enhanced personal beauty assistant, has notched up 1 million chats in the United States and is extending its reach via its arrival on WhatsApp. • **Noli**, a beauty tech start-up backed by L'Oréal, began marketing its products to UK consumers in 2025. It launched "Noli AI Advisor", an advisor based on an LLM (large language model), and forged partnerships with NVIDIA and Accenture. • **AI partnership** between **L'Oréal and NVIDIA**. NVIDIA played an advisory role in leveraging the potential of AI throughout L'Oréal and its ecosystem of partners, for example Omi for 3D product rendering for CreAItech and R&I formulations.
New consumer interaction models	• **Paid media:** L'Oréal remains the fourth largest advertiser in the world *(Source: Comvergence)*: 20% offline and online SOV (H1 2025). • **Accelerated take-up of AI-driven solutions**: AI campaigns accounted for 20% of investment on digital platforms in 2025, and 58% of campaigns on Google in December 2025. (up 14 pts vs. Dec. 24). • **Advocated media:** 26% share of influence in 2025, driven by initiatives like **L'Oréalistar** – a global initiative with hundreds of thousands of creator members.

(1) The Universum global ranking was not published in 2025 on a worldwide scope.

(2) % corresponding to the number of employees who benefitted from learning sessions in 2025 in relation to the number of statutory employees. Statutory employees include all active employees, i.e., those with contracts (permanent or temporary, full-time or part-time). Employees on leave (including long-term sick leave, non-worked notice period, early retirement, extended unpaid leave) are not included in the calculation.

(3) Includes sales on L'Oréal brands' websites, sales to online pure players and the e-commerce portion of sales to traditional retailers (based on non-audited self-reported data); like-for-like.

Digital development criteria	Weighting (%)
	• **Owned media:** L'Oréal's Taskforce SEO → GEO (Search Engine Optimization → Generative Engine Optimization) carried out 30 pilot tests in 2025 to prepare for the future and maintain L'Oréal's leadership in proprietary assets. • **Deployment of the proprietary tool, BETiq**, in nine countries, leading to a gradual improvement in ROI. Worldwide recognition of this marketing programme by Google, Meta, TikTok, Circana and Ekimetrics. Launch of **BETiq Scaler**, an AI-based solution that combines the learnings from BETiq with specific local characteristics to offer optimal allocations to all of the Group's countries. • **Beauty-tainment:** Activation of dozens of native presences of L'Oréal brands in entertainment content (cinema, fashion, music, sport, gaming) such as: Emily in Paris L'Oréal Paris and Netflix, The Final Copy of Ilon Specht, etc.
Continuation of the Company's digital transformation	• **LOREAL GPT by AI teams:** 71,000 users in 2025 and more than 10,000 MyCompanions created by employees. • **Increase in skills and widespread use of tools/automation**: CreAltech: 4,500 users; One Intelligence: 2,000 users; BETIQ programme: more than 1,000 people trained; Digital Cockpit 360 is the No. 1 "Build, Test, Deploy, Perform" (BTDP) report, with almost 2,000 unique monthly users. • **Augmented Marketing is transforming L'Oréal's relationship with its Marketing Services partners** thanks to the arrival of AI: “Joint Media Business Plans” with Google, Meta, Amazon, TikTok, Snapchat and, since 2025, Netflix, leading to innovations such as AI-powered media and WhatsApp Commerce, etc. • The **Open Innovation** partners have driven new transformations: Omi (3D packs from France), Reelevant (powering hyper-personalisation), The SEA (NE Asia start-up that supports BuyCoor teams with GenAI content), FFFACE.ME (converting out-of-home (OOH) audiences into consumers in shops & popups), and Smytten (India's largest intent-driven sampling platform).
Gartner digital ranking/Industry recognition	• L'Oréal joined **the EU AI Champions Initiative** on 10 February 2025, represented by Nicolas Hieronimus. • At the **Cannes Lions 2025** international festival of creativity, the L'Oréal Group won 11 awards, including five for the documentary "The Final Copy of Ilon Specht" by L'Oréal Paris, and the Grand Prix in the Film category. • **BrandZ Top 100 global brands:** L'Oréal Paris is one of the world's top 100 brands. In the Personal Care category: L'Oréal Paris: #1 Lancôme: #5 Garnier: #6 Maybelline: #10. • **2025 Gartner rankings**, personal care category in the United States: four brands in the top 10 belong to the Group (Nyx PMU, Maybelline, L'Oréal Paris and Cerave). • Asmita Dubey, Chief Digital and Marketing Officer, was ranked by Forbes as **the world’s third most influential CMO in 2025**, and was voted Woman Leader of the Year by WLDA – World Leaders in Data & AI.

Qualitative criteria: Management	Weighting 7.5%

- Continued work on renewing the Executive Committee and increasing the proportion of women members. High retention rate for the Top 300.
- Management of geopolitical crises in a context of trade tensions.
- Group transformation artificial Intelligence, Beauty tech & cultural transformation.
- Continued global rollout of the "Simplicity 2” programme.
- Pulse survey (internal employee engagement survey): 90% participation rate. Employee engagement rate measured at 78%.

Qualitative criteria: Image, Company reputation, Dialogue with stakeholders	Weighting 7.5%

- **Embodying the Group's global leadership in the beauty industry**
  - Participation in the World Economic Forum in Davos, and gave a keynote speech in favour of European competitiveness at the "Unlocking Europe's Potential" round table discussion alongside the President of the European Central Bank and the Vice-Chancellor of Germany.
  - Participation in the launch of the EU AI Champion initiative at the Elysée Palace, in the presence of the President of the European Commission, the French President and the German Chancellor.
  - Participation in the influential event organised by the Value of Beauty alliance in Brussels for the second year running, and met with the President of the European Parliament.
  - Participation in the "Strategic Dialogue on the Future of the Chemical Industry" in Brussels, in the presence of the President of the European Commission.
  - Participation in the Franco-Indian CEO Forum, in the presence of the Indian Prime Minister and the French President.
  - Participation in the China International Import Expo (CIIE) in Shanghai, in the presence of the Chinese Prime Minister.
  - Continuation of L’Oréal’s unique "De toutes beautés!” partnership with the Louvre Museum and creation of a web series broadcast on France TV.
  - Winner of the WWD Beauty Inc. Pete Born Impact Award.

Qualitative criteria: Image, Company reputation, Dialogue with stakeholders	Weighting 7.5%

- Interview with Luca de Meo in Le Figaro on the announcement of the acquisition of Kering Beauté and the creation of an exclusive joint venture in Longevity.

- **Sustainability**
  - For the 10th year running, L'Oréal was awarded a triple "A" rating for its environmental leadership by the CDP, marking a unique achievement.
  - Launch of the first call for applications for L'AcceleratOR – L'Oréal's sustainable innovation accelerator.
  - Launch of #JoinTheRefillMovement, the first global multi-brand, multi-category and multi-channel campaign, to mark World Refill Day.
- **Innovation and Beauty Tech**
  - L'Oréal topped Fortune's inaugural list of Europe's 300 Most Innovative Companies.
  - Opening of a new Research & Innovation centre in Clark, New Jersey, representing an investment of $160 million.
  - Presentation of L'Oréal Cell BioPrint at the Consumer Electronic Show – a major advance in skin analysis based on longevity science.
  - L'Oréal held its inaugural Longevity Summit at Le Visionnaire in Paris, unveiling L'Oréal Longevity Integrative Science™.
  - Strategic partnership with IBM to develop the first AI model to assist with the creation of sustainable cosmetics.
- **An employer committed to its employees, to diversity, equity and inclusion, and to younger generations**
  - L'Oréal announced the launch of a fifth employee share ownership plan.
  - L'Oréal ranked no. 4 in the world and no. 1 in France in the 2025 FTSE Diversity & Inclusion index.
  - Launch of the Engage & Care coalition with the International Labour Organisation.
  - Nicolas Hieronimus co-signs an article in the newspaper, La Tribune, called "Faire de l'insertion des seniors une priorité économique et sociale" (Making the inclusion of seniors an economic and social priority), with the leaders of the Les entreprises s'engagent community.
  - Interview with Barbara Lavernos in the newspaper, Les Echos, on diversity and inclusion at L'Oréal: *Diversité et inclusion chez L'Oréal: "On ne change rien et on continue"*.
  - Continuation of the L'Oréal for Youth and the L'Oréal For All Generations programmes.
- **Ethics**
  - L'Oréal was recognised for the 16th time as one of the "World's Most Ethical Companies" by the Ethisphere Institute.
- **Highlighting the L'Oréal Groupe's French roots**
  - €60 million invested in extending the Gauchy plant (Hauts-de-France region) and visit by the French Minister for the Economy, Roland Lescure, hosted by Antoine Vanlaeys.
  - The Group's participation in European Heritage Days with many L'Oréal sites in France opening to the public.
  - Public campaign as part of France's national Industry Week, to promote the Group's French roots: "La beauté, une fabrique française" (Beauty's made in France).
- **Reputation and image of the Group and its teams with stakeholders:**
  - Prize for "Acquisition of the year" awarded by Cosmetiquemag magazine.
  - L'Oréal achieved "All-Star" status in Fortune World's Most Admired Companies List.
  - L'Oréal was included in Fortune's Blue Ribbon Companies list, which rewarded companies that featured five times in Fortune Magazine's 2025 annual rankings.
  - L'Oréal was included in the TIME 100 ranking of the most influential companies in the "Titans" category.
  - Nicolas Hieronimus named as "France's favourite industrial boss" by French media outlet, LSA.
  - Presentation given to students at the Institut Français de la Mode (French Institute of Beauty) in Paris.
  - Interview on the TV programme, Le Quotidien (on TMC), for the L'Oréal Paris fashion show – opening of Fashion Week.
  - Guest on stock market strategist Nicolas Chéron's YouTube programme: "Directeur général de L'Oréal: la stratégie du n°1 de la beauté" (Chief Executive Officer of L'Oréal: the top beauty company's strategy).
  - Major interview in the Ouest-France newspaper: "Droits de douane, influenceurs… La stratégie du patron de L'Oréal" ("Tariffs, influencers… L'Oréal's boss talks about his strategy".
  - Second participation of Ezgi Barcenas in Climate Week NYC as the Group's Chief Corporate Responsibility Officer.

2.4.2.2.3 Performance share grants

Pursuant in particular to Articles L. 225-197-1 and L. 22-10-8 of the French Commercial Code and the authorisation of the General Meeting of 23 April 2024, the Board of Directors meeting on 10 October 2025, taking into account the performance of Nicolas Hieronimus and the share price valuation, decided to grant him 20,000 performance shares (ACAs – *Attributions Conditionnelles d'Actions*, existing conditional grants of shares), in accordance with the remuneration policy. Based on the IFRS used to prepare the consolidated financial statements, the estimated fair value of one performance share (ACAs) for the 10 October 2025 plan, of which Nicolas Hieronimus is a beneficiary, is €348.48.

The estimated fair value, based on IFRS valuations, of the 20,000 performance shares (ACAs) granted in 2025 to Nicolas Hieronimus is therefore €6,969,600.

These shares will only vest, in whole or in part, once the performance conditions described below are met[1].

(1) This paragraph incorporates information required by the CSRD (E1 GOV-3) for the sustainability report (section 4.1.1) by reference.

Performance conditions

Full vesting of these shares is subject to achievement of performance conditions which will be recorded at the end of a four-year vesting period as from the grant date.

The number of fully vested shares will depend on (i) growth in comparable cosmetics sales compared to the growth of a panel of competitors, which consists in 2025 of Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, and Coty (for 40%); (ii) on the growth in the Group's consolidated operating profit (for 40%); (iii) on the achievement of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme (for 15%) and (iv) on a gender balance target in strategic positions including the Executive Committee (for 5%).

The calculation will be based on the arithmetic mean for the three full financial years of the vesting period. The first full year taken into account for assessment of the performance conditions relating to this grant is 2026.

With regard to the sales criterion, in order for all the free shares granted to fully vest at the end of the vesting period, L'Oréal must outperform the average growth in sales of the panel of competitors. If this is not achieved, the grant is reduced. If L'Oréal's comparable growth in sales is lower than the average growth in sales of the panel of competitors, no shares will be fully vested under this criterion.

With regard to the criterion relating to operating profit, in order for all the free shares granted to fully vest at the end of the vesting period, a level of growth defined by the Board but not made public for confidentiality reasons, must be achieved or exceeded. If this is not achieved, the grant is reduced. If the operating profit does not increase in absolute value over the period, no shares will fully vest in relation to this criterion.

With regard to the criterion of fulfilling commitments made under the L'Oréal for the Future programme, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, an average of 80% of the L'Oréal for the Future Commitments must be achieved during the vesting period. If this is not achieved, the grant is reduced. No shares will vest if the average level of achievement for the L'Oréal for the Future Commitments falls below 70%.

With regard to the criterion of gender balance in strategic positions, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, the average proportion of employees of each gender in strategic positions must be at least 40%. If this is not achieved, the grant is reduced. No shares will vest in relation to this criterion if the average representation of one of the genders is below 35% over the vesting period.

The figures recorded year on year to determine performance levels are published in chapter 7.

Main features of the grant

This Plan involved 703,500 performance shares (ACAs), i.e., 0.1% of the share capital, being granted to 2,648 beneficiaries.

The conditional grant of performance shares benefitting Nicolas Hieronimus in 2025 represents 2.84% of the total number of performance shares granted and 0.004% of the share capital as at 10 October 2025.

Furthermore, 50% of the performance shares granted to Nicolas Hieronimus as a corporate officer, are subject to a further holding period of two years after the initial four-year vesting period. This holding period still applies in the case where Nicolas Hieronimus ceases to be Chief Executive Officer before the end of said holding period. If Nicolas Hieronimus continues to exercise his function as Chief Executive Officer beyond the end of the holding period, he will be required to hold his shares in registered form until the termination of his duties in accordance with section (II) of Article L. 225-197-1 of the French Commercial Code.

Nicolas Hieronimus has also formally undertaken not to enter into any risk hedging transactions with regard to the performance shares until the end of the holding period set by the Board of Directors.

Nicolas Hieronimus was not awarded any other long-term incentives in 2025.

2.4.2.2.4 Remuneration as a Director

Nicolas Hieronimus does not receive any remuneration for his role as a Director. He does not receive any remuneration as a Director of Group companies.

2.4.2.2.5 Supplementary social protection schemes

Nicolas Hieronimus continues to benefit, because of his classification as a senior executive during his term of office, from the supplementary social protection schemes and, in particular, the defined contribution pension scheme, and the employee benefit and healthcare schemes applicable to the Company's employees.

The amount of the employer's contributions to the employee benefit and healthcare schemes for 2025 amounted to €3,927.93, and the amount of the employer's contribution to the Defined Contribution Pension scheme amounted to €7,300.56.

Under the Defined Contribution Pension Scheme ("L'Oréal RCD"), the rights of which are strictly proportional to the contributions paid, and which benefits all employees of L'Oréal in France, the estimated amount of Nicolas Hieronimus's annual retirement pension at 31 December 2025 would be a gross amount of €8,292.

As for all other senior executives of the Group, the pension resulting from the employer contributions of the L'Oréal RCD will be deducted from the amount of the Pension Cover for the calculation of the life annuity potentially due under this plan so that these benefits are not combined.

As a reminder, the lifetime risk related to the plans resulting from Article 83, 2° of the French General Tax Code is borne by the insurer.

2.4.2.3 Remuneration paid or allocated to Jean-Paul Agon, Chairman of the Board of Directors

2.4.2.3.1 Fixed remuneration

At its meeting of 13 March 2025, and on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors decided to maintain Jean-Paul Agon's annual fixed remuneration at the gross amount of €950,000.

2.4.2.3.2 Supplementary social protection schemes

The Chairman of the Board is eligible for the same employee benefit scheme as the Company's senior executives.

Employer contributions to his employee benefit plans amounted to €2,905.65.

2.4.2.4 Pay ratios and annual changes in L'Oréal's remuneration, ratios and performance over five years [1]

	2021	2022	2023	2024	2025
Remuneration of the Chief Executive Officer, Nicolas Hieronimus(€)	7,768,780[1]	10,395,600[2]	10,583,320[2]	9,985,840[2]	11,318,100[2]
Change/Y-1	*Not disclosed*		*+1.81%*	*-5.65%*	*+13.34%*
L'Oréal company average ratio	77	99	84	76	83
Change/Y-1	*Not disclosed*	*+22 points*	*-15 points*	*-8 points*	*+7 points*
L'Oréal company median ratio	110	137	123	111	119
Change/Y-1	*Not disclosed*	*+17 points*	*-14 points*	*-12 points*	*+8 points*
Remuneration of the Chairman, Jean-Paul Agon(€)	1,600,000[3]	1,600,000	1,600,000	1,166,667	950,000
Change/Y-1	*Not disclosed*	*0%*	*0%*	*-27.08%*	*-18.57%*
L'Oréal company average ratio					
Change/Y-1	16	15	13	9	7
Change/Y-1	*Not disclosed*	*-1 point*	*-2 points*	*-4 points*	*-2 points*
L'Oréal company median ratio *Change/Y-1*	23	21	19	13	10
Change/Y-1	*Not disclosed*	*-2 points*	*-2 points*	*-6 points*	*-3 points*
L'Oréal company average remuneration (€)	100,694	104,848	126,323	131,124	136,196
Change/Y-1	*-4.01%*	*+4.13%*	*Not comparable*[4]	*Not comparable*[4]	*+3.87%*
L'Oréal company median remuneration (€)	70,729	75,878	85,880	90,084	95,323
Change/Y-1	*-2.06%*	*+7.28%*	*Not comparable*[4]	*Not comparable*[4]	*+5.82%*
Group sales (€m)	32,287.6	38,260.6	41,182.5	43,486.8	44,052.0
Change/Y-1 (like-for-like)	*+16.1%*	*+10.9%*	*+11%*	*+5.1%*	*+4%*
Group operating profit (€m)	6,160.3	7,456.9	8,143.3	8,687.5	8,891.9
Change/Y-1	*+18.3%*	*+21.0%*	*+9.2%*	*+6.7%*	*+2.4%*

(1) The remuneration of Nicolas Hieronimus, Chief Executive Officer from 1 May 2021, comprises a fixed remuneration component expressed on an annual basis and a performance share grant. For the record, no annual variable remuneration was paid to Nicolas Hieronimus in 2021, as his position of Corporate Officer took effect on 1 May 2021.

(2) Nicolas Hieronimus' annual remuneration consists of fixed remuneration, variable remuneration paid in April year Y for financial year Y-1 (expressed on an annual basis for 2022), and a performance share grant.

(3) The remuneration of Jean-Paul Agon, Chairman of the Board from 1 May 2021, comprises a fixed remuneration component expressed on an annual basis.

(4) Given the changes to L'Oréal's organisational structure in France (the transfer in 2023 and 2024 of certain L'Oréal SA activities to subsidies), a proportion of the L'Oréal SA workforce has been transferred to new entities, making the comparison of median and average remuneration for 2022/2023 and 2023/2024 non-meaningful.

(1) Pay ratios by geographic Region are provided in chapter 4, calculated using a different method than that recommended by the AFEP because the method used meets the requirements of the Corporate Sustainability Reporting Directive (CSRD).

Methodology used for calculating ratios

Pursuant to Article L. 22-10-9 of the French Commercial Code, for the calculation of average and median remuneration, the scope used is that of L'Oréal SA, which comprises 6,485 employees as at 31 December 2025[1] (i.e., 41.4% of the L'Oréal workforce in France), 5,352 of whom are managers, 1,107 are supervisors and 26 are administrative staff and workers.

For reasons of comparability, and in accordance with the recommendations of AFEP, the number of employees selected for the calculation of average and median remuneration corresponds to a full-time equivalent workforce continuously present over 24 months, excluding corporate officers. Remuneration is calculated on the basis of all amounts paid and performance shares granted during the financial year in question.

The components of executive remuneration used in the calculation are:

- the annual fixed remuneration paid in 2025 (on an annual basis);
- the annual variable remuneration paid in 2025 (on an annual basis);
- the performance shares valued on the grant date in 2025 in accordance with the IFRS as in the preparation of the consolidated financial statements.

The elements composing employee remuneration used in the calculation are:

- annual fixed remuneration paid in 2025;
- annual variable remuneration paid in 2025;
- other components of annual remuneration paid in 2025;
- the performance shares granted in 2025 valued in accordance with the IFRS applied for the preparation of the consolidated financial statements;
- the gross amounts paid under profit-sharing and incentives plans in 2025.

Pay ratios by geographic Region are provided in chapter 4, calculated using a different method than that recommended by the AFEP because the method used meets the requirements of the Corporate Sustainability Reporting Directive (CSRD).

2.4.3 Termination indemnities and supplementary pension scheme applicable to corporate officers

The termination indemnities and supplementary pension scheme for which L'Oréal's corporate officers may be eligible, provided they are former senior executives of the company with more than 15 years of service, are not related to their positions as corporate officers, but could be due under the suspended employment contract.

Therefore, they are not subject to the approval of the General Meeting of 24 April 2026 under the 15th resolution.

Shareholders approved the agreement suspending the executive corporate officer's employment contract at the General Meeting of 20 April 2021.

2.4.3.1 Maintenance of the employment contract and separation of the benefits attached to the corporate office and the employment contract

The AFEP-MEDEF Code, which L'Oréal uses as the corporate governance code of reference, recommends, but does not enforce, that companies should cease combining employment contracts with a corporate office.

L'Oréal's Board of Directors has the same objective as this recommendation, which aims at avoiding benefits being simultaneously obtained from both the employment contract and the corporate office, and at preventing any interference with the removal of executive corporate officers *ad nutum*. The Board of Directors has formally provided for application of the objectives of the recommendation, in a way that is adapted to the L'Oréal Groupe's situation.

The Board's intention is to use the treatment set out below for any new corporate officer appointed who has over 15 years of service in the Group at the time of his or her appointment.

As L'Oréal's ongoing policy is to appoint employees who have been very successful in the various stages of their careers in the Group as executive corporate officers, the Board does not want these executives to be deprived of the benefits to which they would have continued to be entitled had they remained employees, after spending many years of their career at L'Oréal.

The Board of Directors has considered that the objective of the AFEP-MEDEF Code's recommendations could be fully achieved by maintaining the suspension of the employment contract and clearly separating the benefits related to the corporate office from those relating to the employment contract.

Remuneration in respect of the corporate office will in no event be taken into consideration in the calculation of benefits that may be due under the employment contract.

The reference remuneration to be taken into account for all rights attached to the employment contract, in particular, for the calculation of the pension under the defined benefit scheme is based on the amount of remuneration at the date of suspension of the employment contract. This reference remuneration is revised annually by applying the revaluation coefficient in respect of salaries and pension contributions published by the French state pension fund (Caisse Nationale d'Assurance Vieillesse). The seniority applied will cover the entire career within the Group, including the years spent as an executive corporate officer.

(1) *It is reminded that, with effect from 1 July 2023, L'Oréal transferred certain activities to the L'Oréal France and L'Oréal International Distribution, as approved by the General Meeting of 21 April 2023 in its 19th and 20th resolutions. Following these operations, the employees involved in the activities transferred to L'Oréal France and L'Oréal LID became employees of the companies L'Oréal France and L'Oréal LID. See section 1.1.4.*

2.4.3.2 Dismissal, termination or retirement indemnities, financial consideration for the non-competition clause

In the event of termination of the suspended employment contract during the exercise of the term of corporate office, and depending on the reasons for such termination, the executive corporate officer would only be paid termination indemnities, except in the event of gross misconduct or gross negligence, or retirement indemnities in the event of voluntary retirement or retirement at the Company's request pursuant to the suspended employment contract excluding any indemnity due in respect of the corporate office.

These indemnities, which are attached solely to termination of the employment contract and in strict application of the National Collective Bargaining Agreement for the Chemical Industries (*Convention Collective Nationale des Industries Chimiques*) and the company-level agreements applicable to all L'Oréal managers, are automatically due pursuant to the public policy rules of French labour law. They are not subject to any condition other than those provided for by the National Collective Bargaining Agreement for the Chemical Industries or the above-mentioned company-level agreements.

In the event of termination of the employment contract, financial consideration for the non-compete clause would be paid under the terms of said contract, pursuant to the provisions of the National Collective Bargaining Agreement for the Chemical Industries, unless the executive corporate officer were to be released from application of the clause. This clause does not apply in the event of voluntary retirement or compulsory retirement on the Company's initiative: no consideration for non-competition would be paid in such a situation.

2.4.3.3 Defined benefit pension scheme

Subject to completing their career within the Company, the executive corporate officer will benefit from one of the Group's defined benefit pension schemes for senior executives. This is the scheme of which they were a member in their capacity as an employee.

These defined benefit schemes were established by L'Oréal with the primary objective of attracting and retaining the Company's senior executives by guaranteeing them a defined level of retirement income.

The Group operates two types of defined benefit schemes:

- Schemes with non-vested rights, which are conditional on the member completing their career within the Company. These schemes fall within the scope of Article L. 137-11 of the French Social Security Code. They are now closed to new members and no additional benefits can accrue as of 31 December 2019 pursuant to French Ordinance no. 2019-697 of 3 July 2019 on supplementary occupational pension schemes which transposed into French law the European Directive of 16 April 2014.
- Schemes with vested rights, which are governed by Article L. 137-11-2 of the French Social Security Code and whose members include all senior executives appointed after the non-vested-rights scheme was closed to new members.

These schemes cover more than 500 current or retired L'Oréal's senior executives in France. They are funded by contributions paid to an insurer, which are deductible for corporate tax purposes and subject to an employer contribution provided for in Article L. 137-11, I-2° a) of the French Social Security Code for the non-vested-rights schemes (i.e., at a rate of 24%), or Article L. 137-11-2 for the vested-rights schemes (i.e., at a rate of 29.7%).

The precise amount of the pension annuity will only be calculated on the date when the member applies for all their retirement benefits. This timing is due to the legal characteristics of non-vested rights schemes – the rights only vest if the member completes their career within the Company and the funding cannot be individualised by member – and the specific characteristics of L'Oréal's so-called "differential" then "additive" schemes which take into account, in order to supplement them, all the other pensions such as those resulting from the French basic and supplementary pension schemes or changes in the annual social security ceiling.

2.4.3.4 Application of the related-party agreements scheme

The above provisions are subject to the procedure for related-party agreements.

For Nicolas Hieronimus, an agreement suspending his employment contract was approved by the General Meeting of 20 April 2021 (15th resolution). This mechanism is restated every year in the present chapter and in the Statutory Auditors' special report on related-party agreements.

2.4.3.5 Situation of Nicolas Hieronimus

The Board of Directors at its meeting of 20 April 2021 appointed Nicolas Hieronimus, the then Deputy Chief Executive Officer in charge of Divisions, and an employee of L'Oréal, as Chief Executive Officer following a brilliant career spanning 34 years within L'Oréal. The Board of Directors did not wish for Nicolas Hieronimus, by accepting the role of Chief Executive Officer, to lose (at the age of 57 and after 34 years with L'Oréal) the benefits to which he would have continued to be entitled had he remained an employee. Therefore, the Board adopted the following measures, which were approved by the General Meeting of 20 April 2021 as part of the procedure for related-party agreements:

1. Maintenance of the employment contract and separation of the benefits attached to the corporate office and the employment contract

The reference remuneration of Nicolas Hieronimus to be taken into account for all rights attached to the employment contract and, in particular, for the calculation of the pension under the defined-benefit scheme described below, is based on his remuneration at the date of suspension of his employment contract. This reference remuneration is €1,750,000 of fixed remuneration and €1,850,000 of variable remuneration. This remuneration will be revised annually by applying the revaluation coefficient in respect of salaries and pension contributions published by the French state pension fund (Caisse Nationale d'Assurance Vieillesse). As at 1 January 2026, it was €2,013,358 for fixed remuneration and €2,128,406 for variable remuneration.

The seniority applied covers his entire career within the Group, including the years spent as an executive corporate officer.

2. Dismissal, termination or retirement indemnities, financial consideration for the non-competition clause

In the event of termination of his suspended employment contract during the exercise of the term of corporate office, and depending on the reasons for such termination, Nicolas Hieronimus would only be paid termination indemnities, except in the event of gross misconduct or gross negligence, or retirement indemnities in the event of voluntary retirement or at the Company's request pursuant to the suspended employment contract.

These indemnities, which are attached solely to termination of the employment contract and in strict application of the National Collective Bargaining Agreement for the Chemical Industries (*Convention Collective Nationale des Industries Chimiques*) and the company-level agreements applicable to all L'Oréal managers, are automatically due pursuant to the public policy rules of French labour law. They are not subject to any condition other than those provided for by the National Collective Bargaining Agreement for the Chemical Industries or the above-mentioned Company-level agreements. The same applies to the non-compete clause and the related financial consideration.

Pursuant to the scale of indemnities under the National Collective Bargaining Agreement for the Chemical Industries, in the event of dismissal, except in the event of gross misconduct or gross negligence, the indemnity would be capped, in light of Nicolas Hieronimus' length of service, at 20 months' remuneration under the suspended employment contract.

In respect of the employment contract, pursuant to the provisions of the National Collective Bargaining Agreement for the Chemical Industries and in the event of termination of the employment contract, the indemnity due in consideration of the non-compete clause would be payable monthly for two years on the basis of two thirds of the monthly fixed remuneration attached to the suspended employment contract unless Nicolas Hieronimus were to be released from application of the clause. This clause does not apply in the event of voluntary retirement or compulsory retirement on the Company's initiative: no consideration for non-competition would be paid in such a situation.

In accordance with the AFEP-MEDEF Code, the aggregate amount of the contractual severance payment and the non-compete indemnity that would be due to Nicolas Hieronimus if his employment contract were terminated for any reason other than gross misconduct or gross negligence, would not exceed a sum equivalent to 24 months of his annual fixed and annual variable remuneration.

3. Defined benefit pension scheme

Nicolas Hieronimus will continue to benefit, under his suspended employment contract during the exercise of the corporate office, from a defined benefit pension scheme with non-vested rights, and not with vested rights.

This is the Retirement Income Guarantee for Former Senior Executives scheme (*Garantie de Ressources des Retraités Anciens Cadres Dirigeants*), which has been closed to new members effective from 31 December 2015. This is a non-vested rights scheme, therefore Nicolas Hieronimus will only be eligible for the amounts accrued if he stays with the Company until the end of his career.

The income guarantee is calculated on the basis of the number of years of professional service in the Company up to 31 December 2019, up to a limit of 25 years. Generally, after 31 December 2019, no new rights are granted under this scheme, pursuant to French Order no. 2019-697 of 3 July 2019 concerning supplementary professional pension schemes, which stipulated the closure of all defined benefit schemes governed by Article L. 137-11 of the French Social Security Code.

The main features of this scheme are as follows:

- around 300 senior executives (active or retired) are concerned;
- the minimum length of service requirement was 10 years at the time of closure of the scheme on 31 December 2015;
- the calculation base is the average of the annual remuneration[1] for the best three years out of the seven calendar years prior to the end of the executive's career at L'Oréal;
- the income guarantee is calculated on the basis of the number of years of service with the Company until 31 December 2019, capped at 25 years, with each year leading to a progressive and regular increase of 1.8% in the level of the guarantee. The pension cannot exceed 50% of the calculation base or exceed the average of the fixed part of wages;
- the guarantee is financed by contributions paid to an insurance institution. These contributions are deductible from corporate income tax and are subject to the employer's contribution as provided for in Article L. 137-11, I-2° a) of the French Social Security Code at a rate of 24%.

The pension rights of Nicolas Hieronimus are no longer likely to change insofar as he has more than 25 years of service, the ceiling above which no additional annuity is granted under this scheme. For information purposes, the gross estimated pension amount to be paid to Nicolas Hieronimus after 38 years of service within L'Oréal, under L'Oréal's Retirement Income Guarantee for Former Senior Executives scheme (*Garantie de Ressources des Retraités Anciens Cadres Dirigeants*), had he been able to liquidate on 31 December 2025 his full-rate pension rights under French Social Security, would represent €1.72 million.

This information is given as an indication after estimating the main pension rights accrued by Nicolas Hieronimus as a result of his professional activities, according to the rules for payment of such pensions in force at 31 December 2025, which may be subject to change. The amount of the pension paid to Nicolas Hieronimus under L'Oréal's income guarantee for senior executives (*Garantie de Ressources Dirigeants*) will only be calculated on the date when he applies for all his pensions.

As a reminder, the rights to the defined benefit pension are uncertain and conditional on the completion of the beneficiary's career in the Company. The financing of this scheme by L'Oréal cannot be broken down individually by employee.

(1) For the Chief Executive Officer, the calculation base is his reference remuneration as defined in section 2.4.3.5, point 1.

4. AMF summary table

The table set out below, presented in the form recommended by the French Financial Markets Authority (AMF), clearly shows that there are no concurrent benefits under the suspended employment contract and the corporate office. It is also stated that the AMF considers that a company complies with the AFEP-MEDEF Code when it explains the maintenance of the employment contract of a corporate officer as an employee in the Company and his or her personal situation and provides detailed substantiation in this respect[1].

	Employment contract		Supplementary pension scheme		Indemnities or benefits due or which may become due as a result of termination or change of duties		Indemnities relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jean-Paul Agon Chairman of the Board		X		X		X		X
Nicolas Hieronimus Chief Executive Officer	X[1]		X[2]			X[3]	X[4]	

(1) Nicolas Hieronimus has been a Director since 20 April 2021, and has served as Chief Executive Officer since 1 May 2021. Nicolas Hieronimus' employment contract is suspended for the entire length of his executive corporate office. This suspension was approved by the General Meeting on 20 April 2021.

(2) Nicolas Hieronimus belongs to a Retirement Income Guarantee for Former Senior Executives scheme (Garantie de Ressources des Retraités Anciens Cadres Dirigeants), which is detailed in section 2.4.3.5. This defined benefit pension scheme makes the grant of benefits conditional on the beneficiary finishing his/her career in the company; L'Oréal does not finance them on an individual basis per employee.

(3) No indemnity is due for termination of the corporate office. Under the employment contract, pursuant to the schedule of indemnities of the French National Collective Bargaining Agreement for the Chemicals Industry, in the event of dismissal, except in the event of gross misconduct or gross negligence, the dismissal indemnity may not be greater than 20 months of the remuneration payable under the employment contract (see section 2.4.3.4 on the cumulative amount of the contractual indemnity and the indemnity due in consideration of the non-compete clause).

(4) In respect of the employment contract, pursuant to the provisions of the National Collective Bargaining Agreement for the Chemical Industries, in the event of termination of the employment contract (excluding voluntary or compulsory retirement), the indemnity due in consideration of the non-compete clause would be payable every month for two years on the basis of two thirds of the monthly fixed remuneration related to the employment contract unless the executive corporate officer were to be released from application of the clause (see section 2.4.3.4 on the accumulated amount of the convention indemnity and the indemnity due in consideration of the non-compete clause).

2.4.4 Summary table of the remuneration of Jean-Paul Agon, Chairman of the Board of Directors

	2025		2024	
In €	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	950,000	950,000	1,166,667	1,166,667
Annual variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration for term of office as a Director	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	**950,000**	**950,000**	**1,166,667**	**1,166,667**

SUMMARY TABLE OF REMUNERATION AND PERFORMANCE SHARES GRANTED TO JEAN-PAUL AGON, CHAIRMAN OF THE BOARD OF DIRECTORS

In €	2025	2024
Remuneration due in respect of the financial year	950,000	1,166,667
Value of performance shares granted during the financial year	N/A	N/A
TOTAL	**950,000**	**1,166,667**

HISTORY OF THE STOCK OPTIONS GRANTED TO JEAN-PAUL AGON SINCE HIS APPOINTMENT AS A CORPORATE OFFICER THAT CAN STILL BE EXERCISED AT 31 DECEMBER 2025

N/A.

TABLE OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED BY JEAN-PAUL DURING FINANCIAL YEAR 2025

N/A.

(1) AMF, Recommendation no. 2012-02, last updated on 14 December 2023.

HISTORY OF CONDITIONAL GRANTS OF SHARES (ACAS) TO JEAN-PAUL AGON SINCE HIS APPOINTMENT AS A CORPORATE OFFICER

Grant date	Number of ACAs granted	Performance conditions[3]	Grant value (IFRS fair value)	Date of full vesting of all or part of the ACAs	Number of fully vested shares	First possible date of sale of a portion of these[4]
17 April 2012[1]	50,000	Yes	3,853,500	18 April 2016	50,000	18 April 2018
26 April 2013[1]	40,000	Yes	4,494,800	27 April 2017	40,000	27 April 2019
17 April 2014[1]	40,000	Yes	4,183,200	18 April 2018	40,000	18 April 2020
22 April 2015[1]	32,000	Yes	5,167,680	23 April 2019	26,432	23 April 2021
20 April 2016[2]	32,000	Yes	4,938,240	21 April 2020	32,000	21 April 2020
20 April 2017[2]	32,000	Yes	5,340,800	21 April 2021	26,544	21 April 2021
17 April 2018[2]	30,000	Yes	5,285,100	18 April 2022	30,000	18 April 2022
18 April 2019[2]	24,000	Yes	5,430,000	19 April 2023	24,000	19 April 2023

(1) At the end of the vesting period, Jean-Paul Agon, as a French resident on the date of granting the shares, is required to hold the fully vested shares for an additional two-year period during which the shares may not be transferred.
(2) The 20 April 2016, 20 April 2017, 17 April 2018 and 18 April 2019 Plans set a four-year vesting period, without any holding period.
(3) See the performance conditions described in chapter 7 of this document.
(4) Jean-Paul Agon, as corporate officer, shall retain 50% of the fully vested shares in registered form until the termination of his duties. Jean-Paul Agon has undertaken not to enter into any hedging transactions.

At 31 December 2025, none of the shares granted to Jean-Paul Agon under ACAs Plans were still in their vesting period, because at that date the vesting periods of all the shares granted to him under ACAs Plans in the past had expired.

TABLE OF PERFORMANCE SHARES THAT BECAME AVAILABLE DURING 2024 FOR JEAN-PAUL AGON

N/A.

2.4.5 Summary table of the remuneration of Nicolas Hieronimus, Chief Executive Officer

	2025		2024	
In €	Amounts allocated	Amounts paid	Amounts allocated	Amounts paid
Fixed remuneration	2,300,000	2,300,000	2,000,000	2,000,000
Annual variable remuneration	2,762,000	2,048,500	2,048,500	2,250,000
Exceptional remuneration	-	-	-	-
Remuneration for term of office as a Director	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	**5,062,000**	**4,348,500**	**4,048,500**	**4,250,000**

SUMMARY TABLE OF REMUNERATION AND PERFORMANCE SHARES AWARDED TO NICOLAS HIERONIMUS, CHIEF EXECUTIVE OFFICER

In €	2025	2024
Remuneration due in respect of the financial year	5,062,000	4,048,500
Value of performance shares granted during the financial year	6,969,600	5,735,840
TOTAL	**12,031,600**	**9,784,340**

HISTORY OF THE STOCK OPTIONS GRANTED TO NICOLAS HIERONIMUS SINCE HIS APPOINTMENT AS A CORPORATE OFFICER THAT CAN STILL BE EXERCISED AT 31 DECEMBER 2025

N/A.

TABLE OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED BY NICOLAS HIERONIMUS DURING FINANCIAL YEAR 2025

N/A.

HISTORY OF CONDITIONAL GRANTS OF SHARES (ACAS) TO NICOLAS HIERONIMUS SINCE HIS APPOINTMENT AS A CORPORATE OFFICER

Grant date	Number of ACAs granted	Performance conditions[1]	Grant value (IFRS fair value)	Date of full vesting of all or part of the ACAs	Number of fully vested shares	First possible date of sale of a portion of these[2]
7 October 2021	17,000	Yes	5,768,780	8 October 2025	17,000[3]	08 October 2025
13 October 2022	20,000	Yes	6,066,600	14 October 2026	N/A	14 October 2026
13 October 2023	17,000	Yes	6,323,320	14 October 2027	N/A	14 October 2027
10 October 2024	16,000	Yes	5,735,840	11 October 2028	N/A	11 October 2028
10 October 2025	20,000	Yes	6,969,600	11 October 2029	N/A	11 October 2029[4]

(1) See the performance conditions described in chapter 7 of this document.
(2) Nicolas Hieronimus, as a corporate officer, shall retain 50% of the fully vested shares in registered form until the end of his term of corporate office. Nicolas Hieronimus has undertaken not to enter into any hedging transactions.
(3) Details of the achievement of the performance conditions and a reminder of the conditions of the plan are disclosed in section 7.4.3.5.
(4) Nicolas Hieronimus, as a corporate officer, is required to hold 50% of the vested shares in registered form for a period of two years, including if his corporate office ends before the expiry of that period.

TABLE OF PERFORMANCE SHARES THAT BECAME AVAILABLE DURING 2025 FOR NICOLAS HIERONIMUS

Grant date	Number of fully vested shares	Grant value (IFRS fair value)	Date of full vesting of all or part of the ACAs	Number of fully vested shares	First possible date of sale of a portion of these
7 October 2021	17,000	5,768,780	8 October 2025	17,000[1]	8 October 2025[2]

(1) Details of the achievement of the performance conditions and a reminder of the conditions of the plan are disclosed in section 7.4.3.5.
(2) Nicolas Hieronimus, as a corporate officer, shall retain 50% of the fully vested shares in registered form until the end of his term of corporate office. Nicolas Hieronimus has undertaken not to enter into any hedging transactions.

2.5 Summary table of AFEP-MEDEF Code recommendations that are not applied

AFEP-MEDEF Code recommendations	L'Oréal's practices and justifications
Committee composition: proportion of independent members of the Committees (sections 17.1 and 18.1 of the AFEP-MEDEF Code)	
The Appointments or Nomination Committee and the Remuneration Committee should comprise a majority of independent Directors.	At 31 December 2025, the Nominations and Governance Committee comprised 50% independent Directors. The Committee is chaired by Patrice Caine, an independent Director. The composition of the Nominations and Governance Committee (i) reflects the balance of the Board of Directors' composition, in particular the composition of Directors from or related to long-term shareholders, and (ii) contributes to the effectiveness of this Committee's work. All of the members of the Nominations and Governance Committee participate in its work, and there is a strong sense of commitment and total freedom of judgement within the Committee. The composition of this Committee, and in particular the proportion of independent Directors, is reviewed annually to ensure optimal governance in the best interests of all shareholders and taking into account L'Oréal's specific characteristics. France's Haut Comité de Gouvernement d'entreprise[1] states in its Implementation Guidance (revised version of 2025) that, provided the recommendations that have not been applied and the corresponding explanations are disclosed, "when the Chairman of the committee is independent, the presence of 50% independent directors instead of a majority is a relevant explanation justifying a departure from the Code's recommendation".

(1) Pursuant to Article 28.2 of the AFEP-MEDEF Code, the Haut Comité de Gouvernement d'entreprise is responsible for monitoring and applying the Code, and in particular for ensuring that the fundamental rule of corporate governance – the "Comply or Explain" principle – is properly applied.

AFEP-MEDEF Code recommendations	L'Oréal's practices and justifications
Employment contract of the corporate officer (sections 23 and 25 of the AFEP-MEDEF Code)	
It is recommended, though not required, that when a senior executive becomes a corporate officer of the Company, his/her employment contract with the Company or another company of the Group should be terminated by agreed termination or by resignation. **When an agreement is reached, it is likely to include a clause authorising the Board to waive the application of this non-compete agreement at the time of the manager's departure. No non-compete remuneration may be paid beyond the age of 65.**	The Board of Directors considered that the objective of the AFEP-MEDEF Code's recommendations could be fully achieved by maintaining the suspension of the employment contract and clearly separating the benefits related to the employment contract from those tied to corporate office. This position of the Board applies to the current office of Nicolas Hieronimus as Chief Executive Officer and, in the future, to any new executive officer appointed who has over 15 years of service in the Group at the time of appointment. L'Oréal's ongoing policy has been to appoint employees who have been very successful in the various stages of their career in the Group as corporate officers. This is reflected in Nicolas Hieronimus' appointment as Chief Executive Officer from 1 May 2021, after a very successful career in the Group over the previous 34 years. The Board of Directors noted that if, in accordance with the AFEP-MEDEF recommendation, his employment contract with L'Oréal were to be terminated, Nicolas Hieronimus would lose the status he acquired as a result of the 34 years he spent working for the Group as an employee. The French Financial Markets Authority (AMF), in its Recommendation 2012-02 last updated on 14 December 2023, considers that a senior executive's length of service as a company employee and their personal situation may justify maintaining their employment contract if the company provides explanations adapted to the individual situation of each executive (length of service and description of the benefits granted under the employment contract). In respect of the employment contract, pursuant to the provisions of the National Collective Bargaining Agreement for the Chemical Industries and in the event of termination of the employment contract, the indemnity due in consideration of the non-compete clause would be payable monthly for two years on the basis of two thirds of the monthly fixed remuneration attached to the suspended employment contract unless Hieronimus were to be released from application of the clause. This clause does not apply in the event of voluntary retirement or compulsory retirement on the Company's initiative: no consideration for non-competition would be paid in such a situation.

2.6 Summary statement of trading by Directors and corporate officers in L'Oréal shares in 2025

(Article 223-26 of the General Regulation of the French Financial Markets Authority)

Person concerned	Description of the financial instrument	Nature of transaction	Number of shares	Unit price *(in €)*
Nicolas Hieronimus, Chief Executive Officer	Shares	Full vesting of free shares granted subject to performance conditions (ACAs)*	17,000	€0.00
	Shares	Sale	5,000	€376.19
	Shares	Sale	6,600	€373.92
Company (Prince Invest) related to Nicolas Hieronimus (Chief Executive Officer and a Director)	Shares	Sale	5,000	€376.53
Company (Galaxian Invest) related to Nicolas Hieronimus (Chief Executive Officer and a Director)	Shares	Sale	5,000	€376.53
Company (Nestlé) linked to Paul Bulcke and Béatrice Guillaume-Grabisch (Directors)	Shares	Internal reclassification within the Nestlé Group**	107,621,021	€381.05
Jacques Ripoll, Director	Shares	Acquisition	275	€341.75

* *Vesting, on 8 October 2025, of 17,000 performance shares (under the Performance Share Plan approved by the Board of Directors at its meeting on 7 October 2021), at a per-share price of €379.50, after the Board of Directors placed on record at its 6 February 2025 meeting that the performance conditions for the 2022, 2023 and 2024 financial years had been met.*

** *Intra-group acquisition by Nestlé Equity Holdings Limited (a subsidiary that is 36.7% owned by Société des Produits Nestlé SA, itself 100% owned by Nestlé SA and 63.3% owned by NTC-Europe SA, itself 100% owned by Société des Produits Nestlé SA) of all the L'Oréal shares previously held directly by Nestlé SA, as part of an internal reclassification within the Nestlé group. Following this transaction, Nestlé SA maintained its shareholding in L'Oréal both (i) on an individual basis due to assimilation as provided for under Article L. 233-9, I, 2° of the French Commercial Code, and (ii) in concert with Nestlé Equity Holdings Limited, Société des Produits Nestlé SA and NTC-Europe SA.*

2.7 Statutory Auditors' special report on related-party agreements

Annual General Meeting held to approve the financial statements for the year ended 31 December 2025

This is a translation into English of the statutory auditors' report on regulated agreements issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided for by the French Commercial Code and that the report does not apply to those related-party transactions described in IAS 24 or other equivalent accounting standards.

L'Oréal

Société anonyme

14, rue Royale

75008 Paris

To the Annual General Meeting of L'Oréal,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, if any. It is your responsibility, pursuant to Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R.225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the Annual General Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements submitted to the approval of the Annual General Meeting

Agreements authorized and entered into during the year

We hereby inform you that we have not been advised of any agreement authorized and entered into during the year to be submitted to the approval of the Annual General Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements previously approved by the Annual General Meeting

Previously approved agreements that remained in force during the year

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the following agreement, previously approved by Annual General Meetings of prior years, has remained in force during the year.

Agreement concerning the position of Nicolas Hieronimus, Chief Executive Officer of your Company

Nature and purpose

On 11 February 2021, your Board of Directors authorized an agreement to suspend the employment contract between your Company and Nicolas Hieronimus, former Deputy Chief Executive Officer and employee of your Company, who became the Company's Chief Executive Officer as of 1 May 2021, following the decision of the Board of Directors' meeting held at the close of the Annua General Meeting of 20 April 2021.

This agreement was entered into following the Board of Directors' meeting and became effective as of 1 May 2021.

Terms and conditions

- Suspension of Nicolas Hieronimus' employment contract during the term of his corporate office

In the event of termination of his suspended employment contract during his term of office, and depending on the reasons for such termination, Nicolas Hieronimus will only receive the severance pay (save for gross misconduct or gross negligence) or retirement indemnities in the event of voluntary retirement or retirement at the Company's request, payable under the employment contract that has been suspended. These indemnities, which are attached solely to termination of the employment contract and in strict application of the French collective bargaining agreement for the chemicals industry (*Convention collective nationale des industries chimiques*) and the company-level agreements applicable to all L'Oréal managers, are automatically due pursuant to the public policy rules of French labor law. They are not subject to any conditions other than those provided for by the collective bargaining agreement or the above-mentioned company-level agreements. The same applies to the non-compete clause and the related financial consideration.

Nicolas Hieronimus will continue to benefit, under his employment contract suspended for the term of his corporate office, from the "*Garantie de Ressources des Retraités Anciens Cadres Dirigeants*" (Retirement Income Guarantee for former senior managers) scheme, closed to new entrants as from 31 December 2015. Indemnities are calculated according to the number of years of professional activity within the Company as of 31 December 2019, up to a maximum of 25 years. In general, subsequent to 31 December 2019, no new entitlement is granted under this scheme pursuant to Order 2019-697 of 3 July 2019 on supplementary pension schemes, which provides for the closure of all defined-benefit schemes governed by Article L.137-11 of the French Social Security Code (*Code la sécurité sociale*). The main features of this scheme are described in Notes 2.4.3.3 and 2.4.3.5 of L'Oréal's 2024 Universal Registration Document. In this specific case, Nicolas Hieronimus reached the limit of 25 years' professional activity in the Group provided under the scheme in 2012 and therefore has not benefited from any new entitlement to supplementary annuities since such date.

Under his employment contract and in accordance with the French collective bargaining agreement for the chemicals industry, in the event of termination of the employment contract, the compensation under the non-compete clause would be payable monthly over two years based on two-thirds of the monthly fixed remuneration provided for in the suspended employment contract, unless Nicolas Hieronimus was released from the application of this clause. This clause is not applicable in the event of voluntary retirement or retirement at the Company's request and no non-compete compensation would be paid in this situation.

Under no circumstances shall the remuneration received for the corporate office be taken into consideration in calculating benefits likely to be payable under the above-mentioned employment contract.

- Terms and conditions relating to the suspension of Nicolas Hieronimus' employment contract
  - The reference remuneration to be taken into account for all entitlements attached to the employment contract and particularly the calculation of the aforementioned retirement benefits, will be based on the amount of remuneration at the date of suspension of the employment contract in 2021, namely, fixed remuneration of €1,750,000 and variable remuneration of €1,850,000. This reference remuneration will be revised annually by applying the revaluation coefficient for salaries and pension contributions published by the French state pension fund (*Caisse nationale d'assurance vieillesse*). As of 1 January 2026 it comprised a fixed portion of €2,013,358 and a variable portion of €2,128,406.
  - The length of service applied will cover his entire career within the Group, including his years as executive officer.
- The continued treatment of Nicolas Hieronimus as a senior manager throughout the term of his corporate office would allow him to benefit from the additional social protection schemes, including the defined-contribution pension scheme and employee benefit and healthcare schemes applicable to the Company's employees. This information is contained in the remuneration policy submitted for approval to the Annual General Meeting of 24 April 2026.

A Paris-La Défense, 9 March 2026

The Statutory Auditors

Deloitte & Associés	ERNST & YOUNG Audit
David Dupont-Noel	Céline Eydieu-Boutte

Risk factors and risk management AFR

3

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AFR *This information is an integral part of the Annual Financial Report.*
CSRD *Sections containing information from the Sustainability Report.*

This chapter is based on the work carried out by the Group's Internal Control and Risk Management departments. It presents L'Oréal's internal control environment, including the system for the preparation and processing of financial, accounting and sustainability information. It describes the risk factors pursuant to Regulation (EU) 2017/1129 of 14 June 2017 ("Prospectus Regulation III"), as well as the associated risk management policy. These risks are presented in four categories: (i) business risks, (ii) industrial and environmental risks, (iii) legal and regulatory risks, (iv) financial and market risks. The Vigilance Plan[1] is also included in this chapter.

3.1 Definition and objectives of Internal Control

3.1.1 Reference framework

For the purposes of preparing this Document and defining Internal Control, L'Oréal has used the Reference Framework and its application guide published by the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) in January 2007 and updated on 22 July 2010.

3.1.2 Internal Control to prevent and manage risks

At L'Oréal, Internal Control is a system that applies to the Company and its consolidated subsidiaries (the "Group"), which aims at ensuring that:

- economic and financial targets are achieved in compliance with the laws and regulations in force and the Group's Ethical Principles and standards;
- the orientations set by General Management are followed;
- the Group's assets and reputation are valued and protected; and
- the Group's financial and accounting information is reliable and provides a true and fair view.

By contributing to preventing and managing risks, the Internal Control system promotes steady and sustainable industrial and economic development groupwide within a control environment that is appropriate for the Group's businesses. However, any system or process has its limitations. These result from a number of factors, including external uncertainties and malfunctions due to human or technical error.

Risk management should be based in particular on a reasonable, informed choice between the challenges to be controlled, the opportunities to be seized, the cost of risk management measures, and their effects on the occurrence and impact of the risk.

3.1.3 Continuous improvement process for the Internal Control system

In 2025, the Group maintained its efforts to improve the Internal Control system by:

- continuing to adjust the Group matrix for the separation of tasks and the associated control environment;
- providing new operational guides to remind employees of the Group's principles and encourage the sharing of best practices;
- regularly adapting the reference frameworks to address new challenges;
- updating the Fundamentals of Internal Control digital library;
- updating the Group's digital reference framework; and
- updating the fraud risk awareness programme.

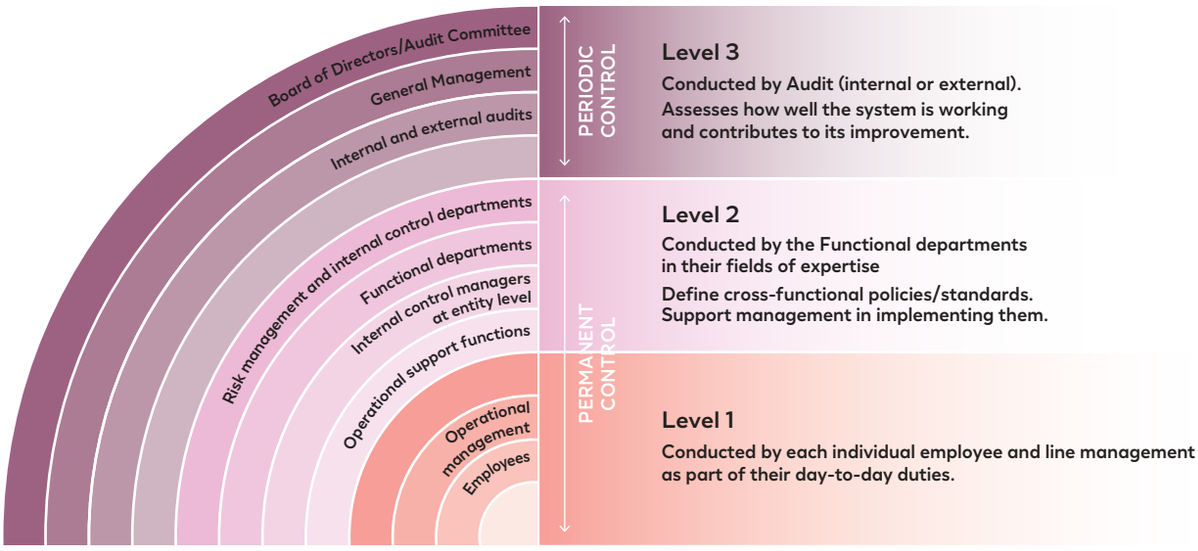
Online training courses (anti-corruption, data security, competition, cybersecurity, personal data protection) continue to be rolled out.

The network of Internal Control managers was further strengthened worldwide through:

- compulsory training for onboarding Internal Control managers;
- specific training courses for each business line, to present the risks and associated control framework;
- webchats for sharing updates on Group projects and business standards; and
- a network of Region Internal Control managers and officers in each function and business segment.

(1) *Drawn up pursuant to Article L. 225-102-4 of the French Commercial Code.*

The governance structure for the Internal Control system applies to all of the Group's activities and is based on the three levels of control shown in the diagram below:



3.2 Internal Control, risk management system and tax policy

3.2.1 Organisation and control environment[(1)] CSRD

The control environment is critical to the Internal Control system. It ensures that risks are managed properly and that appropriate procedures are effectively implemented. It is based on behaviours, the organisational structure and employees.

3.2.1.1 Framework

At L'Oréal, the control environment forms part of a culture of rigour and commitment modelled by senior executives in line with the Group's strategic choices. It also complies with local regulations – both general regulations and regulations more specific to the Group's products – and with the standards set by the Group, particularly in terms of ethics.

3.2.1.1.1 Ethics, CSR and Human Relations policies

The Group's Ethical Principles

L'Oréal's development and reputation are built on strong Ethical Principles: Integrity, Respect, Courage and Transparency. The Group's policies on sustainability, social and societal responsibility, compliance and corporate philanthropy are based on these Ethical Principles.

L'Oréal's Code of Ethics is available in 30 languages and as an audiobook in English and French. It was completely overhauled and expanded in 2023. The Code of Ethics is distributed to all employees around the world. It uses simple rules and concrete examples to explain how employees can apply these Ethical Principles in their behaviours and actions.

The Code of Ethics applies to all employees, directors and corporate officers, as well as members of the Executive and Management Committees.

Chief Ethics, Risk and Internal Control Officer

The Chief Ethics, Risk and Internal Control Officer reports directly to the Chief Executive Officer and keeps him informed on a regular basis. The Chief Ethics, Risk and Internal Control Officer regularly updates the Board of Directors and the Executive Committee. Regarding Ethics, she is responsible for:

- promoting and embedding best practices within the Group by informing ethical decision-making;
- overseeing employee training;
- overseeing the management of alerts and directly managing those related to General Management positions; and
- measuring and assessing the Company's ethical performance.

She has a dedicated budget and team, and unrestricted access to all information about the Group's business activities. She can call on any of the Group's teams and resources to support her work.

(1) *This section incorporates by reference the information required by the CSRD (G1 GOV-1) for the Sustainability Report (section 4.13.2.1).*

L'Oréal's Ethics and Human Rights approach and stakeholders

Country Managers (or, for Corporate or Region staff, the members of the Group's Executive Committee to whom they report) are responsible for ensuring compliance with the Code of Ethics. The Chief Ethics, Risk and Internal Control Officer systematically meets each new Country Manager and the Group's senior executives to provide guidance about their role. Senior executives also benefit from a tool to help develop their ethics leadership as well as specific training courses.

The 80 Ethics Correspondents throughout the world assist members of the Executive Committee and Country Managers to implement the ethics programme. Led by the Group Ethics team, they act as a local point of contact for all employees.

The Chief Corporate Responsibility Officer, who is also a member of the Executive Committee, oversees the respect of Human Rights and Fundamental Freedoms in the Group.

Human Rights risks are mapped and regularly updated, including for suppliers and subcontractors (see section 3.6.3).

An annual reporting system is used to monitor the implementation of the Ethics and Human Rights programme. The Ethics, Risk and Internal Control Department informs subsidiaries of any areas for improvement. Ethics risks are systematically reviewed during audit assignments, through individual interviews conducted separately with the Country Manager and the Finance Director.

For prospective acquisitions, the Ethics and Human Rights questionnaire is used to help determine whether the target company takes account of risks, particularly those related to business ethics.

A specific and compulsory e-learning course on ethics is available for all Group employees. It was updated in 2023 following publication of the new Code of Ethics. As at 31 December 2025, 84% of the relevant employees had completed it. The Ethics, Risk and Internal Control Department also provides face-to-face training as part of ongoing training for managers and certain business lines (Buyers and Human Relations).

The evaluation of the overall performance of employees, and more specifically managers, takes into account compliance with the Code of Ethics and Ethical Principles. Regular communication with stakeholders and the setting up of internal working groups help to incorporate Ethics into new policies and strategic decisions.

A whistleblowing system, Speak Up (www.lorealspeakup.com), is available to all Group stakeholders, as well as a procedure for collecting and processing reports, which are used to manage any violations.

In 2025, 858 potential ethical violations were identified either via the secure platform, or via the Ethics Correspondents and local or international management. Reported cases are thoroughly examined, followed by appropriate measures where applicable[1]. The global number of reports of discrimination, harassment (including sexual harassment) and corruption received at Group level worldwide is notified to employees on a regular basis, as is the number of fully or partially substantiated cases and the corrective measures taken. These elements are also included in the presentation of the Group's Ethics Policy to the Board of Directors.

Annual Ethics Day

The Group has held an Ethics Day since 2009. During this online event hosted by the Chief Executive Officer, Group employees can ask questions, anonymously if they wish, and discuss the day-to-day application of the Ethical Principles. Each member of the Executive Committee and each Country Manager also organises local ethics discussions. In 2025, 60 such sessions were held, with over 30,000 people logging on and more than 4,700 questions received from across the globe, underlining employees' strong commitment to this subject. Employees also receive regular information about the Group's Ethics policy and have access to a dedicated Intranet site.

Corporate Social Responsibility at L'Oréal

L'Oréal's Corporate Social Responsibility (CSR) policy is mainly rolled out through its "L'Oréal for the Future" sustainability programme.

In this context, the Group has developed a governance structure (see section 4.1) that notably includes worldwide Sustainability Leaders. They are tasked with helping the Country, Region, Division and Brand Managers to implement the sustainability programme within their entities. The progress of local implementation of the Group's objectives is monitored by means of an annual reporting system.

Internal Audit regularly reviews sustainability risks, as well as the extent to which any policies adopted to address such risks have progressed. The results are then reported to the Audit Committee.

Since 2019, in collaboration with the Ethics, Risk and Internal Control Department, L'Oréal's Corporate Responsibility Department has conducted a deeper assessment of the risks associated with climate change and nature related to the Group's operations, referencing in particular the scenario analysis method. This was with a view to the departments improving their ability to anticipate and mitigate the impact of these risks. In addition to this risk assessment, and to meet its obligations under the Corporate Social Responsibility Directive (CSRD) as from 2024, the Group also conducts a double materiality assessment covering all CSR matters. These assessments allow the Group to precisely map the impacts, risks and opportunities in the various areas. Financial risks related to all CSR topics, and particularly climate change, along with the Group's measures to reduce those risks, are described in chapter 4.

Human Resources policy

The talent and skills of the women and men employed by the Group are of paramount importance to L'Oréal. L'Oréal's Human Relations (HR) Department has always strived to support the Group's growth and transformation initiatives. L'Oréal's lasting growth depends first and foremost on the women and men in the Company, who are the key drivers of the Group's success. Built on this conviction, the Group's approach as an employer is based on individualised management of employees and on collective strength.

(1) For more details, see section 3.6.7.1.

L'Oréal's HR policy spans from identifying talent to recruiting employees and helping them develop throughout their career. It focuses on rewarding and empowering everyone and integrates a proactive policy on diversity, equity and inclusion. Dedicated policies are developed within the Group in each of these areas (see section 4.7)[1].

3.2.1.1.2 Tools and processes

Procedures and standards applicable to the activities

A framework for the separation of tasks is regularly updated and distributed to all entities. It defines the main rules for sales, purchasing, logistics, finance, human resources and information systems management. The application of these rules prevents the risks of fraud and reduces the probability that errors (whether intentional or not) remain undetected.

Each Functional Department defines, in its own specific field, the principles and standards applicable to the entities it manages. These are summarised in the Fundamentals of Internal Control, which set out guidelines that are regularly updated under the responsibility of the Ethics, Risk and Internal Control Department and are designed to facilitate adoption by employees. This document provides a reference framework for the Group. It covers operational activities in the form of an information sheet for each area of activity. Each information sheet refers to the detailed charters, codes and standards of the Group. The sheets are regularly updated, expanded and validated by the Functional Departments.

Communication of information inside the Group

The Fundamentals of Internal Control Guidelines are sent to the Chief Executive Officers, Chief Financial Officers and Internal Control Managers of all the consolidated subsidiaries, including manufacturing entities. The Fundamentals, charters, standards, and information related to the organisation, updates and instructions from the Functional Departments are made permanently available to the subsidiaries on the Group's intranet. A digital reference framework provides all Group employees with guidelines, charters and expert contacts organised by business line and by subject.

The Functional Departments also hold seminars and training sessions for their networks of experts. News published on the Intranet gives employees updates and important messages on Internal Control.

Within the Group, two tools promote communication on the priorities of Internal Control:

1. the "Internal Control Awards", which take place every two years and reward the best global initiatives; and
2. the Internal Control Department's Intranet site, which disseminates Internal Control's initiatives, tools and events all over the world.

Information systems

The Group's Global IT Department issues strategic priorities for its information systems and cybersecurity guidelines. The systems incorporate Enterprise Resource Planning (ERP), a management software application used by the vast majority of commercial subsidiaries. The worldwide roll-out of this integrated software package reinforces the reliability and security of producing information, including accounting and financial information. In pursuit of the same objective, an integrated production and management solution in the Group's manufacturing entities continues to be rolled out.

3.2.1.2 Control and supervision activities: people involved and their roles

Risk management and Internal Control involves everyone, from governance bodies to all employees. This system is continually monitored to ensure it is relevant and addresses the Group's objectives and challenges. The main participants in the monitoring of Internal Control and risk management are set out below.

General Management and the Management Committee (Executive Committee)

General Management sets the overarching principles of Internal Control and ensures that they are properly implemented. In order to fulfil their global Internal Control responsibilities, the members of the Executive Committee call on operational and functional managers, according to their areas of expertise. These managers must ensure that the overarching principles are implemented and the procedures correctly applied to achieve the level of Internal Control required by General Management.

Board of Directors and Audit Committee

The Board of Directors has always emphasised the importance of Internal Control and its main areas of application[2]. The Internal Rules of the Board of Directors define the Audit Committee's duties:

- it monitors the action taken by Internal Control and reports on it to the Board of Directors;
- it is responsible for monitoring issues relating to the preparation of accounting and financial information and for corporate sustainability reporting; and
- each year, it reviews the Internal Audit plan, its objectives and the general conclusions of Internal Audit assignments, as well as the initiatives and major projects that relate to Internal Control. The Committee uses this information to report on its work to the Board of Directors.

(1) *In addition, it should be noted that L'Oréal gives its employees who are French army reservists twenty days leave on full pay to carry out their military duties, in accordance with Article L. 22-10-35 of the French Commercial Code. Pursuant to the same Article, as amended by French Law 2025-1249 of 22 December 2025, with regard to "actions to promote civic participation in local democracy", a framework has been defined to ensure that employees in this situation are informed, in particular on the management of potential conflicts of interest.*

(2) *The activities of the Board of Directors are reported in section 2.3.2 and the duties entrusted to its Chairman in section 2.1.2.3.*

Divisions and Regions

The Group is organised into Divisions and Regions (see section 1.1.4). Alongside the management of each country, business or manufacturing entity, the Divisions and Regions are fully responsible for achieving the Internal Control objectives defined by General Management.

A system of delegating authorities is in place and continues to be reinforced. The powers of the legal representatives of Group companies and the people they delegate to are limited and controlled in accordance with the provisions of the Legal Charter. Specialists in management, information systems, human resources, digital, retail, purchasing, logistics, production and legal affairs provide support to operations at all levels and help to ensure the Internal Control objectives are achieved.

Functional Departments

Each member of the Executive Committee is entrusted with worldwide responsibility for the Internal Control of the activities that fall within their remit. The Functional Departments define, in their own areas, the strategies, policies and procedures which they communicate to the countries and entities. They bring their expertise to the operational staff and review the proper functioning of their respective areas of responsibility. They draw on their network of specialists and on regular assessments.

Indicators and reporting procedures simplify regular monitoring of the local activities of these Functional Departments.

Administration and Finance Department

The department assists and monitors operational employees in their administrative, financial, legal and compliance activities, as well as in terms of information processing. It sets the operating rules for all entities, defines and rolls out tools, procedures and best practices, particularly in terms of management, accounting and consolidation, M&A, investments (BOLD corporate venture fund) and holdings, financing and cash, taxation, legal and compliance matters and data governance (including personal data), financial communication, strategic planning and insurance.

An Internal Control Committee is tasked with taking all measures to promote proper understanding and proper application of the Group's Internal Control rules, as well as monitoring progress on important Internal Control projects. The Committee comprises the Chief Financial Officer, the Chief Ethics, Risk and Internal Control Officer, and Heads of Internal Control, Operational Finance, Internal Audit and Information Systems (Global IT).

Ethics, Risk and Internal Control Department

In particular, this department coordinates the procedures for identifying, assessing and prioritising risks with all those concerned. It keeps the Group's risk mapping up to date. Its aim is to promote optimal use of resources in order to minimise and control the impact of negative events and maximise opportunities. The Chief Ethics, Risk and Internal Control Officer reports directly to the Chief Executive Officer.

Internal Control Department

This department, which is separate from the Internal Audit Department, is under the responsibility of the Ethics, Risk and Internal Control Department. In collaboration with the experts in each business line, it defines and updates the Internal Control framework relating to their area of activity. This framework is summarised in the Fundamentals of Internal Control Guidelines and detailed in standards and procedures that are listed in the Group's digital framework.

The Internal Control Department also manages and develops a network of around 180 regional and local Internal Control managers covering all Group entities. Their role is to apply the internal control framework and support employees in this respect. Frequent participation in seminars, training cycles or webinars with the various functions, and the publication of notes of engagement help to strengthen knowledge of the Internal Control framework within the Group.

As part of a continuous improvement approach, the Internal Control Department develops, disseminates and coordinates self-assessment campaigns focusing on the main risks and issues identified. These campaigns are gradually being rolled out in each of the functions. Self-assessment of Internal Control makes it possible for the Group's entities to ensure that the system is functioning properly and reinforce it with operational action plans.

The Internal Control Committee is driven by the Internal Control Department, which validates directions and priorities with regard to improving the Internal Control framework, developing the network of Internal Control managers and the tools used to perform Internal Control tasks. This department monitors variations related to Internal Control relating to expectations and market practices.

Internal Audit Department

The Internal Audit Department audits major processes and checks that Group principles and standards are properly applied. Its work is carried out by a central team that reports directly to the Chief Executive Officer.

Internal Audit assignments are submitted to General Management and the Audit Committee. With the approval of those bodies, they result in an annual audit plan that takes account of the Group's risk mapping, the entities' contributions to the Group's key economic indicators, and the historical precedence and results of previous audits.

The risk-level assessment carried out by the Region Departments and experts in the different functions is also a determining factor in the elaboration of the annual audit plan.

In 2025, the Internal Audit Department carried out 53 assignments. Out of this total, 25 involved auditing entities (commercial entities, factories, international marketing and research & innovation departments) and 28 were audits on specific topics conducted at Group, Region or Country level, targeting key risks as a priority: six assignments focused on cybersecurity, five on shared service centres and five on the transformation of the Group, particularly as regards data governance and artificial intelligence.

Each audit assignment results in a report that sets out the findings and corresponding risks and proposes an action plan and recommendations for the audited entity. The Internal Audit Department monitors and measures these action plans, then reports on the rate of progress to the departments in question.

To conduct its work, the Internal Audit Department uses the Group's integrated ERP software. It has developed a number of specific transactions to improve the identification of potential weaknesses in sensitive processes. Data analysis capabilities are strengthened each year. They enhance the standard analyses developed by Internal Audit and the use of dashboards and analysis tools that the businesses are continually developing for their own management needs.

To carry out its work, the Internal Audit Department uses an integrated GRC (Governance, Risk, Compliance) tool to consolidate in real time the progress made on the action plans of audited entities. Shared with the Internal Control function, this tool forms an integrated collaborative platform for the implementation of action plans.

In addition to its role of monitoring the application of the Internal Control system, the Internal Audit Department carries out cross-functional analyses with regard to possible Internal Control weaknesses based on findings noted during its assignments. These analyses steer the work of the Internal Control Committee and identify the priority areas for improvement and strengthening of procedures.

The achievement of the audit plan, the results of assignments and the progress of the action plans are presented to General Management on a regular basis and to the Audit Committee and the Statutory Auditors annually.

Global IT Department

The Group's Global IT Department sets the strategic priorities for its information systems. In particular, it oversees ERP management software which is used by the vast majority of the Group's commercial subsidiaries, factories and logistics services. It also supports the digital transformation of the Group by developing the use of cloud services (SaaS, IaaS, PaaS) and connected objects.

Within the IT Global Department, the Cybersecurity Department manages the Information Systems Security Policy. Consistent with international market standards (ISO 27001/27002, NIST), this policy covers the main topics of IT security, including the protection of personal data. It describes general principles to be applied for each topic. This ensures that the Group's Information Systems teams, and by extension all employees, share clear objectives, best practices and levels of control that are appropriate for the risks (particularly the risk of cyber attacks). This policy is backed by specific action plans, which include remedial measures if any cybersecurity risks arise, an independent information systems security audit programme, and two codes of practice – the Information and Communication Technologies Charter, and the Code of Good Practice for the Use of Social Media.

L'Oréal's cybersecurity governance is underpinned by a framework based on the three lines of control model presented in section 3.1. Presentations on cybersecurity topics are regularly given to top management, and in 2025, a presentation on the cybersecurity framework was given to the Audit Committee, which then reported on the presentation to the Board of Directors (see section 2.3.2).

Operations Department

The Operations Department covers several stages in the value chain and includes the Packaging Development, Purchasing, Industrial Strategy and Operational Excellence, Quality, EHS (Environment, Health, Safety), Supply Chain and Information Systems (value chain) departments. It defines the overall Operations strategy worldwide and defines the standards and methods applicable in the areas of quality, safety and the environment for roll-out in all the countries where the Group operates. It oversees the overarching strategy so that the Operations teams in the Operational Departments and the Regions can implement innovation, supply, quality, hygiene and security, environmental manufacturing and supply chain policies that are relevant to the markets. It conducts a worldwide Quality-EHS audit programme, assessing the Group's sites and suppliers of direct purchases. It establishes and trains the business communities of these departments.

In line with the Group's Code of Ethics, buyers have had access to a practical and ethical guide, The Way We Work with our Suppliers, since 2011. This guide covers everything they need to know when working with the Group's suppliers. In addition, buyers complete online training programmes based on the Group's The Way We Compete and The Way We Prevent Corruption guides.

The standard for managing suppliers and tender procedures specify the conditions for competitive tendering and for the registration of the main suppliers. The general terms of purchase form the framework for transactions with suppliers. The "Standard for supplier management (Source to contract)" facilitates and strengthens control over spending and investments.

The main tasks of the Supply Chain Department are to supply the Group's customers and consumers via eight distribution channels operated by the Group, to manage the planning processes, from demand through to supply, and to implement and operate an agile supply chain network that is both profitable and sustainable. The processes managed by the Supply Chain Department include managing order processing, from order receipt to preparation, supplying and recovering credit, preparing sales and supply forecasts, deploying inventories of finished products and jobs, managing centres, subcontractors and logistics service providers, and monitoring traceability and logistics continuity plans.

The Packaging Development teams implement a materials vigilance programme that ensures consumer safety in connection with packaging materials, as well as regulatory monitoring in connection with R&I of all legal obligations related to packaging and labelling.

3.2.2 Insurance policy

General Group insurance policy

The insurance policy aims to provide the best protection for the Group's assets and people against the occurrence of major risks that could adversely affect it. The Group has implemented group insurance programmes (in particular for Property Damage & Business Interruption, Third-Party Liability, Cyber, Transport, Credit Insurance and Construction) that harmonise coverage and optimise insurance cover for all its subsidiaries throughout the world, except in countries where regulations prohibit this type of arrangement (see "Restrictions" below). Local coverage has also been put in place in the countries in which group programmes cannot be implemented. This policy is applied as follows:

- at corporate level, the Group negotiates the structure and warranties of the group insurance programmes to cover its main exposures, in accordance with the offering available on the insurance market;
- at a local level, local policies not reinsured by a group programme can be implemented in coordination with the Group; and
- in all cases, the subsidiaries must have mandatory insurance cover in order to comply with local regulations.

The Group also arranges policies through the insurance market to protect itself against risks, subject to the coverage available and standard exclusion clauses.

The financial solvency of insurers is an important selection criterion for the Group. Furthermore, the insurance programmes subscribed by the Group mainly involve coinsurance between the various major players in the international insurance market.

L'Oréal's prevention policy, implemented jointly with its insurers, includes prevention measures related to fire, environmental and climate change risks.

Integrated Group programmes

General civil liability: this worldwide programme subscribed for all Group subsidiaries (except where local Restrictions apply) includes, in particular, civil liability and damage to the environment that is sudden and accidental. It covers the financial consequences of the civil liability of Group entities, if they are liable.

Property damage and business interruption: this programme provides cover for fire, lightning, explosion, theft and natural events within the limits of the products available on the insurance market. The Group has set up a worldwide programme to cover all its property, chiefly non-current assets and inventories (except where Restrictions apply). This cover also includes a portion on business interruption directly resulting from covered property loss or damage. As the capacity of the insurance market is limited for certain risks, this programme includes sub-limits, particularly for natural events. Through its reinsurance subsidiary, the Group carries risk retention levels that are not material at consolidated level, and these are applicable over and above local deductible amounts. The offering includes site prevention inspections by specialist departments of the leading insurer.

Cyber: a cyber insurance policy provides financial cover for the consequences of IT-related risks, subject to exclusions and warranties available on the market. As it is a "multi-risk" policy, cyber risk insurance comprises several components. Through its reinsurance subsidiary, the Group carries risk retention levels that are not material at consolidated level, and these are applicable over and above local deductible amounts.

Transport: the Group has set up an insurance programme to cover the transport of all its products and raw materials. All subsidiaries benefit from appropriate and uniform cover for risks related to the Group's logistical operations (except where restrictions apply).

Customer credit risk: Group subsidiaries must set up credit insurance, assisted by the Group and under the terms and conditions negotiated, in addition to their own credit management policy, provided that insurance cover compatible with their level of sales activity is available under financially acceptable conditions.

Construction: the primary aim of the worldwide Construction insurance programme is to standardise the conditions of cover for all projects, in all countries. It also makes it possible to disseminate a general Construction insurance policy, centralised corporate management and, lastly, warranty optimisation.

3.2.3 Anti-corruption policy

The Group seeks to act in all circumstances in accordance with the Ethical Principles it has set itself, and to comply with the laws and regulations in force in all the countries where it operates. L'Oréal was furthermore recognised for the 16th time as one of the "World's Most Ethical Companies" by the Ethisphere Institute. The Group applies a zero-tolerance policy in terms of corruption.

Long-standing commitment at the highest level of the Company

L'Oréal has been a member of the United Nations Global Compact since 2003 and supports the fight against corruption. The Group is committed to complying with the United Nations Convention against Corruption of 31 October 2003 and to applying all applicable laws, in particular the Sapin II law in France.

L'Oréal is a member of the International Chamber of Commerce Anti-Corruption Commission and of Transparency International France. This commitment is supported at the highest level of the Company by its Chief Executive Officer who renews L'Oréal's commitment to the United Nations Global Compact every year.

Everyone involved in preventing and detecting corruption

Executive Committee	Regularly reviews the corruption prevention programme presented to the Board of Directors.
Ethics, Risk and Internal Control Department	Reporting to the Chief Executive Officer, this department ensures that the programme is effectively rolled out at Group and entity level by performing second-level ex post controls.
Legal & Compliance Department	Compliance teams within the Legal & Compliance Department are responsible for designing and monitoring the corruption prevention programme in collaboration with the departments involved in the programme (Purchasing, Finance, Human Resources, etc.). It leads the specific risk mapping process related to corruption risks.
Country Managers	Country Managers ensure the effective deployment of the corruption prevention programme and its compliance. Their involvement in this issue is required on an annual basis by the Ethics, Risk and Internal Control Department, the Legal & Compliance Department and by their local Corruption Prevention Committee.
Corruption Prevention Committees	They oversee the progress of the corruption prevention programme within their entities and involve the Management Committee in an annual review of the programme. They include the Internal Control Manager, the Chief Financial Officer, the Legal Director, the Human Relations Director and the Ethics Correspondent.
Internal Control Managers	Supported by the Country Managers and the Chief Financial Officer, Internal Control Managers are responsible for overseeing the corruption prevention system in their entities.
Country Legal Directors	Country Legal Directors manage the corruption prevention programme on a day-to-day basis in their entities, with the support of the Chief Financial Officer.
Employees	Employees apply the anti-corruption policy in the context of their activities. In case of doubt or questions about compliance with these commitments, they may contact their line managers, the Legal Director, the Chief Financial Officer, the Internal Control Manager, the Ethics Correspondent and, ultimately, the Chief Ethics, Risk and Internal Control Officer.

L'Oréal's Code of Ethics and practical corruption prevention guides

L'Oréal's Code of Ethics publicly declares a zero-tolerance policy on corruption. It applies to all employees, directors and corporate officers and members of the Executive and Management Committees of the Group and its subsidiaries worldwide. L'Oréal's Code of Ethics was updated in 2023. Available in 30 languages, and as an audiobook in French and English, it is distributed to all employees worldwide.

L'Oréal has also published a more detailed corruption prevention policy that is available on its website, loreal.com.

The Group also has other reference documents for employees to specify the practices to be adopted to fight against corruption.

- **Specific Corruption Prevention Guide:** rolled out throughout the Group as a whole since 2013 and supplemented in 2018, it covers the relationships with each of L'Oréal's stakeholders, in particular with the public authorities and with intermediaries. This practical guide is intended to specify the Group's standards and to help employees handle situations that they might encounter in the performance of their duties. It reaffirms L'Oréal's corruption prevention policy which was approved by the Chief Executive Officer and the Executive Committee. The policy was presented to the Board of Directors.

This policy posted online on L'Oréal's website restates the following principles:

- the zero-tolerance policy on corruption;
- the prohibition of facilitation payments;
- the prohibition of any contributions to political parties or politicians with the aim of obtaining a commercial advantage;
- the prohibition on giving and accepting gifts and/or invitations that might influence or be perceived as influencing a business relationship;
- communication of the commitment to preventing corruption to the Group's business partners; and
- respect for these commitments by intermediaries representing L'Oréal vis-à-vis public players, particularly in countries where there is a high risk of corruption.
- **Employee Guide – Gifts/Invitations:** distributed in 2014 on a Group-wide basis, it sets out the rules in this area. This guide now forms part of the specific Corruption Prevention Guide, and a special register has been added to it for the Group's employees who are most exposed to corruption risks.
- **Employee Guide – Management of intermediaries with public authorities:** issued in 2018 to the personnel concerned, it specifies the rules in this area.
- **The Way We Work with our Suppliers:** distributed in 2022, this guide specifies the rules concerning relationships between suppliers and any employees involved in purchasing decisions.
- **The Way We Do Philanthropy:** distributed in 2021, this guide specifies the rules surrounding providing corporate philanthropy in compliance with Ethical Principles, the Code of Ethics and the Group's in-house standards.
- **The Way We Work with Scientific and Healthcare Professionals:** updated in 2023, this guide helps the Group's employees to work with these third parties in an ethical manner.
- **Responsible Interactions with Journalists:** distributed in 2024, these guidelines help Group employees comply with the Group's ethical rules in their interactions with journalists.
- **Responsible Lobbying Policy:** distributed in 2021, this policy specifies the responsible lobbying commitments and how they should be implemented.

- **Conflicts of Interest Policy:** issued in 2023, this policy governs the definition of conflicts of interest and the procedure for reporting and managing such conflicts.

Operations-based versions of these guides, designed for specific target audiences and containing specific procedures, have been put in place. In 2024, two policies that round out the Employee Guide – Gifts/Invitations were drawn up for the Public Affairs teams and for sponsorship operations.

Corruption prevention measures implemented within the Group

Group-level risk assessment	The risk of corruption is included in the Group risk assessment. Following the update in 2023, which used a dedicated methodology, the Group has 79 corruption risk maps covering all the countries in which it operates. A tool also enables Country Managers to assess and analyse possible local ethical risks (including corruption) and to take the necessary prevention measures.
Specific Human Relations procedures	In the annual appraisal system for all employees, overall performance includes the employee's achievements in compliance with the Code of Ethics and the Group's Ethical Principles.
Speak Up system	Speak Up enables employees to express any concerns they may have, particularly with regard to corruption, via a secure website or directly to the Group's Chief Ethics, Risk and Internal Control Officer. Any allegation raised in good faith is examined in detail. In the event of non-compliance with the anti-corruption policy, corrective measures are taken, which may include disciplinary action. The whistleblowing line was opened to employees in 2008, and then to stakeholders in 2018.
Learning	A compulsory online learning programme on the prevention of corruption, available in 13 languages, has been rolled out in all countries. As at 31 December 2025, this programme had been completed by 88% of the employees concerned. Additional mandatory online training was rolled out in 2025 to remind employees of the Group's corruption prevention policies and values. This training is mandatory for all employees having completed the first mandatory training course more than two years ago. In accordance with L'Oréal's corruption risk mapping, specific learning courses for the staff most exposed to the corruption risk are developed and deployed within departments and entities.
Control and assessment of measures and procedures dedicated to the prevention of corruption	The Group's Internal Control system provides for control procedures on operational activities, in particular for the separation of tasks. The implementation of the corruption prevention programme is part of the Internal Control self-assessment process rolled out in operational entities. The effectiveness of the corruption prevention programme is reviewed via accounting controls performed on a regular basis, and through targeted second-tier verifications of the programme's procedures and systems. The system for monitoring the corruption prevention programme is based on the three levels of control and covers all the measures in the programme. L'Oréal's Internal Audit teams are particularly vigilant in this respect. Implementation of the corruption prevention programme is systematically reviewed during audit assignments, using a dedicated audit guide which contains specific checks. Individual interviews are conducted separately with the Country Manager and the Chief Financial Officer. They give rise to an individual report reviewed and signed by these latter persons. Specific audits may also be conducted as part of the annual audit plan.
Due diligence procedures prior to acquisition projects or minority or majority investments	A specific corruption risk procedure integrates appropriate and proportionate checks at the different stages of the acquisition or investment process. Responses to the ethics questionnaire submitted to target companies are intended to identify whether corruption risk prevention has been taken into account by the companies, and to prepare for integration or collaboration, as applicable.
Third-party due diligence	The third-party management process (clients/suppliers/philanthropic arrangements) includes the corruption risks both when entering into and during a relationship. A corruption risk assessment is carried out on the Group's third parties. Appropriate verifications are implemented, which rely primarily on a dedicated tool and risk analysis guide. A guide and specific procedure have been made available to employees concerning relationships between intermediaries and public authorities. Real estate projects are also subject to a specific process.

A commitment shared with the Group's partners

L'Oréal shares its commitment to combating corruption with its business partners. Compliance with the law is included in the Group's general terms of purchase, general terms of sale and the Mutual Ethical Commitment Letter. The integrity and reputational risks associated with the management of influencers are managed through robust selection processes and the signing of the Group's Influencer Value Charter. L'Oréal reserves the right to end any relationships with business partners who fail to comply with regulations.

3.2.4 Tax policy

L'Oréal considers that taxation is an integral part of its corporate social responsibility and constitutes a way to participate positively to the development of the countries in which the Group operates.

The Group's tax policy forms part of the sustainability of its business. It is based on three pillars, which are defined in the Internal Tax Charter prepared and distributed around the world: Compliance, Transparency and Legitimacy.

Compliance

L'Oréal completes its tax declarations and pays its taxes by the deadlines in compliance with the letter and spirit of the laws and regulations in the countries in which the Group operates.

Special vigilance is required on compliance with the rules related to combating tax fraud and tax avoidance.

L'Oréal is located in countries where it conducts a real operational and commercial activity. If applicable, the Group's presence in certain so-called tax havens[1] is justified for operational reasons and the development of its activity, and not for tax purposes.

L'Oréal ensures that transactions between Group companies are carried out in compliance with the arm's length principle defined by the OECD and the UN and satisfies increasingly digitalised reporting obligations (transfer pricing documentation, country-by-country reporting, etc.).

L'Oréal aims for excellence in tax compliance.

Transparency

L'Oréal establishes and maintains relations with Tax and Customs Authorities based on transparency, pursuant to the Group's zero-tolerance policy on corruption.

L'Oréal also develops a constructive relationship with Tax and Customs Authorities, a relationship based on the principles of cooperation and mutual respect. L'Oréal responds appropriately and promptly to requests from the tax authorities regarding the exchange of information, in compliance with tax conventions.

Where permitted to do so by governments, L'Oréal joins the cooperative compliance programmes launched by the tax authorities, such as the trust-based relationship (*relation de confiance*) with the French tax authorities.

The Group may contribute to the analysis of legislative changes at the request of Tax and Customs Authorities or professional associations involved. Consequently, the Group takes part in OECD working groups relating to Pillars 1 and 2.

L'Oréal considers global challenges and standards in terms of tax transparency. In particular, it adheres to the reporting recommendations of the Global Reporting Initiative (GRI) and, more specifically, standards GRI 207-1, GRI 207-2 and GRI 207-3. Documents relating to the Group's ESG performance, including the GRI standards, are published on the Group's website[2].

L'Oréal is also a member of the European Business Tax Forum (EBTF), a European business association that seeks to increase transparency in the tax debate.

The Group has a Speak Up programme for L'Oréal's internal and external stakeholders to express any ethical concerns they have, so that the Group and the Ethics Department can address them.

The Group is careful to ensure that its behaviour in tax matters is beyond reproach, in compliance with the fundamental principles of the Code of Ethics.

Legitimacy

L'Oréal legitimately applies the most relevant tax treatment, in accordance with economic reality and operational objectives, in compliance with the letter and spirit of the laws in force. The Group does not pursue an aggressive tax policy through artificial structures or transactions that have no economic or commercial substance and whose purpose would be strictly fiscal.

In an evolving international tax environment, the positions taken by the Group may be questioned and subject to tax and customs audits by local authorities. If there is disagreement with a Tax or Customs Authority, L'Oréal is able to legitimately defend its interpretation of the law, prove its good faith and, as needed, bring the disputes to court.

A regular review of tax risks, carried out by the Group's Tax Department in contact with the local financial teams, enables the risks to be assessed, resulting, if applicable, in the recognition of a provision. The main risks are reported to General Management and to the Audit Committee.

Organisation

Centralised expertise and a strong geographical presence of the tax function in the Countries ensure compliance with these three pillars.

The Chief Financial Officers are responsible for tax compliance, backed up and relayed by the Tax and Accounting Departments. These departments monitor changes in tax regulations to ensure that the Group complies with these regulations. They are assisted, where applicable, by external advisors.

Centralised expertise

Within the Department of Operational Finance, the Group Tax Department ensures compliance with the Tax Policy in collaboration with the Finance Departments, through intermediaries in the form of different group-wide tax experts:

- Intra-group Transactions & Customs, which ensures compliance with tax and customs standards and secures the prices of intra-group transactions and the related documentation;
- Data Reporting, Analytics & Performance, which analyses, verifies, reports on and critically assesses the Group's global tax liability;
- Mergers and Acquisitions (M&A), which assists and provides tax advice on proposed merger-acquisition projects;
- Tax Compliance & Tax Digitalisation, which enables L'Oréal to meet the new requirements for digitalisation by reporting to tax authorities in real time (electronic tax returns, e-invoicing, e-audits, etc.), while ensuring process roll-out;

(1) *As defined by French or European law.*
(2) *This information is available in the "ESG Performance" section under the "Commitments" tab on the loreal.com website.*

- Tax Governance, which ensures the correct deployment of the Group's tax policy;
- Digital Taxation and E-commerce, which assists and advises on the tax implications of e-commerce and digital projects; and
- Tax Operations and Supply Chain, which assists and advises the Operations Department.

Strong geographical presence

Accountable to the Chief Financial Officer of the Country/Region, the Tax Directors of 30 Countries have the following responsibilities:

- respect for compliance rules in collaboration with the accounting departments;
- assistance and tax advice to the operational teams in the context of their projects;
- tax directives, ongoing learning and pedagogy with other parties;
- management of the tax contribution;
- management of tax and customs risks, controls, claims and disputes;
- relations with the Tax and Customs Authorities and the other public authorities; and
- tax watch and best practices involving dialogue with peers, professional associations, external auditors and law firms.

This matrix organisation, combined with the Group's tax policy compliance, are the basis of successful management of the tax burden and a responsible tax practice.

2025 tax contribution

In 2025, the amount of tax L'Oréal paid to governments and local authorities was €3.3 billion. In addition to income tax, L'Oréal pays and levies numerous taxes and contributions such as sales and purchase taxes, environmental taxes, property taxes and other local taxes. The breakdown of taxation is presented annually to the Audit Committee.

The Group's tax footprint, consistent with its operational and geographical footprint, breaks down as follows in 2025.

The Finance Department has reviewed and updated the tax policy each year since it was first published in 2020.

3.3 Preparation and processing of accounting and financial information

This section is based on the "Application Guide for Internal Control of accounting and financial information published by issuers", from the Reference Framework updated by the AMF on 22 July 2010. It is part of an overall process aimed at making continuous progress and improving the Internal Control system already in place.

3.3.1 Definition, scope and objectives

Internal Control for accounting and finance covers the processes that provide accounting data, i.e., the processes for producing financial information, accounts closing and communication campaigns.

The accounting and financial Internal Control system is designed to ensure:

- compliance with accounting regulations and the correct application of the principles on which the financial statements are based;
- application of the guidelines set by General Management for financial information;
- protection of assets;
- quality of the information used to prepare published financial statements and reliable centralised processing by the Group for distributing this information and using it for monitoring purposes; and
- control of the production of financial, accounting and management information, including fraud prevention.

The scope of application of the Internal Control procedures relating to the preparation and processing of financial and accounting information encompasses the parent company L'Oréal and all subsidiaries included in the consolidated financial statements.

3.3.2 Monitoring process for the organisation of accounting and finance functions

Organisation of Finance Departments

Under the supervision of General Management, dedicated teams of specialists are responsible for accounting and financial monitoring in the following areas: accounting, consolidation, tax matters, management, financial services and treasury.

Within the Administration and Finance Department, the Operational Finance Department is responsible for preparing the Group's consolidated financial results. As a result, it also coordinates the Business Service Centre and a worldwide network of management controllers who are responsible for ensuring compliance with the accounting and management standards and processes to ensure appropriate management of the Group's results. In addition, the Group Accounting and Consolidation Department is responsible for worldwide accounting management, ensuring that IFRS is applied, and that the Group's accounting processes are implemented and harmonised worldwide and in the accounting Business Service Centre.

The Operational Finance Department runs the Group's Tax Department. Comprising a network of tax lawyers at corporate level, in the Regions and in the Group's most vulnerable countries, the Tax Department monitors variations in regulations, ensures compliance with local rules, and oversees implementation of the Group's tax policy, particularly the transfer pricing policy and customs rules.

Within the Administration and Finance Department, the Corporate Finance Department protects the Group's financial assets. Its Treasury and Financing Department centralises cash flows and the hedging of currency and interest rate risks. The Department leads a network of treasurers in the Regions and Countries, and applies the Group's financing policy.

The Corporate Finance Department undertakes external growth transactions and monitors the financial structures of L'Oréal and its subsidiaries. The Business Opportunities for L'Oréal Development (BOLD) corporate venture fund, in charge of minority investments in innovative products and companies, is also part of this department.

Group standards

The Group has put in place accounting policies and standards that are consistent with IFRS for consolidated financial statements. All consolidated subsidiaries must apply these standards in order to provide uniform and reliable financial information.

The Operational Finance Department oversees the regular update of these Group standards, taking into account the variations in regulations and accounting principles.

These regulations define the principles required for harmonised accounting treatment of transactions, including the methods used to record balance sheet items and to identify and value off-balance sheet commitments. The Group's Accounting Department keeps abreast of any new accounting standards currently under preparation, in order to alert General Management and prepare for their impact on the Group's financial statements.

Common to all subsidiaries, the chart of accounts and all the key accounting processes provide the definitions and methodology for preparing the reporting required to draw up the financial statements.

The management standards set out the operational application of these rules. They give the valuation rules for some of the key balance sheet and income statement items and also stipulate the controls and checks applicable to the key processes.

The management standards are regularly updated and form part of the continuous improvement process. This aims to respond to the findings of the Internal Audit Department and to cover the accounting and financial risks of the subsidiaries. This work has made it possible to bring our approach more closely in line with the recommendations set out in the "Application Guide for Internal Control of accounting and financial information" of the AMF's Reference Framework.

Organisation and security of information systems

The Operational Finance Department and the Global IT Department make joint decisions about the software suitable for the Group's financial and accounting requirements. At the level of information systems, the teams are strengthening the procedures for the separation of tasks and improved control of access rights. They have been offered tools to ensure that access rights comply with the Group's rules.

Management tools

The system for monthly reporting on economic indicators provides the foundation for continuous, uniform monitoring of the performance of each subsidiary and ensures they are in line with the objectives set.

Used by all entities, this reporting and consolidation system ensures the consistency and reliability of figures at the level of each subsidiary through blocking controls that operate before the financial data is uploaded to Group level. In this regard, the operating profit and loss account by destination, which is common to both management and general accounting, contributes to strengthening the control of accounts in the financial statements, as a single reference framework is used.

The Group's organisation is based on reporting from each subsidiary that is provided directly by the countries to the parent company, L'Oréal, without any intermediate aggregates for the vast majority of the subsidiaries. This system optimises data transfer and the completeness of information and makes it easier to check that data is accurate.

The Chief Executive Officer and Chief Financial Officer of each subsidiary make a joint commitment with regard to the quality, reliability and completeness of the accounting and financial information they have prepared and sent to the Group's Operational Finance Department, through a representation letter that they jointly sign.

Audit Committee

The role and tasks of the Audit Committee, as previously described, comply with European regulations and, in particular, Directive 2014/56/EU and EU regulation 537/2014 on statutory audits, and are based on the report by the working group on Audit Committees published by the AMF on 22 July 2010.

3.3.3 Processes used to prepare accounting and financial information

Operational processes contributing to accounting figures

Specific procedures for monitoring and for validation, authorisation and accounting rules apply to the processes that populate the financial statements, such as sales, purchases, management of inventories and non-current assets, and payroll and cash management.

Closing of accounts, consolidation and management reporting information

The closing of accounts is subject to precise instructions and a detailed time schedule. These are circulated to all subsidiaries to make sure that deadlines are met and financial statements are prepared in a consistent manner. The Group has introduced two hard closings (anticipating the work involved in the closure of financial statements) in May and November to prepare in advance and speed up closing times.

For the preparation of consolidated financial statements, validation procedures apply at each stage of the process of reporting and processing information. In particular, they verify that inter-company transactions have been correctly adjusted and eliminated (these are reported on a monthly basis), consolidation transactions have been checked, accounting standards have been correctly applied, the consolidated published accounting and financial data have been harmonised and properly determined and the general accounting data and management data used in the preparation of the financial information are consistent.

Financial communication

Managers in charge of Financial Communication prepare a precise timetable for publication of up-to-date information on the Group to the financial markets. This timetable complies with the requirements of market authorities. These managers check with the Legal & Compliance Department that communications comply with the required deadlines, laws and regulations.

They also have a role in ensuring that the publication of information provided by the Operational Finance Department is precise and accurate. All material information provided to the financial community reflects with truth and transparency the situation and business activities of the Group. Furthermore, all communications are made in accordance with the principle of equal provision of information to all shareholders.

Statutory Auditors

All accounting and financial information prepared by consolidated subsidiaries is subject to a limited review at the time of the half-year closing process and to a full audit at year-end by the external auditors. Twice a year, the Chief Executive Officer and the Chief Financial Officer of each consolidated subsidiary make a joint commitment as to the fair presentation, reliability and completeness of the financial information by jointly signing a representation letter.

Audit assignments in the countries are almost all entrusted to members of the networks of the two Statutory Auditors who, after having jointly performed the review of all the Group's accounts and the manner in which they were prepared, are responsible for issuing an opinion on the Group's consolidated financial statements. The Statutory Auditors issue an opinion as to whether the consolidated financial statements and the parent company financial statements give a true and fair view. They are kept informed from the early stages of preparation of the financial statements and present an overview of their work to the Group's accounting and finance managers and to the Audit Committee at the time of the half-year and annual closings.

3.4 Preparation and processing of sustainability information CSRD

L'Oréal has had a system in place for many years for reporting, monitoring and controlling sustainability data. This system has been adapted to meet the new requirements[1] of the Corporate Sustainability Reporting Directive (CSRD, see section 4.1.3). Due to the standardised framework introduced by the CSRD through the European Sustainability Reporting Standards (ESRS), the Group has adapted the definitions it previously used for its sustainability reporting to align them with the ESRS.

This entailed formally documenting, in a single document (the "Book of Norms for Sustainability Reporting"), the definition, scope and controls for each metric required by the new regulations. This document is a constant work in progress, inasmuch as it is intended to be continually enriched by the findings of risk assessments and internal control points identified in both internal reviews and external reviews carried out by the Sustainability Auditors.

The Chief Financial Officer is responsible for preparing the Group's sustainability information, with the support of the Sustainable Finance and Legal & Compliance departments. This information is reported to the Audit Committee, which is responsible for monitoring issues relating to sustainability information and the related risk management system on behalf of the Board of Directors (see section 2.3.3.). The reporting and consolidation of sustainability data enable the Corporate Social Responsibility Department to steer the Group's non-financial performance and pursue its CSR strategy, particularly in connection with the L'Oréal for the Future programme.

The quality and reliability of sustainability reporting is based on a three-level system:

- the first level corresponds to the Group's experts producing, collecting and reporting sustainability information in their respective fields. Each of the Group's functions (Operations, Purchasing, Research & Innovation, Human Relations, etc.) therefore contributes to ensuring that the data reported complies with the applicable standards;
- the second level is a control level, whereby the Sustainable Finance function:
  - puts in place the reporting framework and information systems required to ensure the consistency, relevance and reliability of the information flows, and
  - supervises and monitors the reliability of the reporting by the entities in the Countries and Regions and at Group level.

  The Sustainable Finance function ensures consistency by carrying out a critical review of variations as well as consistency controls between the different domains. At Country level, each finance team member identified as the Sustainable Finance contact point assists the function's specialist with reviewing their reporting. Dedicated Sustainable Finance coordinators at Region level consolidate and review the consistency of information between the various countries. The corporate support functions are responsible for performing controls on the consolidation of the information reported and aligning processes and working methods with the framework defined by the Group;
- the third level corresponds to the Internal Audit Department and Sustainability Auditors assessing that the sustainability reporting system operates effectively and issuing recommendations for its continuous improvement.

Information on sustainability reporting is relayed to the Group's teams through:

- training courses for the finance community (Country and Region Chief Financial Officers);
- internal communication measures, such as fortnightly newsletters; and
- regular meetings with the Internal Control teams.

3.5 Risk factors and risk management

3.5.1 Definitions and general framework

Risk management (events or situations, the occurrence of which is uncertain, could have a financial, non-financial, or reputational impact) is a process that applies to the Company and its consolidated subsidiaries (the "Group"). Risk management consists of identifying, assessing and controlling risks that may affect the smooth running of the Company. It also participates in the Group's development by promoting the effective use of resources to minimise the impact of negative events and maximise the realisation of opportunities.

In order to ensure the sustainability of its development and the achievement of its objectives, the Group strives to anticipate and manage the risks to which it is exposed in its different areas of activity. In addition, the Internal Rules of the Board of Directors specify that the role of the Audit Committee is to "ensure that General Management has the means to enable it to identify and manage the economic, financial, legal and sustainability risks the Group faces both within and outside France in the conduct of its normal or exceptional operations".

On the basis of the work performed by the Internal Audit Department, the analysis of major risks, in conjunction with the processes used by subsidiaries, makes it possible to identify Internal Control improvements and update the Group's standards.

(1) This section incorporates by reference the information required by the CSRD (ESRS 2, GOV-5) for the Sustainability Report (section 4.1.3).

3.5.2 Risk mapping

The Group's risk mapping process is led by the Ethics, Risks and Internal Control Department with the support of all Functional Departments and Businesses. This mapping is reviewed and validated by the Group's Executive Committee.

The risk mapping comprises all of L'Oréal activities and is updated annually. This process to identify, analyse and assess significant risks strengthens Group actions and allows them to be prioritised. The results of this work are presented to the Audit Committee. The main risks to which the Group is exposed are described below.

3.5.3 Risk factors

The Group operates in a changing environment. Like any company, it is necessarily exposed to risks which, if they were to materialise, could have a negative impact on its business activities, its financial position and its assets, particularly in terms of reputation and image.

For taking an informed investment decision, as required by the regulations in force, this section presents the major risks in a limited number of categories (given the probability of their occurrence and the expected magnitude of their negative impact) taking risk management policies into account. In each category, the most material risks are mentioned first. This section specifies the way in which each risk factor could affect L'Oréal as well as the management strategy implemented.

Risk management activities enable the classification of residual risks by level of importance (low, moderate or significant).

However, a wholly risk-free environment cannot be guaranteed. Moreover, the Group could be adversely impacted by other risks of which it is not currently aware or which it does not consider material at the date of this document.

Major risks to which the Group believes it is exposed

		Residual importance
Business risks	Geographic presence and economic and political environment*	
	Information systems and cybersecurity*	
	Health crisis*	
	Reputational crisis management	
	Data	
	Beauty market: competition and innovation	
	Business ethics	
	Developments in sales channels	
	Human resources and organisational risk	
	Product quality and safety	
	Safety of people and property	
Industrial and environmental risks	Product availability*	
	Climate change	
	Environment and safety	
Legal and regulatory risks	Non-compliance*	
	Legal disputes	
	Intellectual property: trademarks, designs & models, domain names, patents	
Financial and market risks	Inflation and currency risk*	
	Financial equity risk	
	Risk relating to the impairment of intangible assets	

* *Most material risks in each category.*

Residual importance: Low *Moderate* *Significant*

3.5.3.1 Business risks

Business risks/Geographic presence and economic and political environment	
Risk identification	**Risk management**
L'Oréal has subsidiaries in 72 countries and develops its business activities, including Travel Retail, in an increasingly fragmented political and economic environment. L'Oréal operates mainly in North America (26.6% of sales), North Asia (22.9% of sales) and Latin America (7.4% of sales). An unsettled political and/or economic environment, notably in countries where the Group generates a significant proportion of its sales could affect its business. This could be the result of a sharp economic slowdown due, for example, to rising geopolitical tensions, a prolonged period of inflation, international trade disputes – including changes in tariffs or protectionist measures – or sovereign debt crises. See also the "Inflation and currency risk", "Non-compliance" and "Safety of people and property" risk factors.	L'Oréal's global presence and its portfolio of 40 major international brands help to maintain a balance in sales between the Regions, product categories and distribution channels (details on sales from the Regions are presented in sections 1.1.4. and 1.1.6). The Group's geographical industrial footprint is based on it having factories in all of its Regions (see section 1.3.4.1.) and, depending on the product categories, on bringing its production sites closer to its distribution markets. An Internal Geopolitical Risk Committee meets regularly to monitor these risks and the associated action plans. The Group closely monitors changes in customs duties in order to anticipate their impact and adapt its pricing, industrial and supply chain policies where necessary. The Group also keeps close watch – where applicable through the professional associations of which it is a member – on potential changes in regulations in light of heightened geopolitical uncertainty.

Business risks/Information systems and cybersecurity	
Risk identification	**Risk management**
In a context of digital transformation and constant development of information technologies and their uses, and given L'Oréal's ambition to lead on Beauty Tech, the Group's business activities, expertise and, more generally, its relations with all stakeholders in its social and economic environment, depend on an increasingly virtual and digital operation. Information systems transformation is necessary to streamline, harmonise, simplify and upgrade systems. As a result, the malfunction or shutdown of these systems, the leakage, theft, misuse or destruction of data for exogenous or endogenous reasons (including cyberattacks, hacks, etc.) internally or at a third party of the Group could have a material impact on the Group's business activities, performance and reputation. This risk is amplified by the growing complexity inherent in the accessible use of AI and by increasingly sophisticated cyberattacks, which are mainly motivated by financial gain and can be exacerbated by political and geopolitical upheaval.	The IT Department has implemented strict security rules for infrastructures, devices and applications. The information systems transformation process is monitored at the highest level, and any impacts duly planned for, for example in terms of inventory and flow management. To adapt to the development of new ways of communication and collaboration, L'Oréal has introduced an Information and Communication Technologies Charter. In order to tackle the issue of an increasing number of cyber threats, L'Oréal continuously reinforces its level of cybersecurity using a risk-based management approach. A multi-year plan was drawn up with the aim of reducing the level of risk from cyber threats and strengthening the maturity of risk management. This plan includes, in particular, anti-intrusion solutions, regular red teaming and penetration tests, an information system security audit programme, the protection of sensitive assets and global supervision to detect malicious activities. L'Oréal constantly adapts its cybersecurity risk management to changes in the cyber threat landscape, in particular by investing in prevention, protection, detection and response capabilities, while regularly monitoring the effectiveness of the measures in place. The Group is increasingly investing in incident detection and reaction systems and regularly reviews the effectiveness of these solutions. An online training programme for cybersecurity best practices is available for all eligible employees (54,118 employees have completed the "Join the next Shield!" programme, i.e., 90% of eligible employees). Specific training programmes are also available for other employees. In addition to regular communication throughout the year, the Group conducts an annual worldwide awareness-raising campaign, Cyberweek. Management of risks related to data is described in the "Data" risk section.

Business risks/Health crisis

Risk identification	Risk management
Because of its worldwide presence, L'Oréal is exposed to epidemics or other public health crises in the 75 countries in which it operates. The main risks identified cover different segments of the Group's business activities: • threats to the health, safety and security of employees in the context of their duties and their business travel, as well as lockdowns preventing employees from accessing their workplace, particularly at the manufacturing and distribution sites; • difficulties for the company to operate normally because of restrictive measures implemented by the authorities, which restrict employee access to the Group's sites, or as a result of the unavailability of individual protective equipment necessary to protect them; • supply difficulties, unavailability or increased prices of raw materials and components, and limited capacity to produce and distribute products related to restrictive health measures put in place by the authorities of the countries in which the Group operates; • lower demand for products due to travel restrictions limiting access to physical stores, specifically affecting the Travel Retail sector, which is particularly sensitive to health crises; and • financial difficulties for suppliers and clients as a result of a drastic reduction in their levels of business. Depending on duration, geographic expansion and the resulting economic and social consequences, health crises may have a material impact on the Group's activities, its performance and its reputation.	The crisis management system is led by a Group-level unit, enabling the prevention and mitigation of the impacts of adverse events across all its entities. In response to a health crisis, the Group's priority is to protect the health, safety and security of its employees. The Group responds by complying with the directives of the authorities in the countries in which it operates, and applying and adapting its worldwide, high management standards for health and safety at its operational sites and in business travel situations. The Group's information systems allow for the large-scale development of flexible and remote work methods and are the subject of adequate safety protection processes. Supply chain and inventory management policies, along with business continuity plans for administrative, industrial, and logistics sites, enable the anticipation of necessary actions to manage disruptions. Long-term relationships built with the Group's strategic suppliers, sourcing diversification policies and its operational continuity plans limit the impacts of these crises. The Group's presence in all distribution channels, particularly online sales capacities developed with diversified partners (own sites, e-retailers, pure players), as well as its expertise in digitised consumer relations, help maximise development opportunities in disrupted contexts. The Group's worldwide and balanced presence in terms of Regions, product categories and distribution channels; the strong responsiveness and adaptability of its teams through its strategically centralised and operationally decentralised organisational model with a strong entrepreneurial spirit; and its robust financial position contribute to its ability to face the economic consequences of such crises.

Business risks/Reputational crisis management

Risk identification	Risk management
Adverse events or information, primarily related to the use or misuse of a product, or inappropriate behaviour by an individual, whether proven or not, could affect the reputation of L'Oréal, its 40 major international brands and its products and, as a result, affect sales and, more generally, its financial position. The impact of the risk could be amplified in particular by: • the boom in digital and social media in all countries, characterised by the consistent increase in the influence of social media and the speed at which information and controversies are circulated; • the increase in the risk of false or incorrect information about the Group, its brands and its products being posted on social media, exacerbated by the growing use of artificial intelligence and potentially leading to a decline in confidence among consumers and Group stakeholders; and • changes in society, with the Group or one of its brands being targeted by consumer or other civil society organisations in a context of increasing polarisation of views. The impact and management of risk associated with social selling, particularly via influencers, are described in the risk factor entitled "Developments in sales channels". See the "Safety of people and property" risk factor in the security crisis management information.	L'Oréal has implemented the following: • crisis communication training, creation of a crisis management system dedicated to reputation protection and creating a network of experts, and support for the communication teams on key topics for the Group; • crisis risk management at corporate and local levels; • permanent monitoring (across 14 languages) of the Group's media including social media accounts. The subsidiaries implement their own social media and web monitoring systems under the responsibility of their Head of Communications, and immediately report any media risk in their country to the Corporate Communications Department. Where appropriate, the Group may choose to communicate on specific topics that may have been misconstrued or been subject to fake news reports; and • a crisis management procedure set up by L'Oréal aimed at preventing, managing and mitigating the consequences of undesirable events on the company worldwide. The Group crisis management officer reports directly to General Management. The roll-out of the Code of Ethics across the Group aims to strengthen the dissemination of the rules of conduct which form the basis of L'Oréal's integrity and ethics. These rules of conduct seek to guide actions and behaviour, inspire good choices and make sure that the Group's values are reflected in the everyday acts of each employee. L'Oréal has implemented a Social Media Policy for its employees.

Business risks/Data	
Risk identification	**Risk management**
The Group has access to data relating to its products as well as to consumers' current and future needs in different regions of the world. The volume of data collected and processed by L'Oréal or by its partners is increasing considerably with the growth in digital activities, particularly related to personalised services for consumers. These data may be altered, lost, copied or transferred unlawfully, or may be used fraudulently. Not only could this be detrimental to consumers, but it could also hinder the development of the Group's businesses or its Research & Innovation, Digital, Marketing and Finance activities. Regulations are being tightened around the world in terms of data protection (GDPR in Europe, CCPA in California, LGPD in Brazil, etc.), cybersecurity (NIS2 and CRA in Europe) and the use of artificial intelligence. As the use of artificial intelligence ramps up, L'Oréal must constantly ensure that its data management policy complies with all laws seeking to improve data protection, including in terms of confidentiality, controlling and limiting data transfer flows, and increasing traceability and transparency obligations. Any breach of data integrity or confidentiality, particularly regarding personal data processed by L'Oréal or its partners, regardless of the reason (whether exogenous or endogenous such as intrusions, malicious acts, etc.), could affect the privacy or safety of its users. This could have a significant impact on the Group's reputation and consumer confidence, and therefore on its business and financial position.	The Group has established a system of governance to structure its data and ensure that it is used in an optimum manner. A dedicated department is responsible for leading and coordinating this approach, working closely with Operational and Functional Departments (notably Transformation and Finance). The Group constantly and progressively rolls out policies, training and data management tools as well as the associated organisational and technical measures. The Global IT Department has introduced strict rules about data security (back-up, protection and restrictions on access to confidential data). See also the "Information systems and cybersecurity" risk. Enhanced security measures are deployed to guarantee the safe use of artificial intelligence and to preserve the integrity and confidentiality of this data. L'Oréal has established a series of Ethical Principles for processing data, particularly personal data. This ethical framework, designed to comply with legal and regulatory requirements, has been shared with all employees and features in mandatory training courses, to raise awareness of the Group's commitments. L'Oréal created a Global Data Privacy Office in 2018 to provide legal expertise and manage the Group's compliance programme. The Group's Data Protection Officer (DPO) is supported by a central team and a global network of 50 data protection correspondents covering the whole of Europe and the main countries in which the Group operates. Governance is based on a Global Strategic Committee, a Steering Committee for each region and a network of data protection correspondents in the business lines and Regions. This governance structure monitors the Group's compliance with different laws, ensures the engagement of all stakeholders and makes sure the Group standards and regulations are duly adopted by suppliers and within the business lines. L'Oréal's commitments in terms of personal data and the risk management systems are detailed in section 4.8.

Business risks/Beauty market: competition and innovation	
Risk identification	**Risk management**
L'Oréal is under constant pressure from many competitors and players in the beauty industry in all countries due to: • its size and the positioning of its brands in various markets in which major international groups operate; • local brands and new players coming from the digital economy; and • fast-changing technological developments, including in emerging fields of research by new market participants, both in terms of products and raw materials. If the Group fails to anticipate or respond to changes in consumer expectations, especially in the areas of beauty, health and well-being, personalised services, smart objects and environmental goals, with innovative and adapted product offerings, its sales and growth could be affected.	The Group continually adapts its innovation model and is constantly increasing its investments in research and digital services. L'Oréal Research & Innovation (R&I) innovates to meet beauty aspirations worldwide in their infinite diversity. Our presence in each major geographic Region means we can anticipate and react quickly to local needs. The Group has unique Advanced Research capabilities in cosmetics, enabling it to stay ahead of technological trends. The R&I team enters into research and development partnerships for new products, technologies and raw materials, particularly under the Group's Open Innovation programme, and the BOLD (Business Opportunities for L'Oréal Development) corporate venture fund invests in innovation companies. The Consumer & Market Insights Department, within the Innovation Department, constantly monitors changes in consumer expectations by product category and major regions of the world, and a tool has been introduced to measure consumer satisfaction with the Group's products. The Group also tracks changes in consumer aspirations and behaviour by analysing sales and monitoring social media. All these research programmes are part of a long-term vision nurtured by the Strategic Planning Department within the Innovation Department, which equips the Group and its brands to address future developments. The programmes enable L'Oréal to rise to the challenges of innovation. The Digital and Marketing Department is responsible for accelerating the Group's digital transformation by helping the brands create more conducive spaces for expression and supporting teams in forging more interactive, close-knit and bespoke relationships with consumers. Consumer expectations with regard to sustainability are also at the heart of the L'Oréal for the Future programme (see chapter 4). These are taken into account in developing the Group's brand and product portfolio. The Group's acquisition strategy always takes into account changes in the competitive environment.

Business risks/Business ethics	
Risk identification	**Risk management**
As L'Oréal is a worldwide group of over 95,000 employees, which operates in 75 countries and across approximately 320 sites (excluding stores and distributor points of sale), it cannot be immune to potential breaches of its ethical commitments (Code of Ethics based on the four Ethical Principles of Integrity, Respect, Courage and Transparency, its Human Rights Policy, support of the United Nations Global Compact and the United Nations Sustainable Development Goals, etc.), whether directly by its employees, or indirectly because of the activities of its partners, particularly its suppliers and subcontractors. In addition, civil society is expressing higher expectations with regard to companies' integrity and transparency and the way they manage scientific and technological innovations. These expectations may, for example, relate to the responsible use of artificial intelligence. The use of artificial intelligence raises ethical concerns, particularly in terms of algorithmic bias, transparency, explainability and respecting intellectual property, confidentiality and privacy. Failures to comply with ethical commitments or the lack of a response to new ethical questions could have an adverse impact on the Group's reputation and expose it to criminal or administrative sanctions.	The Group's policies on sustainability, social and societal responsibility, compliance and corporate philanthropy are based on the Ethical Principles. The role and the resources assigned to the Chief Ethics Officer set him up for success in his work, to which end he may call on all the Group's teams and resources (see section 3.2.1). Specific training for management teams, regular dialogue with stakeholders and the establishment of internal working groups underpin the inclusion of Ethics in the Group's new policies and strategic decisions. The ethical risks are mapped and regularly updated, including for suppliers and subcontractors (see section 3.6.5.2). The roll-out of the Code of Ethics and supplementary specific policies throughout the Group, mandatory specific e-learning and continuous communication campaigns via an Ethics Day ensure that employees are aware of the ethical standards. A network of 80 Ethics Correspondents around the world and regular contact between the Chief Ethics Officer and the Countries ensure close relationships with employees. Compliance with the Code of Ethics is taken into account each year when evaluating the overall performance of employees. Potential breaches are identified and managed through regular audits of the Group's sites and those of its suppliers and subcontractors (see section 3.6), the Group's whistleblowing line, Speak Up (www.lorealspeakup.com), which was launched in 2018 and is accessible to all Group stakeholders, together with a procedure for collecting and processing reports, that enables the identification and management of any potential breaches. The Group has also established an anti-retaliation policy for whistleblowers to help promote the Group's ethical culture and encourage employees and external stakeholders to report ethical concerns. In line with international standards and its own Ethical Principles, L'Oréal established a Responsible Framework for Trustworthy AI, which was incorporated into the 2023 update of the Group's Code of Ethics. Ethical considerations are built into the "GenAI For All" training (over 65,000 employees trained as of 31 December 2025) and are also the subject of the specific Trustworthy AI training targeting employees in the Data & Tech business lines (80% had completed this training as of 31 December 2025). The Group has made available a secure internal Generative AI platform that enables all employees to safely experiment with GenAI in their daily tasks.

Business risks/Developments in sales channels	
Risk identification	**Risk management**
To market its products, L'Oréal leverages not only traditional independent distribution channels and the development of direct-to-consumer distribution for certain brands (directly owned stores and e-commerce), but also social media. For example: • by developing networks of Group brand ambassadors and communities to be part of the conversation around brands and products (partnerships with relevant influencers, advocacy marketing, etc.); and • by promoting social commerce to better target the needs and expectations of consumers who are increasingly turning to these channels. The impact of the risk could be amplified, in particular by the emergence of social beauty, which is connected and shared, and by the role of opinion leaders played by influencers with large follower bases. Undisclosed advertisements or posts from influencers that clearly mislead consumers or constitute a serious or widespread blow to any of the Group's brands, or neglecting the importance of new social media sales and marketing strategies, could harm the Group's results and reputation. See also the "Reputational crisis management" risk.	The presence of the Group's brands across all distribution channels enables the Group to offer its range of products and services regardless of consumer habits. The departments concerned anticipate trends to adapt to these developments and have, in particular, steadily developed online sales with diverse partners (e-retailers, platforms, and marketplaces). The Way We Compete' policy, rolled out across the Group, sets out the principles to be followed in terms of competition law regarding the coexistence of these different channels. The Group has set up a solid Internal Control system, including the roll-out of certain guidelines: • a Code of Good Practice for the Use of Social Media for its employees; • an Influencer Values Charter and a Social Selling Values Charter that each influencer or social seller with whom L'Oréal collaborates undertakes to respect; and • the Group's principles and the operational processes to be applied in relation to partnerships with influencers and social sellers, circulated worldwide to all employees involved in advocacy marketing. The Group seeks to work with influencers and social sellers who share its values and Ethical Principles. Depending on the nature of the relationship, the Group reserves the right to pursue due diligence by way of reviewing information already in the public domain. These documents effectively complement the rules of conduct set out in the Group's Code of Ethics.

Business risks/Human resources and organisational risk	
Risk identification	**Risk management**
One of the keys to L'Oréal's success lies in the talent of its employees to ensure its growth. This is all the more true as L'Oréal is changing within a complex, highly competitive and rapidly changing environment (globalisation, diversity, equity and inclusion challenges, sustainability matters, acceleration of the digital transformation, etc.) that requires specific expertise. Today's job market is characterised by new employee expectations, particularly with the long-term establishment of hybrid working, alternating between on-site and remote work. The use of artificial intelligence is expanding and changing the way we work, particularly in Research & Innovation, Digital and Marketing. If L'Oréal fails to identify, attract, recruit, retain, promote and develop competent and engaged employees who behave responsibly within diverse teams, the development of its activities and its results could be affected. Moreover, given L'Oréal's activities, particularly its industrial operations, the risk of occupational injuries or illnesses could become a reality. Psychosocial risks may affect the well-being of Group employees. This could also have an adverse impact on their commitment and, consequently, on the Group's performance. The Group's ability to develop its business depends on the projects it puts in place to drive change (new information systems, processes, organisational structures, etc.), which require significant human and financial resources. Insufficient support for change could affect the successful implementation of these projects which would adversely impact the Group's performance.	The Group is developing a motivating, professional environment with respect for its ethical values, including diversity, equity and inclusion. A long-term approach is taken to the recruitment and development of employees, which also helps ensure the continuity of key functions within the Group, in which training plays a core role throughout an employee's career. The remuneration policy combines external competitiveness and internal fairness. It recognises both individual and collective performance. The worldwide Share & Care programme meets the essential needs of each of the Group's employees in terms of benefits, healthcare, parenthood, flexibility and quality of life at work. Initiatives for stress prevention, psychological support and workstation ergonomics have been arranged. In order to meet employees' expectations in this new hybrid working environment, L'Oréal has developed a balanced Group policy to ensure that opportunities for cooperation, discussion and creativity are always prioritised. Since 2010 and as part of the 2030 Health and Safety Strategy, the Group has set itself ambitious objectives and defined global procedures and standards based on two pillars: risk management and the development of an interdependent Health and Safety culture (see section 4.7.2.2.3). After an initial component of its Simplicity programme centred around the transformation of managerial behaviour was launched in 2018, the Group implemented a second component, Simplicity 2, in 2023, which focuses more on work habits and processes with a view to providing concrete solutions regarding workload, reducing tasks with low added value and improving employee well-being at work. The annual Pulse employee satisfaction survey helps identify potential well-being risks and implement appropriate action plans. The Group considers that supporting its employees in AI is key to its development and is putting specific training programmes in place. For example, more than 65,000 employees had completed the “GenAI For All” training course as of 31 December 2025. L'Oréal has set up a Group Transformation Department which manages project prioritisation, oversees the Group's transformation roadmap and rolls out change management policies and support measures.

Business risks/Product quality and safety	
Risk identification	**Risk management**
Placing a product on the market that does not meet the safety requirements, or consumer or stakeholder questions about the quality and safety of L'Oréal products, whether based on proven facts or not and whether or not they are related to the use or misuse of a product, could affect consumer confidence, the Group's sales and, more generally, its financial position, particularly if complaints are made, products are recalled or individual or group claims are brought.	Consumer safety is an absolute priority for L'Oréal: assessing safety is central to any new product development process and a prerequisite before any new product can be brought to the market. The principles governing the Group's quality and safety policy are: • satisfaction of customer needs; • compliance with safety requirements and laws; • maintenance of standards and regular updates of safety assessment approaches; and • product quality and compliance across the supply chain. The Global Safety Evaluation Department specifically evaluates the safety of raw materials and finished products. It establishes the toxicological profile of the ingredients used and the tolerance of the formulas before they are launched on the market, so that the Group's products can be guaranteed to be completely safe for consumer use. The same safety standards are applied worldwide to ensure identical quality across the globe. In anticipation of updates to regulations, the environmental profiles of the raw materials (that exist or are included in the catalogue) in finished products are also evaluated with the aim of reducing the environmental impact of the ingredients used by the Group. Through its international cosmeto-vigilance network, L'Oréal goes one step further in safety assessments by monitoring the potential adverse effects that may arise once the product is on the market, in order to take the appropriate corrective measures, if necessary (see section 4.10). In terms of questions that members of civil society may ask regarding certain substances and their effects on health and the environment, L'Oréal's position can be summarised in three points: • vigilant monitoring of any relevant new scientific data; • cooperation with the relevant authorities; and • precaution leading to the substitution of ingredients in the event of a proven or strongly suspected risk. L'Oréal draws on the work of its scientific teams to answer consumers' questions about the safety of its products, primarily through publications on its websites. Quality standards are defined by our Conception Quality Systems for Formulas, Packagings and Manufacturing Processes and by our Conformity Quality Systems for Production and Supply Chain. All factories are ISO 9001 certified for their production and follow the Best Manufacturing Practices in accordance with the ISO 22716 standard. In the case of production subcontracting, the rules governing the choice of the subcontractor and its production follow the same principles. The subcontracting quality charter takes up these requirements, compliance with which is assessed during audits, with the plan regularly strengthened to ensure appropriate checks of our partners.

Business risks/Safety of people and property	
Risk identification	**Risk management**
As a worldwide group operating in 75 countries and across approximately 320 sites (excluding stores and distributor points of sale), the Group is exposed to a variety of risks inherent to the environment in which it performs its activities (war, geopolitical, climate, health/pandemic, economic and social risks, malicious acts, climate and natural disasters). The direct and indirect consequences of these risks may adversely affect people and the assets of the Group, both tangible and intangible.	In order to permanently protect these persons and resources (or Group assets) against malicious acts, the Security Department helps in the preventive implementation of technical, HR and operational procedures to limit the residual risk of malicious damage and support the Group's international development in all countries concerned. The Security Department has developed a worldwide resilience improvement programme, and as part of this: • in conjunction with related key players, it coordinates the security crisis management procedure designed to prevent, manage and mitigate the impacts of security incidents worldwide, and it mobilises specific crisis management units when needed; • it establishes processes for alerting and reporting, mobilisation, decision-making using the CALM method, demobilisation and feedback; • it coordinates the roll-out of business continuity plans for all administrative sites, as well as the associated tests; • it coordinates assistance for Group employees who travel for international assignments; • it has implemented a watch and evaluation of the state of security in the countries in which the Group is active; • it conducts assessment updates in the countries in which it is present; • it defines the minimum security standards to be implemented to protect the Group's activities; • it organises training sessions and runs crisis management exercises for all entities affected; and • it develops tools to be put into action at the very start of the crisis: the POB (People On Board) and the Security Check are primarily used to assess impacts on people. The security measures are regularly adjusted and reassessed based on the local situation and the level of exposure of employees and sites.

3.5.3.2 Industrial and environmental risks

Industrial and environmental risks/Product availability	
Risk identification	**Risk management**
In the context of a globalised supply chain and the increased geographic concentration of certain supply sources, the failure of an external supplier to deliver raw materials, filling and packaging articles or finished products, whether resulting from operational difficulties or significant failures to comply with ethical commitments, along with a major interruption of operations in a L'Oréal industrial unit or shipping hub, could impact the Group's sales because of the unavailability of products that could result from this. The impact of these risks could be amplified if the Group is dependent on certain suppliers. In 2025, Group purchases related to production totalled €6.3 billion or 14% of its sales. The impact and management of risk associated with the availability of products caused by climate change are described in the risk factor entitled "Climate change".	L'Oréal regularly reviews its safety stock policies based on perceived risks, anticipates growth scenarios, reserves capacities with its suppliers and negotiates long-term contracts with them. There are business continuity plans in place for each operational site. The Group is currently rolling out a single methodology of business continuity plans at all its factories and distribution centres. These plans aim to anticipate disruption at Group supply chain sites and ensure timely business continuity. For raw materials, L'Oréal has established a centralised team that manages and anticipates availability risks through action plans, including searching for alternative sourcing and reviewing formula designs. For its packaging, L'Oréal duplicates moulds for its strategic products, implements operational continuity plans with its suppliers and reviews, if required, the design of its formulas and finished products. The main suppliers and subcontractors are asked to comply with the Mutual Ethical Commitment Letter, which covers, in particular, Human Rights, working conditions, environmental protection and integrity.

Industrial and environmental risks/Climate change

Risk identification	Risk management
The Group's activities are exposed to the physical and transition risks related to climate change. The increase in natural risks, both extreme and chronic, the loss of biodiversity, and the growing pressure on water resources could impact the availability of finished products by disrupting the Group's operations and supply chain. The scarcity of resources and the implementation of the transition towards a low-carbon economy could also increase costs through, for example, higher plastic packaging recycling costs or carbon taxes. Insufficient consideration during product design related to the impact of their usage by consumers could represent a risk for sales in certain areas of the world affected by water stress or the lack of adapted infrastructure to collect and treat waste and wastewater. Consumer choices could be increasingly influenced by the impact associated with the use of a product (its carbon footprint, water footprint or impact on biodiversity) and by the Group's overall environmental performance, particularly in terms of reducing its CO_2 emissions across all Scopes. If the Group did not sufficiently anticipate all these impacts and did not initiate a voluntary process to reduce and adapt to climate change, its financial and non-financial performance as well as its reputation could be impacted.	Taking into account environmental challenges, and in particular efforts to combat climate change, is an integral part of L'Oréal's business model. The Group has set itself decarbonisation targets for 2030 and 2050, covering Scopes 1, 2 & 3 greenhouse gas emissions. These targets, validated by the Science Based Targets initiative (SBTi) in April 2024, build on the achievements of the L'Oréal for the Future programme and affirm the Group's ambition to achieve Net Zero by 2050. The targets are as follows: • in the short term, i.e., by 2030, reduce Scopes 1 & 2 emissions by 57% and Scope 3 emissions from purchased goods and services, upstream transportation and distribution and business travel by 28% compared to 2019; and • in the long term, i.e., by 2050, reduce Scopes 1, 2 & 3 emissions by 90% compared to 2019, offsetting any residual emissions to achieve net zero. L'Oréal is aiming to use 100% recycled or reused water by 2030, prioritising the roll-out of the required equipment, subject to the water situation of the watersheds in the areas it operates. To address the aforementioned risk associated with product usage and sales, L'Oréal looks to develop water-saving products or technologies to enable consumers – particularly in water-stressed markets – to meet their hygiene and beauty needs. Management of potential consequences of extreme events is described in the section on "Product availability" risk. The Group also launched a programme called Green Sciences to shift its raw material portfolio through the development of ingredients with a favourable environmental profile, in minimising the environmental impacts associated with growing plant sources of these ingredients (deforestation, soil depletion, consequences on biodiversity, for example), and by leveraging eco-friendly processes that prevent upstream pollution. This approach also includes managing the risks associated with shortages or price volatility of biobased raw materials amid the increasing scarcity of resources. To address these risks, L'Oréal is rolling out a Sustainable Land Use Policy, strengthening sustainable sourcing, and implementing interventions aimed at increasing the resilience of its priority ecosystems. L'Oréal's ecodesign objectives are also central to its approach, particularly in terms of packaging, where the increase in costs linked to recycled materials is an identified risk. The Group embeds the principles of ecodesign into every stage of its products' life cycle in order to minimise its environmental footprint and take into account the challenges associated with waste and effluent collection and treatment infrastructure. At the same time, L'Oréal actively contributes to Extended Producer Responsibility (EPR) schemes for packaging, with the aim of optimising end-of-life management and adopting a circular approach. L'Oréal has specific training programmes in order to raise employees' awareness about issues related to the climate, water, biodiversity and resources. These programmes have recently been rounded out by Going Sustainable Together – a priority training course for all employees, which teaches practical ways of incorporating sustainable practices into their respective businesses, and forms part of the L'Oréal for the Future programme. To keep its consumers informed and enable them to make more sustainable choices, L'Oréal has joined forces with key players in the cosmetics industry to co-found the EcoBeautyScore Consortium. The consortium aims to provide a clear and transparent assessment of cosmetic products' environmental impact using a scientific impact assessment method, a shared database of ingredients, a common rating tool and a standardised rating system. L'Oréal also implements action plans on specific issues, as described in chapter 4 (Sustainability Report) and section 1.4.2.

Industrial and environmental risks/Environment and safety	
Risk identification	**Risk management**
The Group, with its 87 industrial sites (owned factories and distribution centres), including three classified as "Seveso high threshold", is exposed to various industrial risks related to the environment and safety (fires, explosions, failure of equipment or safety systems, or even human error in operating existing facilities or managing works, etc.). These could result in injuries, accidental pollution within or outside the Group sites, particularly when they are located in a populated area, and/or the temporary unavailability of an industrial site. The occurrence of such events could have a financial, operational and reputational impact.	The Group's Environment, Health and Safety (EHS) Policy aims to minimise the impact on the environment and guarantee the health and safety of employees, customers and the communities in which L'Oréal carries out its activities. As a result of this policy, the risks inherent in our business activities are systematically identified and brought under control. The Operations Department issues internal rules that set out the principles of L'Oréal's EHS Policy. Each site is covered by an EHS Manager. EHS risk management programmes, methods and tools are implemented and the corresponding training programmes are being rolled out systematically. EHS performance indicators are collected monthly from all factories, distribution centres, and administrative and research sites with over 50 people. Special audits are conducted by internal EHS teams and external independent experts. The fire risk is controlled by very strict fire prevention standards (National Fire Protection Association standards or equivalent). Industrial sites classified as "Seveso" are subject to specific procedures adapted to the nature of the risks related to storage of chemicals or flammable materials and are in compliance with the regulations. Since 2020, the Group has extended compliance with the main requirements of the European Seveso Directive beyond the European Union to all sites it operates worldwide. Across all its sites, the Group strives to reduce its greenhouse gas emissions, its water consumption and its waste generation and to limit the impact of its activity on biodiversity. The Group also aims to reduce the footprint from the transport of its products and to no longer send waste to landfill. Details of how the risk relating to the temporary unavailability of an industrial site is managed are given in the section on "Product availability".

3.5.3.3 Legal and regulatory risks

Legal and regulatory risks/Non-compliance	
Risk identification	**Risk management**
The Group is subject to many general and specific laws, such as the European REACH and CLP (Classification, Labelling, Packaging) regulations on cosmetic products intended to strengthen the safety of cosmetic and chemical products for humans and the environment, and legislation on competition and corruption and international trade controls, including policies on economic sanctions. The diverse and constantly evolving regulatory landscape, as well as its growing instability due to a fragmented geopolitical environment, expose the Group to non-compliance risk and an increase in its compliance costs. L'Oréal remains exposed to the risk of default or fraud, which could have an impact on its reputation, its business activities and its results. In its communications, L'Oréal highlights the innovative nature, quality and performance (including environmental) of its products. These communications may be challenged by authorities, organisations or consumers, despite every care used to guarantee their accuracy and fairness. Such actions could affect sales or, more generally, the Group's financial position, particularly if claims are made or products recalled. See also the "Legal disputes" risk.	L'Oréal's Code of Ethics sets out the fundamental business ethics principles which L'Oréal considers particularly important. The Group's Legal Charter reiterates the importance of complying with local legislation, especially in terms of contracts, corporate law, intellectual property and competition law, embargoes and economic sanctions, and personal data protection. To ensure compliance with these laws and regulations, the Group has implemented a robust system of governance involving all the Group's operating entities and Functional Departments (in particular the Internal Control Department, the Legal & Compliance Department, the Regulatory and Claims Substantiation Department, Public Affairs and Operations). This governance means that the Group is able to monitor legislation on an ongoing basis and take any measures necessary to comply with it or assert its rights in a timely manner. To improve its management of certain non-compliance risks and to navigate a complex and constantly changing international regulatory environment, the governance of compliance has evolved to form the Legal & Compliance Department. Legal & Compliance is responsible for defining and managing the Group's compliance programmes in the areas of competition law, embargoes and economic sanctions, corruption prevention, personal data protection and duty of care. Close collaboration has been established with the organisation's various control functions to ensure these programs are duly implemented and effective.

Legal and regulatory risks/Non-compliance	
	The Group's Legal & Compliance Department has set up dedicated training courses in competition law for all appropriate employees. L'Oréal is also involved in an ongoing dialogue with national or regional authorities in charge of specifically regulating products in its sector through the professional or industry associations to which it belongs. In the areas of fraud and corruption, the roll-out to all Group subsidiaries of programmes to prevent corruption (see section 3.2.3) and raise awareness of fraud risk contribute to the management of these risks. To ensure any embargoes are observed, the Group has put in place rules on the terms of delivery and transport of its goods, with the aim of ensuring the control and compliance of formalities in terms of customs imports and exports. Learning programmes about customs fundamentals are also delivered to all appropriate employees in the Operations Department. In terms of taxation, the Group refers to a tax policy and the systems described in section 3.2.4. With regard to the REACH and CLP regulations, L'Oréal communicates proactively with its European suppliers in order to ensure a long-term supply of compliant raw materials. An action plan has been drawn up at L'Oréal in order to improve the design and methods used to assess the safety of raw materials. It led to the end of testing finished products on animals in 1989 (14 years before it became a legal obligation in Europe) and the development of predictive evaluation strategies to meet European regulations. The Regulatory and Claims Substantiation Department checks that product communications are compliant with regulations in force before the products are introduced on the market. The Group's Code of Ethics sets out the fundamental principles of responsible communication and L'Oréal has made a commitment to implement the International Chamber of Commerce Consolidated Code of Advertising and Marketing Communication Practice and the Cosmetics Europe Charter and Guiding Principles on responsible advertising and marketing communication to which the key global cosmetics industry players in Europe adhere. The Group's principles for "responsible product advertising" are described in a summary brochure disseminated worldwide to raise employee awareness about compliance with Ethical Principles, specific legal and regulatory requirements, and operational processes for the prior control of product communications. The main legal and regulatory risks are reported to General Management and to the Audit Committee.

Legal and regulatory risks/Legal disputes

Risk identification	Risk management
In the ordinary course of its business, in view of its global reach and the increasing complexity of the legal and regulatory environment, the Group may be involved in varying types of legal disputes, particularly concerning products, and may be subject to tax, customs and administrative audits. Certain disputes could have an impact on the Group's financial position and/or reputation. See also the "Non-compliance" risk.	When assessing risks associated with legal disputes, L'Oréal takes into account the specific features of local legal environments, particularly for product liability in the United States, where the risk is exacerbated by the possibility of serial individual legal proceedings or class actions, as well as by the high costs of legal defence, the unpredictability of verdicts handed down by juries, and intense media coverage of certain proceedings and decisions. The main legal risks are reported to General Management and presented to the Audit Committee. The Group is currently involved in legal disputes related to competition law, product liability and taxation. It carefully monitors any disputes in which it may be implicated, and uses all legal means to defend its legitimate interests. For this purpose it relies on the expertise of the Legal & Compliance Department (at Group, Region and Country level), the Tax Department, and its external advisers, as well as on input from business lines and functions at Division and Region level. L'Oréal has no knowledge of any governmental procedures, legal or arbitration proceedings, pending or threatened, that may have, or have had over the last 12 months, material effects on the financial position or profitability of the Company and/or the Group, other than those described in note 12.2 "Contingent liabilities and material ongoing disputes" to the consolidated financial statements.

Legal and regulatory risks/Intellectual property: trademarks, designs & models, domain names, patents

Risk identification	Risk management
The brands, particularly the 40 major international brands, designs, models, domain names and patents filed are strategic intangible assets for the Group. Given the image and reputation of the Group around the world and given the large number of patents (725 in 2025) and trademarks filed by L'Oréal, third parties could: • dispute the validity of L'Oréal's intellectual property rights, or attempt to enforce their intellectual property rights against the products marketed by L'Oréal; or • infringe on L'Oréal's intellectual property rights, reproduce or imitate the Group's packaging and products in order to benefit illegitimately from the name or associated technologies and thereby make undue profits from the efforts and investments made by the Group. Given the competitive context in which a growing number of patents and trademarks are filed, and in which some intellectual property rights result from acquisitions or are developed by third parties ("open development"), the free use of a technology or full availability of a brand before any launch cannot, therefore, be completely secured by L'Oréal. The proliferation of content generated using artificial intelligence (AI) gives rise to a number of risks in terms of intellectual property, including uncertainty as to the ownership of rights to works and of inventions created entirely or partly by AI, the possibility of benefiting from copyright protection, as well as a higher risk of infringement of third-party rights.	Special care is given to the protection of trademarks, designs, models, domain names and copyright belonging to the Group. This responsibility is entrusted to the Intellectual Property and Media Department, which operates within Legal & Compliance. The department oversees the worldwide protection, management and defence of intellectual property rights via searches for prior rights, monitoring of registration and renewal procedures, the implementation of monitoring services and the launching of appropriate legal action against counterfeiters (legal proceedings, customs operations, etc.). In order to protect the Group against the risk of appropriation of a molecule, a formula, packaging, an application system or an application by another company, L'Oréal has set up the International Industrial Property Department, a specific structure which is part of the Research & Innovation Department. This department is responsible for filing, obtaining and defending the Group's patents worldwide. In addition, it conducts studies on the free use of Group products with regard to third-party patents and monitors the legality of competitors' products with regard to the Group's patents. The Group is also an active member of organisations which have set themselves the goal of combating counterfeiting and promoting best commercial practices. This is the case of the UNIFAB (*Union des Fabricants*), the APRAM (*Association des Praticiens du Droit des Marques et des Modèles*), and the AIM (Alternative Investment Market). In order to mitigate and manage these risks, L'Oréal trains its employees and raises their awareness through relevant content and measures such as providing guidelines on the creation and distribution of AI-generated content. The Group has an ongoing legal and regulatory watch system in place for monitoring intellectual property risks.

3.5.3.4 Financial and market risks

Financial and market risks/Inflation and currency risk	
Risk identification	**Risk management**
Due to its international presence, L'Oréal is naturally exposed to currency fluctuations. In addition, business flows resulting from purchases and sales of items, products, royalties and services arise between subsidiaries in different countries. Procurement by subsidiaries is mainly in the currency of the supplier's country. Fluctuations between the main currencies and customs duty rates may therefore have an impact on the results of the subsidiaries, but also on the Group's results during the conversion of non-euro subsidiaries' accounts into euros and, as a result, make it difficult to compare performances between two financial years. Furthermore, as a result of the global inflationary, economic and monetary context, the Group is exposed to increased volatility in global currencies and to an increase in the cost of its supplies, in particular. The impact of hedging on equity and the analysis of sensitivity to currency fluctuations are detailed in note 11.3. "Other comprehensive income" in the consolidated financial statements. Lastly, the impact of foreign exchange gains and losses on the income statement is described in note 10.2. "Foreign exchange gains and losses" of the consolidated financial statements.	L'Oréal's global presence and its portfolio of 40 major international brands help to maintain a balance in sales between the Regions, product categories and distribution channels (details on sales from the Regions are presented in sections 1.1.4. and 1.1.6). The Treasury and Corporate Finance Charter specifies, in particular, the principles to be applied by Group entities to ensure that management of currency risk is both prudent and centralised. To limit currency risk, the Group applies a predetermined strategy whereby it hedges a significant portion of its annual requirements for the following year through currency forward contracts (purchases or sales) or through options. Hedging requirements are established for the following year on the basis of operating budgets of each subsidiary. These requirements are then reviewed regularly throughout the year in progress and the hedging is adjusted. For better visibility over the flows generated, currency risk management is centralised through the Treasury Department at head office, which uses a specific tool for pooling subsidiaries' cash requirements by currency. The system of foreign exchange risk hedging is regularly presented to the Audit Committee. The hedging methodology and the equities involved are described in note 10.1. "Hedging of currency risk" to the consolidated financial statements. It is adjusted according to the economic and financial situation. In addition, the management tools developed can be used to mitigate the impact of inflationary tensions through product recovery strategies and sourcing adaptation strategies.

Financial and market risks/Financial equity risk	
Risk identification	**Risk management**
The main equity risk for L'Oréal is the 7.27% and 10%[1] stakes it held, respectively, in Sanofi and Galderma at 31 December 2025 (see note 9.3. “Non-current financial assets” to the consolidated financial statements), the value of which fluctuates primarily as a function of global market trends, their results and, more generally, the economic and financial data of the companies as well as their industry segment. A significant decrease in the amount of the dividend paid by Sanofi, or a significant or extended decline in its market price or that of Galderma, could have an impact on L'Oréal's share price.	This interest and changes in the market in which Sanofi and Galderma operate are monitored on a regular basis. As at 31 December 2025, the market values of the Sanofi and Galderma shares were significantly higher than the values recorded on the L'Oréal balance sheet (see note 9.3. "Non-current financial assets" to the consolidated financial statements).

Financial and market risks/Risk relating to the impairment of intangible assets	
Risk identification	**Risk management**
L'Oréal's intangible assets, which are primarily its 40 major international brands, and the goodwill recognised at the time of external growth transactions, are susceptible to impairment.	As detailed in note 7. "Intangible assets" to the consolidated financial statements, brands with an indefinite useful life and goodwill are not amortised but are tested for periodic impairment at least once a year. Where the recoverable amount of a brand is lower than its net carrying amount, an impairment loss is recognised. Similarly, any difference between the recoverable amount of each cash-generating unit and the net carrying amount of the assets including goodwill would lead to an impairment loss in respect of the asset, recorded in the income statement. This is reported to the Audit Committee. The amounts for the last three financial years are provided in note 4. "Other operational income and expenses" to the consolidated financial statements. The data and assumptions used in impairment tests carried out on cash-generating units for which the goodwill and non-amortisable brands are material, are presented in note 7.3. "Impairment tests on intangible assets" of the consolidated financial statements.

(1) On 8 December 2025, L'Oréal announced that it was reinforcing its strategic investment in Galderma by acquiring an additional 10% stake, bringing its total participation to 20%. L'Oréal had indicated that the transaction was expected to be completed in the first quarter of 2026, and remained subject to customary regulatory approvals. The transaction closed in February 2026.

3.6 Vigilance Plan

3.6.1 Introduction

L'Oréal is built on strong Ethical Principles that guide its development: Integrity, Respect, Courage and Transparency. These Principles form the foundation of its policies on sustainability, corporate social responsibility, and corporate philanthropy. L'Oréal promotes respect for all internationally recognised Human Rights and Fundamental Freedoms.

In line with the United Nations Guiding Principles on Business and Human Rights, L'Oréal's particular points of reference are the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the Fundamental Conventions of the International Labour Organization.

L'Oréal's Vigilance Plan (the "Plan") meets the obligations of the French law of 27 March 2017 on the duty of vigilance for French parent companies and order-giver companies. It contains reasonable due diligence measures intended to prevent the risk of serious adverse impacts on Human Rights and Fundamental Freedoms and Health, Safety and the Environment within the framework of a best efforts obligation. It applies to L'Oréal, the parent company of the Group, and to the subsidiaries controlled directly or indirectly by L'Oréal (the "Subsidiaries"), as defined by Article L. 233-16 of the French Commercial Code, and to suppliers and subcontractors with which the companies of the Group have a "permanent commercial relationship", i.e., a direct, ongoing and stable commercial relationship based on the definition in French case law (the "Suppliers"), depending on the risk level as identified in the Plan. It is understood that in its own activities, L'Oréal complies with the rules and procedures contained in the Plan, even when L'Oréal is not expressly mentioned therein. The Plan contains the rules applied to prevent the risk of serious adverse impacts on Human Rights and Fundamental Freedoms, the Health and Safety of people and the Environment resulting from the activities of L'Oréal, its Subsidiaries and Suppliers (see section 3.6.4). It also includes reasonable measures for the effective application of these rules by L'Oréal and its Subsidiaries and Suppliers as well as regular assessment procedures to evaluate their compliance (see section 3.6.5). It provides a whistleblowing and reporting system (see section 3.6.6) and presents a report on the plan's implementation (see section 3.6.7). The actions to support, encourage and prevent the risk of serious adverse impacts on Human Rights, Fundamental Freedoms, Health, Safety and the Environment contained in the Plan constitute reasonable efforts to be implemented by Suppliers and Subsidiaries. Given the diversity of the businesses of the Subsidiaries and Suppliers, the Plan contains common measures for them.

In addition to these common measures, L'Oréal and its Subsidiaries voluntarily conduct additional actions on these same issues. These initiatives are described in other chapters, in particular chapter 4. Suppliers voluntarily conduct additional actions on these issues and L'Oréal encourages them to do so.

3.6.2 Continuous improvement process

As part of a continuous improvement process, the Plan is regularly reviewed by the Ethics, Risk and Internal Control Department, the Operations Department (Environmental, Health and Safety and Purchasing), the Human Relations Department, the Corporate Social Responsibility Department and the Legal & Compliance Department. Each of these representatives leads a local network (Ethics and Human Rights Correspondents, Environmental, Health and Safety, Purchasing, and Human Relations teams, managers from Internal Control, and Sustainability Leaders) around the world, making it possible to take into account feedback from the field when improving the Plan.

L'Oréal regularly consults with internal stakeholders, such as the employee representatives in the context of the European Works Council (*Instance Européenne de Dialogue Social*) and qualified outside stakeholders (NGOs and members of civil society). The Audit Committee and the Board of Directors are informed each year of the update to the Plan's content.

3.6.3 General risk analysis framework

The risks of serious adverse impacts on Human Rights and Health, Safety and the Environment have been analysed on the basis of the business of L'Oréal, its Subsidiaries and its Suppliers. The risk analysis was used, first, in the definition of the Applicable Rules (defined hereafter) and, second, to the measures for effective application and monitoring of these Rules.

L'Oréal's activity consists of producing cosmetic products and distributing these products to the Group's clients.

1. Manufacturing of finished products

L'Oréal manufactures the vast majority of the finished products that it sells in its own factories, and is mainly present in major growth markets. Its network of 37 factories is equipped with the very latest technologies and advances in automation and adapts constantly, and with agility, to incorporate acquisitions and embrace external innovations.

This network is rounded out by production subcontracting, mainly to meet temporary demand peaks for specific technologies (make-up pencils, soaps, etc.). L'Oréal's contracts prohibit cascade subcontracting. Subcontractors, who need to subcontract a portion of their L'Oréal production to meet manufacturing constraints must first obtain consent from L'Oréal. When, in certain cases, the subcontractor is

authorised to subcontract a portion of its production, the same contractual rules are applied to the subcontractors of the subcontractors.

To meet their production needs, L'Oréal's factories purchase various raw materials, packaging components and equipment from third-party Suppliers. These Suppliers have specific expertise, develop their products and have the infrastructure necessary to produce them. They act with complete independence from L'Oréal, without depending on L'Oréal's instructions or expertise.

The manufacture of packaging components is not part of L'Oréal's activity. The packaging components used are purchased from companies specialising in this area. The same is true for production equipment.

2. Product distribution

Products are distributed by the Subsidiaries and independent third-party distributors in the countries or regions where the Subsidiaries are not present. In order to ensure this distribution, warehouses are operated by the Subsidiaries directly, or these services are entrusted to third-party logistics service providers that render services on the same type of activity: storage and preparation of orders in warehouses that they lease or own.

3.6.4 Applicable Rules resulting from the risk analysis

The Subsidiaries and Suppliers must comply with the applicable local legislation and the minimum common core of the rules listed below (the "Applicable Rules") in order to prevent the risk of serious adverse impacts on Human Rights and Fundamental Freedoms, Health and Safety of people and the Environment. When local laws and/or the internal rules of Subsidiaries and Suppliers provide more stringent standards than the Applicable Rules, such standards must take precedence. If, however, the Applicable Rules provide for stricter standards, the Applicable Rules take precedence unless they result in an unlawful activity. In the event of a contradiction between local laws and internationally recognised Human Rights, L'Oréal works to comply with these international standards.

3.6.4.1 Risks and Applicable Rules for the prevention of serious violations of Human Rights and Fundamental Freedoms CSRD

Risk Analysis and risks identified relating to Human Rights and Fundamental Freedoms

The Group expanded its risk mapping by identifying the potential key Human Rights risks worldwide and in all markets[1]. L'Oréal referred to the reporting framework of the Guiding Principles on Business and Human Rights (UNGP Reporting Framework). This identification process takes into consideration the severity, scale, remediability and likelihood of its impacts for people throughout its value chain. These analyses were conducted with an NGO specialised in the area, providing independent input, and are regularly reviewed. As a result of the analyses, the following salient risks were identified in the context of the application of the French Law on Duty of Vigilance:

- child labour among the employees of the Group's Suppliers;
- forced labour among the employees of the Group's Suppliers;
- job discrimination because of gender, gender identity, age, disability and sexual orientation of the employees of L'Oréal and the employees of the Group's Suppliers;
- Suppliers' employees not receiving a living wage[2]; and
- lack of a whistleblowing system for social dialogue, freedom of association and collective bargaining among the employees of the Group's Suppliers.

Other potential risks identified concern respect for the environment (see "Additional actions intended for suppliers" in section 3.6.4.2), the right to access water, consideration of Human Rights in the choice of raw materials and, in particular, respect for free, prior and informed consent of indigenous peoples and local communities.

Applicable Rules on Human Rights

Subsidiaries and Suppliers must comply with the minimum core rules, which consist of the following rules that result from an analysis of the risks related to the business activities of the Group and its Suppliers.

Child labour: L'Oréal's presence in certain regions of the world that are particularly at risk for child labour, including Asia and Latin America, has led the Group to identify this issue as a priority. To take into consideration the vulnerability of young workers, L'Oréal sets the minimum age for employment based on the highest standard among (i) the legal minimum age for recruitment, (ii) the age of compulsory education or (iii) the age of 15 or, for its own employees, the age of 16. L'Oréal prohibits night work and work hazardous to health and safety for employees younger than the age of 18 in its Subsidiaries.

Forced or compulsory labour: L'Oréal refers to the definition of forced labour set out in Convention 29 of the International Labour Organization: *"all work or service which is exacted from any person under the threat of any penalty and for which the person has not offered himself voluntarily"*. In certain regions of the world where L'Oréal operates, certain practices that violate internationally recognised Human Rights, such as holding the identity papers of migrant workers, are common. Any form of forced labour is prohibited.

As a result:

- unless there is a legal obligation, employees' identity papers, passports or any other personal documents may not be held from them. In the event of a legal obligation, these documents must be returned to employees at their first request;

(1) *This section incorporates by reference the information required by the CSRD standard (S2-4) for the Sustainability Report (sections 4.9.1 and 4.9.2.1).*
(2) *The International Labour Organization defines a living wage as: "the wage level that is necessary to afford a decent standard of living for workers and their families, taking into account the country circumstances and calculated for the work performed during the normal hours of work. "*

- employees may not be asked to pay for recruitment costs or to make cash deposits to obtain employment;
- if workers from foreign regions are hired, the employer must pay the costs related to these hires;
- security personnel must only ensure the safety of people and property; and
- any salary withholding or any other financial penalty must be strictly authorised by law. It may not under any circumstances be used for the purpose of confiscation, for the direct or indirect benefit of the employer. L'Oréal does not authorise such penalties for non-managerial-grade employees.

Employees must have access to drinking water and toilet facilities. They must be free to move around their place of work, with the exception of areas to which access is restricted for confidentiality or safety reasons.

Non-discrimination: acts of discrimination are serious violations of Human Rights that remain anchored in all regions of the world in which L'Oréal is present. Discrimination related to gender, sexual orientation and gender identity, disabilities, family situation, age, political and philosophical opinions, religious beliefs, union activities, or related to ethnic, social, cultural or national origins or pregnancy is prohibited. L'Oréal bans pregnancy testing when employees are hired within the Group, and requires its Suppliers to comply with this standard. In addition, a number of the e-learning courses available in the Diversity, Equity & Inclusion learning library cover socio-economic and multicultural diversity topics. Examples include: "Identify and fight racism in the workplace", "Religion and beliefs in the workplace", and "Fighting discrimination based on physical appearance".

Bullying and sexual harassment: bullying and sexual harassment are prohibited in the Group.

Working hours: L'Oréal looks to ensure that working hours, including overtime, do not exceed 60 hours a week for employees whose working time is monitored. All employees must also be granted at least one day of rest for every seven-day period, or two consecutive days of rest for every fourteen-day period. They must have reasonable breaks when they work.

Freedom of association and right to collective bargaining: violations of freedom of association and the right to collective bargaining, such as discrimination against employee representatives, may occur in all regions of the world in which L'Oréal operates. Employees' freedom of association and right to collective bargaining must be respected:

- elections of employee representatives must take place without interference from the employer, preferably by secret ballot;
- employee representatives have access to the work premises subject to safety and/or confidentiality requirements, if any; and
- discrimination against employees conducting union activities is prohibited.

In regions where freedom of association and the right to collective bargaining are limited, L'Oréal authorises its employees to meet independently in order to discuss their professional concerns.

The Group encourages its Suppliers to respect the freedom of association of their employees and their right to collective bargaining, where permitted by applicable regulations.

Whistleblowing mechanisms: L'Oréal's whistleblowing system (see section 3.6.6) is also available to its Suppliers. Since 2025, the Group has asked eligible Suppliers to commit to having their own whistleblowing channels.

Additional actions for Human Rights

In addition to actions taken as a result of the risk analyses conducted on the business activities of the Group and its Suppliers, L'Oréal conducts initiatives of its own volition besides those implemented pursuant to the French law on the duty of vigilance. These are described in chapter 4.

For example, L'Oréal set up actions with the aim to improve the working conditions of the Indian communities whose livelihood depends on the mineral mica. Since 2017, L'Oréal has been one of the 20 founding members of the Responsible Mica Initiative (RMI). The RMI has 100 members. Its goals are three-fold:

- to implement workplace standards on 100% of the supply chains of its members for mica from Bihar and Jharkhand (standards on employment, health, safety in the workplace, the environment and non-use of child labour);
- to support the abilities of communities through an engagement programme that improves the standard of living and generates additional sources of income; and
- to establish a legal framework and related control systems from which workers in the mica sector in Bihar and Jharkhand can benefit.

L'Oréal also participates in the development of the RMI audit standard to facilitate member collaboration and effectively put in place the collective actions necessary in cooperation with local authorities. L'Oréal also supports the establishment of a price calculated using the living wage approach in addition to diversified income contributing to more resilient living conditions.

L'Oréal requires its Suppliers to have their own due diligence processes in place as regards their own scope of supply of Indian mica. In 2025, 99% of Indian mica used in the Group's formulas came from Suppliers committed to obtaining their supply from verified processing sites.

The Group has set up two ambitious programmes aimed at improving working conditions for the employees and communities its Suppliers work with: Living Wage and Inclusive Sourcing.

Living Wage programme

For the third year in a row, L'Oréal was certified globally by the NGO Fair Wage Network[1] as a "Living Wage Employer", confirming its workers are paid more than the local living wage as defined by this NGO.

L'Oréal engages in dialogue, takes a collaborative approach and establishes common strategic frameworks with partners within its supply chains, other companies, civil society and governments.

Continuing its commitment to its employees, in 2022 L'Oréal rolled out the Living Wage programme, aimed at committing its strategic Suppliers to the principle of a living wage.

(1) *International NGO which provides the Group with a database on living wages in 200 countries, and assists it with the strategy for implementation by the Operations division as regards strategic Suppliers.*

This programme is aligned with the recommendations of renowned expert bodies such as the International Labour Organization (ILO) and the IDH Sustainable Trade Initiative, and is supported by specialist partners such as the Fair Wage Network and the Wage Indicator Foundation. The Living Wage programme consists of a series of structured actions. L'Oréal actively shares content about living wages (definitions, methodology, testimonials, etc.) with its strategic Suppliers on a special platform, rounded out by a series of webinars. The purpose of these sessions is to discuss the Group's methodology and expectations, and for Suppliers who have already adopted the approach, to give feedback on their experiences. This encourages the sharing of best practices, and helps anticipate potential difficulties between companies.

Strategic Suppliers are encouraged to make a formal pledge and actively work towards a living wage for their employees. At the end of 2025, all L'Oréal's strategic Suppliers were invited to take part in training sessions on this subject. Out of these Suppliers, 25% (in terms of expenditure) said that they pay their employees a living wage or have defined an action plan with a timeframe for achieving this objective[1].

Inclusive Sourcing programme

Launched in 2010, the Global Inclusive Sourcing programme harnesses the Group's purchasing power to promote social inclusion. The programme is fully aligned with the Group's Sustainable Sourcing policy, promoting diversity and inclusion within its supplier network. L'Oréal allocates a portion of its overall purchasing volume to suppliers who provide employment to people from socio-economically vulnerable communities and to suppliers recognised as diverse, such as businesses which have traditionally faced challenges accessing large corporations (see chapter 4.9.2.2 of this document).

The Inclusive Sourcing programme contributes to L'Oréal's goal of empowering 100,000 people who face social and economic hindrances in accessing employment by 2030[2].

Since 2020, 109,674 people were supported in accessing employment, notably through the Inclusive Sourcing programme.

Measures to improve the working conditions of beauty advisors

L'Oréal works with beauty advisors to promote its products at points of sale. Depending on the markets, they may be L'Oréal employees, distributor employees or employees hired through temporary employment agencies. Predominantly women, these advisors are in direct contact with consumers and may sometimes be faced with consumer or management behaviour that does not reflect L'Oréal's values. To improve their access to reporting tools, the Group has launched pilot projects in three markets.

In this context, a mobile phone survey tool has been rolled out for all beauty advisors employed by a temporary employment agency in a Group country. This revealed Human Rights issues, concerning working conditions, employment contracts and harassment, in particular. These topics were addressed in a dedicated action plan that included measures to improve contracts and to train beauty advisors, distributors and employers of these advisors on violence against women.

Other similar feedback tool projects are being considered, as the ultimate goal is to increase the coverage of this at-risk population. An e-learning course for beauty advisors was developed in 2025 and slated for roll-out in 2026.

Human rights actions – the rose sector in Turkey

In response to a Human Rights risk identified in relation to the rose sector in Turkey, L'Oréal joined the Harvesting the Future initiative launched by the Fair Labor Association (FLA), aimed at improving working conditions and respect for human rights in various agricultural sectors, focusing on empowering seasonal workers and their families. Running up to end 2026, the project brings together various stakeholders, including the Turkish government, local civil society organisations, processors, growers and companies in the beauty and perfume industry, in order to support and strengthen the introduction of systems for monitoring human rights in their supply chains.

In 2025, with the support of the Harvesting the Future initiative, local producers organized in an association deployed risk prevention and remediation efforts, contributing to the transition towards local self-sufficiency.

For further information about the results of the project to date, see the FLA website[3].

Human rights actions – the jasmine-growing sector in Egypt

Following an alert and a series of Human Rights impact assessments carried out by independent specialists in 2023 in various regions worldwide, the Group identified risks of Human Rights violations in relation to jasmine harvesting in Egypt, and in particular a problem regarding child labour.

In response to this situation, the FLA, together with the Egyptian office of the International Labour Organization and more than 15 national and international producers and buyers of jasmine derivatives and products are working together to promote better child protection and decent working conditions in the jasmine sector in Egypt. The Egyptian government and several civil society organisations are also active partners in the project, which forms part of FLA's Harvesting the Future initiative.

Joint efforts to improve labour rights and local working conditions in the jasmine supply chain include strategies to promote fair pay and build the economic resilience of families; strengthen child protection measures and improve (i) children's access to education and (ii) parents' access to childcare; improve processors' Human Rights due diligence systems; and generate governmental support for legal and policy initiatives, including social protection measures.

The FLA and ILO are actioning these measures on a local, on-the-ground basis in seven jasmine producing villages in the Gharbia region in Egypt, in collaboration with several local civil society organisations and jasmine suppliers.

In 2025, the Egyptian Labour Code evolved to incorporate improvements supported by the coalition.

Raw material sourcing

As part of a voluntary approach, L'Oréal launched a global analysis of the risks inherent in its raw material sourcing, looking beyond the Suppliers with whom it has an "established business relationship".

(1) The scope concerned aims for at least the sites or entities involved in the business relationship with L'Oréal.
(2) Compared with the base year of 2020.
(3) https://www.fairlabor.org/projects/harvesting-the-future-of-rose-in-turkiye/

3.6.4.2 Risks and Applicable Rules to prevent serious adverse impacts on Safety and Health in the workplace and the Environment

Analysis of Risks to Safety and Health in the workplace and the Environment [1]

The risk analysis covers generic risks related to industrial activities and specific risks related to Suppliers' and Subsidiaries' own business activities.

Generic risk analysis process

As is the case for any production (manufacturing and packing), distribution, research and general administration operations, the Group and its Suppliers are exposed to Safety, Health and Environmental challenges.

Based on the risk prevention work on the Environment, Health and Safety at the workplace carried out by L'Oréal for many years, the major risks below have been identified. On this basis, the Subsidiaries and Suppliers must define at each of their sites the measures designed to prevent the risks identified in the Plan (the "Prevention System").

Specific risk analysis process for Subsidiaries

The Subsidiaries conduct their own risk analysis based on the list of risks set out below, particularly the fire risk, which is controlled by very strict fire prevention standards (such as those issued by the National Fire Protection Association).

In addition to the generic risks, the Subsidiaries identify the specific risks related in particular to cosmetics production. For example, physical risks are the subject of SHAP (Safety Hazards Assessment Procedure) studies, which identify the dangers, generally and for each workstation, assess the risks and show the necessary means of control to be implemented. Environmental risks are also analysed to assess the nature of the aspects and impacts of a site's activities on its environment and to control any that lead to potentially serious impacts for the air, soil, water, biodiversity and resources.

This environmental analysis is updated regularly by each of the Group Subsidiaries' sites and whenever a significant change takes place. If significant risks are identified or if L'Oréal's standards or regulations impose specific requirements, a more detailed evaluation is carried out for the activities concerned. Appropriate action plans, with immediate action where necessary, are implemented to reduce significant risks to an acceptable level.

With regard to water discharge, each industrial site has implemented a self-monitoring system representative of the wastewater discharged[2]. This self-monitoring is a tool for detecting risks of exceeding regulatory thresholds that helps to anticipate any non-compliance and launch corrective actions. A total of 29 L'Oréal factories have their own wastewater treatment plant. L'Oréal is installing more such plants.

The process safety risks are analysed using the HAZOP (HAZard and OPerability analysis) guide. This method focuses on operating conditions, or FMECA[3], which analyses risks related to failures in the process at the different steps in production.

The results and means of controlling industrial and specific risks are summarised in the GHAP (Global Hazard Assessment Procedure) programme.

Specific risk analysis process for Suppliers

In addition to their own risk analyses, Suppliers refer, at the very least, to the issues listed by L'Oréal in the Mutual Ethical Commitment Letter (MECL – see section 4.4.2.2) in order to implement the appropriate prevention measures at each affected site.

If the specific nature of the Suppliers' activity requires specific risks and/or additional prevention measures to be identified, the Suppliers are required to roll out these additional measures in accordance with best practices in their industry.

For example, in the subcontracting of finished products activity, specific risks may involve (i) the use of certain raw materials, (ii) wastewater treatment, (iii) the use of machines or electrical equipment in processing or storage areas, and (iv) handling techniques that may cause personal injury, in particular.

In the specific case of subcontracting Suppliers of aerosol production or storage, bleaching powders or flammable products, the sites are subject to specific risks analyses concerning process safety.

Risks identified related to Environment, Health and Safety in the workplace

Risks of serious adverse impacts to Health and Safety in the workplace

Risks of serious adverse impacts to Health and Safety in the workplace cover:

(i) risks related to buildings and the use of equipment (in particular, compliance of equipment with operating licences);

(ii) risks related to energy sources, matter and materials (in particular, fires resulting from flammable products and materials or electrical equipment);

(iii) risks related to human activities (in particular, slips and falls).

Environmental risks

The Group's risks of causing serious adverse impacts on the environment correspond to risks related to the consumption of resources, greenhouse gas emissions or to causing damage to soil, water, air and biodiversity (habitats and species) that arise in the course of its routine operations, as well as the risk of occurrence of an incident at a site of its Subsidiaries or Suppliers (gradual or accidental pollution or an incident during the transport of hazardous materials).

(1) This section incorporates by reference the information required by the CSRD standard (E2-1) for the Sustainability Report (section 4.3.3.2).
(2) Monitoring of regulated and contractual parameters: chemical oxygen demand (COD), biochemical oxygen demand (BOD), etc.
(3) Failure Mode, Effects and Criticality Analysis.

Applicable Rules to prevent risks of serious adverse impacts on Safety and Health in the workplace and the Environment

EHS guidelines

The Group's Environment, Health and Safety (EHS) Policy aims to minimise the impact on the environment and guarantee the health and safety of the employees of its Subsidiaries and Suppliers, its customers and the communities in which L'Oréal carries out its activities. For the Subsidiaries, this policy is built on an EHS management system composed of standards with stringent requirements that set the principles of L'Oréal's EHS policy, which is all included in the EHS guidelines.

Additional Environment, Health and Safety actions

In addition to the action taken as a result of the risk analysis conducted on the business activities of the Group and its Suppliers, L'Oréal conducts Environmental Health and Safety in the Workplace initiatives in addition to those implemented under the French law on Duty of Vigilance.

(i) Additional actions intended for Subsidiaries' sites

In terms of site security, L'Oréal implements the LIFE (Life-changing Incident or Fatality Event) programme, covering activities on all its sites which, if not properly managed, could result in potentially serious employee injury or illness. The Group extends the ambition of moving towards "zero accidents" by ensuring the sustainability of actions and defining post-incident emergency preparedness requirements.

In parallel, under the L'Oréal for the Future programme, Subsidiaries have set the following environmental objectives:

- Climate: by 2030, reach 100% renewable energy on operated sites and in stores[(1)];
- Water: by 2030, use 100% recycled or reused water for industrial purposes in factories.

These objectives, which are defined annually and tracked by monthly reports, make it possible to assess the performance of each site, country and Region. A summary of the results of the L'Oréal for the Future programme is provided in section 1.4.2.

To validate and reinforce the effectiveness of its EHS policy, the Group is engaged in a process of continuous performance improvement based on an ISO certification programme for its sites. This includes ISO 45001 certification for occupational health and safety and improved working conditions, ISO 14001 certification for environmental management systems and improved environmental performance, and ISO 50001 certification for energy management.

Specific audits are carried out by in-house EHS specialists to assess the extent to which the EHS culture has been rolled out to all employees at Subsidiaries. The results of these audits provide information on the knowledge of EHS management tools and the maturity of audited sites with regard to the Safety and Environment culture at all levels of the hierarchy.

Particular attention is paid to the management of leaks of cooling gas used for the production of cold (e.g., refrigeration units) and heating gas (e.g., heat pumps) at sites operated by the Group. Following an overall inventory of the facilities, a risk reduction strategy was put in place, based on two pillars: detecting and managing leaks and replacing traditional cooling gases with alternative cooling gases with low global warming potential.

(ii) Additional actions intended for suppliers

L'Oréal is committed to selecting its suppliers rigorously, based on open and transparent competitive bidding. Suppliers are selected based on objective criteria such as quality, price and innovation capabilities as well as performance in terms of social and environmental responsibility.

As part of the L'Oréal for the Future programme, L'Oréal has set the following environmental objectives that concern Suppliers or that could relate to their business:

- Climate: by 2030, reduce its Scope 3 greenhouse gas emissions from the Group's purchased goods and services, employee business travel, upstream transportation and distribution by 28% compared with 2019;
- Biodiversity: (i) ensure that at least 90% of the biobased ingredients and materials used in formulas and packaging come from sustainable sources and (ii) regenerate an area of land larger than the Group's footprint within priority ecosystems to improve their health and resilience.

Sustainable purchasing of raw materials

L'Oréal's Forest Policy, updated in April 2025, reaffirms the Group's vision regarding forest stewardship and restoration. It also aims to prevent deforestation and ecosystem conversion, and any violation of human rights along its supply chains of raw materials subject to deforestation risk. In this context, L'Oréal is committed to sustainable palm production and is developing a roadmap based on six pillars:

- Sourcing certified raw materials:

  In 2025, 100% of the palm oil and 99.9% of palm derivatives purchased by the Group is Roundtable on Sustainable Palm Oil (RSPO) certified. This certification attests to compliance with environmental and social standards for sustainable palm oil production, including the protection of forests, workers' rights, local communities and indigenous peoples.

- Transparency in the palm sector:

  L'Oréal identifies the Suppliers in its palm value chain through the Action For Sustainable Derivatives (ASD) coalition, which the Group co-founded in 2019. 97% of L'Oréal's 2024 volumes of palm was traced back to the refinery and 97% traced back to the mill.

- Analysis and management of associated risks:

  This transparency enables L'Oréal to analyse the risks associated with its supply zones. The Group has set up satellite surveillance of supply areas around identified mills to detect potential cases of deforestation. The overall risk identification system is rounded out by reports received from external stakeholders, media monitoring, and publications by the ASD grievance taskforce.

(1) Operated stores that hold an electricity subscription.

In the event of a suspected violation of its Forest Policy, L'Oréal addresses the issues with its Suppliers, in particular by sending them a list of mills potentially linked to cases of deforestation or unresolved alerts. The Group asks its Suppliers to engage these mills in the investigation and resolution of the cases concerned or, if this is impossible, to suspend their business relations with the mills.

More specifically with regard to Human Rights, L'Oréal worked with the NGO Dignity in Work for All on strengthening its risk identification in this value chain. As a result of this work, since 2022 L'Oréal has supported the ASD Respect In Palm programme, which promotes gender equality and measures to combat gender-based violence.

- Active involvement of Suppliers:

  L'Oréal assesses its palm Suppliers using the Sustainable Palm Index (SPI) – a measurement tool developed as part of the Group's work with the ASD. It is used to assess each Supplier's progress and compliance with Group requirements. It covers traceability, certification, Human Rights, deforestation and sector-based engagement. The SPI score is incorporated into annual Supplier assessments.

- Support for small independent producers:

  L'Oréal is committed to supporting independent smallhold producers connected to its value chain. For example, it is involved in five field projects run by NGOs in Indonesia and Malaysia, representing 31% of the Group's supplies of palm derivatives. These projects are designed to support small-scale producers in adopting better farming practices, in particular the principles of regenerative agriculture, in order to improve their financial resilience, while reducing their negative environmental impact.

- Contributing to the transformation of the sector:

  L'Oréal participates in several sector coalitions, driven by its firm belief that collaborative action yields results. In line with this approach, in 2019, L'Oréal co-founded the ASD to collectively address the specific complexity of the palm derivatives market. Comprising 41 members, the ASD is committed to value chain transparency, risk analysis, supplier engagement and sector transformation.

L'Oréal's roadmap for soy-based ingredients is similar to that for palm, with (i) a transparency campaign run via the same ASD coalition, and (ii) a field project supporting independent farmers in Brazil and Paraguay. The triple-certified (Fair for Life, Roundtable on Responsible Soy [RTRS] and organic) project has been verified by the NGO Imaflora, specialised in the fields of deforestation and human rights.

Regarding renewable raw materials not part of the palm or soy chain, which represent 21% of the portfolio of renewable raw materials in volume and 74% in number, L'Oréal has defined sustainable sourcing criteria incorporating environmental, social and economic indicators aligned with L'Oréal's Human Rights, Forest and Sustainable Land Use policies. These criteria were defined using environmental, social and economic indicators from external databases. (1)

L'Oréal has developed the Sustainable Characterization (SCAN) index, allowing the Group to prioritise the implementation of its sustainable purchasing action plans. The Group updates the information collected regularly.

L'Oréal aims to source all renewable raw materials from sustainable sources.

To achieve this, L'Oréal launched a support and training programme for more than 200 Suppliers on the issue of sustainable purchasing of raw materials in order to guarantee the traceability of the raw materials delivered to L'Oréal and ensure the associated sources are secure. Depending on the level of environmental and/or social risk identified on these streams, Suppliers are asked to apply the field audit procedure for producers (based on the criteria mentioned above). This procedure was developed by L'Oréal with the support of the Rainforest Alliance NGO and reviewed in 2019 by EcoCert, the Biodiversity Consultancy and the Danish Institute for Human Rights. Suppliers are also encouraged to demonstrate their sustainability practices in particular via sustainable purchasing certifications (Fair for Life, San Rainforest Alliance segregated model). With regard to biodiversity, of the 380 plant species that are the source of the renewable raw materials used by the Group, around 4% present significant challenges (endangered species, impact of production on natural environments) depending on their geographic origin and the method of extraction or production used. They are the subject of specific action plans set up with Suppliers and, if necessary, systematic support from independent external third parties to help manage the real impacts on the areas from which these ingredients are sourced.

For paper, cardboard and wood used in packaging, L'Oréal has implemented a sourcing approach as part of a process to transform its value chain. This roadmap aims to ensure transparency as regards the origin of wood and responsible sourcing.

The Group's requirements for the paper, cardboard and wood sourced for its packaging include:

- full traceability to mills and full traceability to the country of forest origin for virgin fibres, and to the country of collection for recycled fibres; and
- all of the materials delivered must be certified and covered by Chain of Custody certification for the site invoicing L'Oréal. Forest Stewardship Council (FSC) certification is preferred.

To ensure the robustness of this approach, in 2023 L'Oréal launched a process to collect and verify certification and transparency data from its Suppliers, with the support of an external third party in charge of verifying the data reported by Suppliers and the validity of Chain of Custody certificates.

L'Oréal actively engages its packaging Suppliers, measuring their procurement performance using a Sustainable Timber Score (STS). The results of the assessment are incorporated into annual reviews to encourage continuous improvement.

When a risk is identified in the value chain, L'Oréal implements specific action plans, which are strictly monitored with the Suppliers concerned. Lastly, a whistleblowing mechanism exists to flag any concerns relating to the value chain and enable the rapid application of corrective action plans.

The Group also plays a role in transforming the sector. L'Oréal has been a member of the FSC since 2022 and is actively involved in developing standards. It is also a member of the TRASCE consortium, helping to strengthen traceability and accelerate the sustainable transition of the Beauty industry.

(1) The UNDP's IHDI, the EPI from Yale University, and the Verisk Maplecroft Country Index.

Regarding plastics, L'Oréal takes action to reduce its overall plastic footprint in packaging, microplastics in product formulas, point-of-sale advertising (POS), and plastic waste generated by its factories and warehouses. As part of the L'Oréal for the Future programme, the Group (i) aims to use 50% materials from recycled or bio-based sources in product packaging and (ii) is targeting a reduction of 50% in the use of virgin plastic in product packaging in absolute terms compared to the 2019 baseline.

In addition to environmental packaging design measures carried out by research laboratories, the Operations and Brands, this commitment requires the involvement of a range of stakeholders (companies located at different levels of the value chain, research institutions and public authorities).

In order to reduce the footprint of its packaging, particularly in terms of plastic, L'Oréal has adopted a strategy known as the "3Rs":

- Reduce: cut packaging intensity, mainly through lightweighting and reuse;
- Replace: use alternatives, such as recycled or low-carbon impact materials; and
- Recycle: design packaging compatible with recycling circuits.

L'Oréal has a quality and safety policy for the materials used in its packaging. It specifies the conditions for acceptance or rejection of substances that may be present in packaging, regardless of the material. This policy is updated annually in line with regulatory developments and scientific progress, and each Supplier agrees to comply with regard to the packaging used in the Group's products. Quality auditing is carried out to ensure compliance.

The Group is active across the recycled plastics value chain, by involving Suppliers of plastic packaging and recycled plastics in its analyses and in efforts to mitigate upstream social risks. All recycled plastic producers used by the Group's packaging Suppliers undertake to comply with the Group's standards and commit to this by signing the Mutual Ethical Commitment Letter. A social audit is carried out at each recycled plastic supplier factory located in a high-risk country. A social audit demonstrating compliance is a prerequisite for any commercial relationship between recycled plastic suppliers and the Group's plastic packaging Suppliers.

Since 2022, the Group has been engaged in a transparency campaign aimed at securing traceability for the recycled plastics used in its packaging. In 2025, 99.9% of recycled plastics in the Group's packaging were traced back to the country of origin (waste collection).

Using the same approach as for the renewable raw materials described above, L'Oréal has established sustainable sourcing criteria for assessing recycled plastics streams. The Group uses the SCAN Index to prioritise action plans.

Conscious that transforming the sector requires the cooperation of all of its stakeholders, including Suppliers of plastic packaging, recycled plastics and other end products, the Group maintains active dialogue with numerous stakeholders to promote positive change in the industry. It is in this context that the Group joined The Circulate Initiative coalition in 2025.

Commitment of Suppliers to self-assess and move forward with action plans through CDP

L'Oréal actively works with its Suppliers to help them improve their performance in terms of sustainability.

In 2007, L'Oréal joined the CDP supply chain programme for greater transparency in the actions of its Suppliers and to monitor Suppliers' progress with regard to L'Oréal's objectives. In 2014, participation in the CDP Climate programme was made compulsory by L'Oréal for all strategic Suppliers. The aim is to measure and report their emissions, set targets for reducing these emissions and communicate their action plans to achieve this objective successfully.

Commitment of suppliers to self-assess and improve through corrective actions recommended by EcoVadis

By participating in the EcoVadis assessment, L'Oréal compares its environmental and social policy with the expertise and the recommendations of external experts qualified in the analysis of multi-sector risks. This assessment is useful for the continuous improvement of Suppliers, and also contributes to the transparency of industry practices, as well as to the rating of Suppliers' environmental and social performance. In total, 95% of strategic Suppliers have been assessed by EcoVadis.

(iii) Additional actions related to climate change

Since 2007, L'Oréal has carried out an annual greenhouse gas (GHG) emissions assessment in order to monitor and report its emissions and identify action plans to reduce its carbon footprint. This assessment is conducted in accordance with the Greenhouse Gas Protocol (GHG Protocol) rules, the international benchmark method for recording GHG emissions.

In 2025, the Group's total GHG emissions (using the market-based method) were estimated at 6,421,686 tonnes of CO_2 equivalent, breaking down into the following categories:

- Scopes 1 & 2 emissions: 66,634 tonnes of CO_2 equivalent;
- Scope 3 emissions: 6,355,052 tonnes of CO_2 equivalent.

In response to the climate emergency, L'Oréal drew up a climate transition plan in 2023, whose pathway was validated by the Science Based Targets initiative (SBTi) in 2024. This plan is aimed at reducing the Group's Scopes 1, 2 & 3 emissions over time horizons up to 2030 and 2050, in line with the requirements of the Corporate Net Zero guidelines and the recommendations of the Intergovernmental Panel on Climate Change to limit global warming to 1.5°C. These decarbonisation objectives remain unchanged following the strategic review of the L'Oréal for the Future programme in 2025. The objectives aim to:

- by 2030, reduce Scopes 1 & 2 carbon emissions by 57% and Scope 3 carbon emissions by 28% for goods and services purchased by the Group, employee business travel, upstream transportation and distribution; and
- by 2050, reduce total emissions by 90%, with residual emissions offset to achieve net zero.

In absolute terms, these reductions refer to a 2019 baseline year.

To meet its target for reducing Scopes 1 & 2 emissions by 2030, L'Oréal has made commitments regarding the transition to renewable energies. In 2025, L'Oréal took a historic step in achieving 100% renewable energy on operated sites and stores[1]. The Group's efforts will continue under its L'Oréal for the Future programme so as to maintain this performance. This ambition is important because Scopes 1 & 2 concern, respectively, direct emissions linked to the Group's activities, such as on-site combustion, and indirect emissions linked to the consumption of purchased energy, such as electricity. By using renewable energy sources such as wind power and solar energy to power its facilities, L'Oréal is reducing its dependence on fossil fuels, thereby limiting its carbon footprint.

To meet its target for reducing Scope 3 emissions, which account for the majority of its carbon footprint, L'Oréal has set out trajectories adapted to the transformation of each of its functions and business lines, and planned how to roll them out in collaboration with all the Divisions and Regions. Reducing Scope 3 emissions includes indirect emissions linked to the company's entire value chain, upstream and downstream of its direct operations. This includes emissions linked to the purchase of raw materials, the transportation of goods, the use of products sold, the end-of-life of these products and business travel.

Funding the transition plan

L'Oréal believes that its ambitious decarbonisation pathway and the actions required to achieve it are solidly underpinned by the availability and allocation of internal financial resources until 2030. At the same time, climate objectives also depend on important external factors, in particular the development of decarbonisation technologies, suppliers' success in reducing their own emissions, and a regulatory and political context that remains supportive of the energy transition.

The Group's strategy is supported by the consideration of climate impacts costs and benefits into its standard operational and budgetary processes. A Group management standard ensures that each entity integrates sustainability factors (including decarbonisation efforts) directly into its financial planning process.

Consequently, the Group does not manage an isolated "transition budget," as these investments are inseparable from "business as usual" operations. While certain specific expenditures can be identified as purely transition-related, they represent a non-significant amount on a Group scale. This high level of integration allows the Group to drive its transformation efficiently within its existing financial framework, while making it difficult to isolate "sustainability-only" costs.

The effectiveness of this model is evidenced by the Group's outcomes. For example, L'Oréal has succeeded in reducing its use of virgin plastic by 50% over the last five years without compromising its financial results. Transformations of this nature involve complex shifts in sourcing and industrial processes where the "climate" investment is inextricably linked to product innovation and quality.

Given the highly integrated nature of these processes, isolating specific financial figures would result in only a partial view that does not represent the actual scale of the resources and means deployed across the organization to achieve its climate ambitions. As these investments are fundamentally embedded across all operating activities to ensure maximum efficiency and strategic alignment, L'Oréal does not report the financial resources for the climate transition plan as a separate, isolated disclosure.

3.6.5 Effective application and compliance with the Plan CSRD

The Plan includes effective application measures intended to ensure that the Applicable Rules are properly implemented by Subsidiaries and Suppliers. Monitoring of compliance with the Plan is carried out through audits and analyses performed by external service providers or by Group teams. Subsidiaries and Suppliers are also asked to carry out self-assessments.

3.6.5.1 Effective application of the Plan

Adoption of Applicable Rules

(i) Adoption of the Applicable Rules by the Subsidiaries

The Applicable Rules are included in the Group's Internal Rules to ensure they are effectively implemented by Subsidiaries. For this purpose, compliance with the effective application of the Plan is based on control activities in accordance with the applicable legislation. The communication of Applicable Rules to Group employees is described below. Social audits are conducted at the Group Subsidiaries' industrial sites by a third-party company for the purpose of verifying that the Applicable Rules are implemented correctly.

(ii) Adoption of the Applicable Rules by Suppliers

Suppliers undertake to comply with the Applicable Rules. The principal Suppliers sign the Mutual Ethical Commitment Letter (MECL), which covers these Applicable Rules. Moreover, the Suppliers likely to present the most significant risks because of their activity or geographic location may be audited on these issues in accordance with the risk matrix. The contents of the audit are set out in the MECL.

Governance

L'Oréal's commitment to Human Rights and Fundamental Freedoms, the Health and Safety of people in the workplace and the Environment is supported at the highest level of the Company by its Chief Executive Officer, who renews L'Oréal's commitment to the United Nations Global Compact each year. These commitments are also set out in the Group's Code of Ethics and Human Rights and Employee Human Rights policies. In 2025, the Group updated its Human Rights Policy so that it better responds to the salient risks and provides greater clarity on the Group's programmes and policies in this regard.

(1) *Operated stores that hold an electricity subscription.*

(i) Governance of Human Rights and Fundamental Freedoms

The Chief Corporate Responsibility Officer, a member of the Executive Committee, is responsible for overseeing the respect of Human Rights and Fundamental Freedoms in the Group. This mission has been entrusted to her by L'Oréal's Chief Executive Officer, to whom she reports.

The Chief Corporate Responsibility Officer has a budget and a dedicated team of Human Rights experts. She consults all the Group's teams and resources in carrying out her work.

A network of more than 50 human rights correspondents plays a key role in embedding this culture in every Group entity.

In addition, various bodies, including a Human Rights Committee for the supply chain, chaired jointly by the Chief Corporate Responsibility Officer and the Chief Operations Officer, met several times to discuss the implementation of the Human Rights Policy and to inform decision-making. Within the Operations Department, specifically Sustainable Purchasing, the focus on human rights in supply chains was reinforced in 2025 with the creation of a dedicated unit.

Country Managers (or, for Corporate or Region staff, the members of the Group's Executive Committee to whom they report) are responsible for ensuring compliance with Human Rights and Fundamental Freedoms.

The Human Relations teams are responsible for ensuring that the activities of the Subsidiaries respect employees' Human Rights and Fundamental Freedoms.

Employees may contact their manager, their Human Relations Director, their Legal & Compliance Director, their Purchasing Director, their Human Rights Correspondent, their Ethics Correspondent and, ultimately, the Chief Ethics, Risk and Internal Control Officer if they have any questions about compliance with the Applicable Rules.

The Purchasing teams ensure that Suppliers' activities respect Human Rights and Fundamental Freedoms. Suppliers eligible under the risk matrix are not listed in L'Oréal's Supplier database until they have contractually committed to comply with the Applicable Rules. During Management Committee meetings that include representatives from all Regions and purchasing areas, the Purchasing teams discuss the results of audits, their consequences for business relationships, and the related actions plans to achieve continuous improvement of results at the Group's Suppliers.

(ii) Governance of Environment, Health and Safety (EHS) in the workplace

The Chief Operations Officer, reporting to the Chief Executive Officer and a member of the Executive Committee, is responsible for the general policy put in place to prevent serious adverse impacts on the environment, and health and safety. The implementation of this policy is the responsibility of the Group's Subsidiaries and sites. The Chief Operations Officer is supported by and delegates the roll-out and monitoring of the policy to:

- factory and distribution centre managers who are responsible for the roll-out and effective implementation of the policies defined by the Group. Their remuneration is partly linked to their performance in the areas of the environment, health and safety in the workplace;
- EHS managers who are trained and dedicated to compliance with the EHS policy. They are responsible for rolling out the rules, procedures and associated performance objectives of the Group in all of its entities; and
- Country Operations Managers who are responsible for compliance with the EHS policy by the distribution centres, the administrative Sites and stores in their country.

The Purchasing teams are responsible for collecting eligible Suppliers' confirmation that they accept the Applicable Rules via the Mutual Ethical Commitment Letter.

They use audits carried out by third-party companies to ensure that Suppliers included in the Risk Matrix implement the prevention measures for EHS risks. As for Human Rights, the Purchasing teams discuss, during Management Committee meetings that include representatives from all Regions and Purchasing areas, the results of audits, their consequences for commercial relations, and the related actions plans to achieve continuous improvement of results at the Group's Suppliers.

Communication and training

Communication of the Applicable Rules and training of the teams involved supplement and support the effective application of the measures set out in the Plan by L'Oréal's Subsidiaries and Suppliers.

(i) Communication on Human Rights and Fundamental Freedoms

Human Relations teams are informed of the Applicable Rules by their line manager.

All new Group employees must receive a hard or electronic copy of the Group's Code of Ethics and must confirm that they have read it. Employees must be reminded of the Code of Ethics and its contents on a regular basis. Any employee in contact with Suppliers must receive L'Oréal's The Way We Work with our Suppliers guide when they are hired. It explains the ethical standards that apply to Supplier relations.

An internal Ethics website is available to employees.

An annual Ethics Day, including Human Rights, has been held since 2009. The day is a chance for employees to discuss matters such as respect for Human Rights and Fundamental Freedoms via a livestream with L'Oréal's Chief Executive Officer and the other members of the Executive Committee. Discussions on Ethics are also organised in the Subsidiaries for employees to engage in conversations with their Subsidiary's Chief Executive Officer.

In 2025, over 30,000 people logged on to Ethics Day sessions and more than 4,700 questions were submitted worldwide.

With respect to Suppliers, as well as being provided with the Applicable Rules through the Mutual Ethical Commitment Letter (MECL), they are also given access to the Group's Code of Ethics, which is available online.

(ii) Training on Human Rights and Fundamental Freedoms

A new version of the specific, compulsory e-learning course on Ethics and Human Rights was launched in July 2023. It contains a range of interactive content and exercises and participants are reminded about the utmost importance that Group top management places on respect for Human Rights. In particular, it includes practical case studies to resolve, some of which can be customised according to the role selected by the user. The aim is for all employees across all departments to complete this training.

New buyers receive compulsory training on Responsible Purchasing to learn about how to ensure respect of the Group's Ethical Principles.

A training course on Supplier audits, detailing the applicable audit procedure, is also available for all buyers. A version adapted for Suppliers is available on the website for strategic Suppliers.

(iii) Communication about Environment, Health and Safety (EHS) in the workplace

EHS managers are informed of the Applicable Rules by their functional hierarchy.

Group sites are encouraged to hold a day dedicated to EHS to raise awareness among all employees about the risks to which they are exposed and suitable prevention measures, in addition to specific local actions.

A Group awareness-raising campaign about major safety risks, rolled out over three years, and the implementation of a specific topic every four months, serve to develop employee awareness of risks over time.

A monthly newsletter for the Group's EHS managers and their team leaders helps track performance and share best EHS practices.

(iv) Training on Environment, Health and Safety in the workplace

Training sessions dedicated to L'Oréal's EHS policy and practices have been provided at all levels of the Company, as well as for temporary workers and subcontractors working on Group sites. They are one of the cornerstones in the implementation of risk identification and management systems, and the dissemination of an EHS culture in all Group entities.

This includes the various training initiatives for Health and Safety in the workplace and the Environment and covers general EHS training, EHS training by function and specific EHS training.

General EHS training includes:

- core general training completed, for example, when a new employee arrives at a site (L'Oréal administrative staff or temporary staff) regardless of their position; and
- fire safety training, first aid, pollution prevention, recycling, general EHS awareness raising, etc.

EHS training by function refers to training specific to a given role or activity (for example, all of the filling and packing staff of a factory).

Specific EHS training refers to EHS training for a particular workstation and the activities carried out by the employee.

In terms of ergonomics, a "Manual handling" e-learning course is provided to all employees.

A high level of expertise for global EHS Teams and the development of an EHS culture for "Top managers", managers and supervisors is assured via the roll-out of training specific to each person.

In connection with the Environmental pillar of the L'Oréal for the Future programme, a training module called “Green Steps for All” has been launched, addressing the challenges related to climate, water, biodiversity and resources, as well as a second module called “Going Sustainable Together”, designed to help drive the transformation of L'Oréal's businesses. It is intended that all the Group's employees will receive this training.

3.6.5.2 Monitoring compliance with the Vigilance Plan CSRD

Risk hierarchy of non-compliance with the Applicable Rules

The risk hierarchy is used to enhance controls on compliance with the Applicable Rules[1] by defining procedures for monitoring compliance with the Rules that are consistent with the risks, including via a policy of third-party audits, monitoring and evaluation of Suppliers conducted by third-party companies such as EcoVadis. The Group's vigilance is strengthened in circumstances where conflict is involved, in line with applicable international standards.

As far as Subsidiaries are concerned, the risk hierarchy of non-compliance with the Applicable Rules was developed to take into account the type of activity and the type of site[2], in that order.

With respect to the Suppliers, the risk mapping of non-compliance with the Applicable Rules was drawn up for Human Rights, Fundamental Freedoms, the Environment, and Health and Safety in the workplace using a methodology that takes the following parameters into account:

- the country in which the Supplier's sites are located: a country is considered to be exposed to risk in terms of Human Rights and Fundamental Freedoms, and environment, health and safety if it meets at least one of the following criteria:
  1. the country is classified as "High risk" or "Extreme risk" according to the criteria of the consultancy firm Verisk Maplecroft: 12 evaluation indices are used in this methodology and aggregated in a single grade compared with the threshold values set by Verisk Maplecroft, and
  2. the results of social audits conducted by L'Oréal in the country include cases of Zero Tolerance or Needs Immediate Action (NIA) ratings corresponding to the most severe failures to comply;
- the business sector: each Supplier is associated with a sector according to a governance ranking of Purchases ("Global Purchasing Categories");
- the type of operation: the activities most heavily exposed to labour risk are the activities with high manual added value, implying work on a production line.

(1) This paragraph incorporates the information required by the CSRD standard (S1-14 et S2-4) for the Sustainability Report (section 4.7.2.2.3 and 4.9.2.1).
(2) Type of activity: administration, manufacturing, distribution, etc. Type of site: administrative offices, factories, distribution centres, research centres, etc.

MATRIX TRIGGERING SUBSIDIARY AUDITS

Type of country	Sites audited
All countries	Manufacturing sites, distribution centres, R&D sites and administrative sites

MATRIX TRIGGERING SUPPLIER AUDITS ACCORDING TO RISK MAPPING

Business sector	Description of business sector	Type of country	Suppliers audited
Raw materials	Suppliers of ingredients used to produce cosmetics in L'Oréal factories	Countries classified as "high risk"	100% of Suppliers
Packaging	Suppliers of packaging used for production in L'Oréal factories	Countries classified as "high risk"	100% of Suppliers
Subcontractors	Suppliers producing cosmetics for L'Oréal (Full-buy, Full-service, etc.)	Countries not classified as "high risk"	100% of new Suppliers (initial audit) When the "Satisfactory" or "NCI" (Needs Continuous Improvement) rating is achieved, additional audits are no longer mandatory
		Countries classified as "high risk"	100% of subcontractors
Cosmetic devices	Suppliers of equipment & electronics	Countries classified as "high risk"	100% of Supplier Production Sites
Manufacturing equipment	Suppliers of manufacturing equipment designed for L'Oréal's sites (processing tanks, filling machines, etc.)	Countries classified as "high risk"	100% of Supplier Production Sites
Promotional items	Suppliers of promotional items (bags, etc.)	Countries classified as "high risk"	100% of Supplier Production Sites
Items intended for points of sale	Suppliers of items intended for the presentation of products at points-of-sale	Countries classified as "high risk"	100% of Supplier Production Sites
Co-packing	Co-packing Suppliers (or Co-Packers)	Countries not classified as "high risk"	100% of new Suppliers (initial audit) When the "Satisfactory" or "NCI" (Needs Continuous Improvement) rating is achieved, additional audits are no longer necessary
		Countries classified as "high risk"	100% of Supplier Production Sites
Logistics service providers (excluding transport)	External distribution centres	Countries not classified as "high risk"	100% of new Suppliers (initial audit) When the "Satisfactory" or "NCI" (Needs Continuous Improvement) rating is achieved, additional audits are no longer mandatory
		Countries classified as "high risk"	100% of Suppliers' logistics sites

Audit and self-assessment system

(i) Audits

Audits of Applicable Rules: Audits of Applicable Rules are used to check that the Plan is correctly implemented by the Subsidiaries and Suppliers included in the Risk Matrix. Audits are done by specialist external companies. When a Subsidiary or Supplier is audited, the process is carried out in accordance with the Risk Matrix set out above. A written audit report is prepared. With respect to the Subsidiaries, the reports are stored in a secure database available to the Group's Heads of Human Relations and to the Country Operations Directors, in some cases. The reports on Suppliers are intended for Group buyers.

EHS audits specific to Subsidiaries: to ensure compliance with the Group's EHS policy, a system of worldwide audits has been in place since 1996, and was reinforced in 2001 with the presence of external auditors who are experts in the local environment and regulations. These audits take place regularly on each L'Oréal site: every three years for production sites and every four years for distribution centres, administrative sites and research centres. If the result of the audit does not meet the standard required by the L'Oréal reference framework, a specific interim audit is scheduled for the following year. Every year, the teams responsible for EHS risks review the audit results and identify general improvement plans. Improvement plans specific to the audited sites are set up immediately after the end of the audit. Any emergency measure intended to prevent an imminent risk for the health of persons at the site is implemented by the site's EHS teams without waiting for the completion of an audit even if it is not part of the improvement plan in place, if any. Various audit grids – "risk", "culture" and "combined risk and culture" – are used depending on the maturity and type of activity at the sites. They assess in particular:

- compliance of practices and facilities with the Group's rules and procedures;
- progress in terms of EHS performance;
- any risks that the sites may present from an EHS standpoint; and
- the level of management and dissemination of an EHS culture on the sites.

Each risk finding is classified in one of three categories A, B and C according to a matrix of level of impact/probability of occurrence. "A" findings are monitored monthly and consolidated annually by risk type.

The monthly reporting of safety and environmental data also feeds into consolidation and analysis of any anomalies and incidents leading to non-compliance with regulations, complaints and/or fines.

Three types of social audit specific to Suppliers:

- initial audits: first audits conducted, which are a prerequisite to the start of the relationship with a new Supplier;
- follow-up audits: audits done 12 to 24 months maximum after the "Needs Immediate Action" request (NIA), depending on the severity of the case of non-compliance found. This is evolving in line with the SMETA framework[1], which has been gradually implemented since 2025: under this framework, follow-up audits are carried out 12 months after the initial audit for all categories of non-compliance; and
- confirmation audits, three years after the initial audit.

The possible outcomes of the audits are as follows:

- **Satisfactory**: all criteria conform to the Applicable Rules and the best practices are highlighted;
- **Needs Continuous Improvement (NCI):** minor cases of non-compliance were found, but they do not have an impact on employee safety or health;
- **Needs Immediate Action (NIA)**: cases of non-compliance were reported either because they are serious, recurring or have a potential impact on the health and safety of employees;
- **Zero Tolerance (ZT)**: reported, for example, in the event of a critical case of non-compliance related to child labour, forced labour, physical abuse, restricted freedom of movement, an immediate risk of accident for employees or attempted bribery of the auditors[2]; and
- **Access Denied:** reported when the audit is refused (for example in the event of refusal to provide partial or full site access to the auditors). This is evolving in line with the SMETA[1] framework, which has been gradually implemented since 2025: under this framework, full refusals will be recorded as "Access Denied".

In case of non-compliance (Needs Continuous Improvement, Needs Immediate Action or Zero Tolerance), corrective action plans must be implemented which are then audited at the level of the Subsidiary or Supplier. Failure to implement a corrective action plan can, in the case of a Subsidiary, result in an alert being sent to the Country Manager. Subsidiaries can decide to link part or all of the remuneration of their managers and/or of their performance evaluation to the implementation of the Applicable Rules.

In the case of Suppliers, serious cases of non-compliance (Needs Immediate Action, Zero Tolerance and Access Denied) or the failure to implement corrective action can result in the refusal to list a new Supplier or the suspension or termination of business relationships with a listed Supplier.

In the event that the existence of cases of non-compliance with the Applicable Rules is reported, a specific audit may be launched. Visit reports are issued as part of the process of routine visits made to Suppliers. They can result, if necessary, in additional audits.

Specific EHS audits of subcontractors' sites

Additional specific EHS audits are conducted by independent third parties for subcontractor sites for aerosol production or storage, bleaching powders and flammable products under the criteria defined by L'Oréal, which are similar to those used for the Group's sites. These audits are triggered when Suppliers are first listed or approved and are followed up via audits conducted between 12 months and 36 months maximum after the immediate improvement request (NIA), depending on the severity of the case of non-compliance found, and again at the time of confirmation, five years after the initial audit.

The results of these audits are the same type as those previously described: satisfactory, NCI, NIA and ZT.

(1) *An audit methodology developed by SEDEX designed to evaluate Suppliers' practices in terms of working conditions, health and safety, business ethics and respect for the environment.*

(2) *It should be noted that the concept of attempted bribery mentioned in the audit report refers to a clear attempt to bribe the auditor and not to the fact that the supplier may have been involved in a bribery case.*

Serious cases of non-compliance (Needs Immediate Action, Zero Tolerance and Access Denied) or the failure to implement corrective actions can result in the refusal to list a new Supplier or the suspension or termination of business relationships with a listed Supplier.

All the main cases of non-compliance found are monitored and consolidated annually by risk type.

In the event that the existence of cases of non-compliance with the Applicable Rules is reported, a specific audit may be launched. Visit reports are issued as part of the process of routine visits made to Suppliers. They can result, if necessary, in additional audits.

Additional procedures: L'Oréal also uses analyses and ratings provided by EcoVadis, an analytical company, to evaluate the policies implemented by the Suppliers in relation to the issues covered by the Plan, among others. This evaluation is an indicative guide that can be added to the audits described above. By participating in the EcoVadis assessment, L'Oréal compares its environmental and social policy with the expertise and the recommendations of external auditors qualified in the analysis of multi-sector risks. This is a useful rating for the continuous improvement of L'Oréal's programme, it also contributes to the transparency of industry practices. as well as to the rating of Suppliers' environmental and social performance. L'Oréal is a co-founder of the Responsible Beauty Initiative (RBI), a sector initiative created in 2017 with EcoVadis. It brings together eight major players in the cosmetics industry for the sustainable transformation of the entire Beauty supply chain.

(ii) Self-assessment system

Human Rights and Fundamental Freedoms: an annual ethics reporting system is used to monitor the implementation of the Applicable Rules in the Subsidiaries, particularly with regard to Human Rights and Fundamental Freedoms.

Environment, Health and Safety in the workplace: the Management Committees of L'Oréal sites have tools for the self-assessment of their practices based on the audit standards provided to them. They can then produce an improvement plan, if required. These self-assessments are input data in the EHS risk audits.

To steer performance:

- every year, each Subsidiary site defines and revises its safety and environmental roadmaps to achieve the targets set by the Group and tracks its EHS indicators monthly;
- at Group level, the indicators are consolidated monthly by Region and as a whole for the Group's results; and
- a Greenhouse Gas Assessment is prepared annually (in accordance with the GHG Protocol).

3.6.6 Whistleblowing and reporting system

Speak Up, L'Oréal's whistleblowing system, has been in place since 2008. It gives employees and stakeholders access to a secure website that they can use to raise any concerns they may have, including serious infringements of Human Rights and Fundamental Freedoms, the Health and Safety of people in the workplace, and respect for the Environment, with the Chief Ethics, Risk and Internal Control Officer in a secure, effective manner that provides all the guarantees of confidentiality necessary for the reporting of potential breaches. Any allegations expressed in good faith are examined in detail and adequate remediation measures are taken, if applicable. Employees have several other methods of raising their concerns (line management, dedicated local hotlines, etc.). The whistleblowing line was opened to employees in 2008, and then to stakeholders in 2018. Information campaigns about the whistleblowing system are organised on a regular basis.

3.6.7 Update on effective implementation of the Plan

This section provides the 2025 results of the application of the Plan for Subsidiaries and Suppliers.

3.6.7.1 General results of whistleblowing and reporting systems

In 2025, 858 alerts were raised through the whistleblowing system, including:

- 27 on sexual harassment, 12 of which were proven, in whole or in part, and which resulted in five departures from the Group;
- 68 on bullying, 19 of which were proven, in whole or in part, and which resulted in four departures from the Group;
- 54 on discrimination, 13 of which were proven, in whole or in part, and which resulted in one departure from the Group;
- 34 on health and safety, 1 of which was proven, in whole or in part, and which did not result in any departures from the Group; and
- 0 on environment.

3.6.7.2 Results of the application of the Plan to Subsidiaries

Adoption of the Applicable Rules by the Subsidiaries

The Applicable Rules are incorporated into the Subsidiaries' internal rules. Employees learn through an online training programme on Ethics. At the end of 2025, 84% of the relevant employees had completed this training programme.

All EHS Managers and everyone working in a factory or distribution centre are trained in the Applicable Rules on EHS. All new employees are trained in the EHS Rules, regardless of their work location.

Monitoring and control system in respect of Human Rights

A total of 27 Group factories and distribution centres worldwide have been audited on their compliance with the Group's Human Rights Rules, apart from on compliance with health and safety rules, which is subject to specific separate audits. Five of these sites were audited as part of checks to determine whether the cases of non-compliance brought to light by the audits conducted in 2024 had been remedied.

On completion of the 2025 audit process and, where appropriate, remedial actions and compliance audits, the following cases of non-compliance were identified:

- In terms of L'Oréal's employees:

(i) child labour: the audits did not reveal any cases of non-compliance;

(ii) forced labour: the audits did not reveal any cases of non-compliance;

(iii) freedom of association: an audit of one site revealed that the minutes of staff representatives' meetings had not been signed off for ten months;

(iv) non-discrimination: the audits did not reveal any cases of non-compliance;

(v) working hours: the audits revealed that (a) employees at one site were sometimes required to work overtime; (b) the working hours of some employees at one site exceeded the overtime limit laid down in the Employee Human Rights Policy; (c) the rest days taken by employees at one site were organised on a fortnightly, rather than weekly, basis; (d) one site did not provide proof that workload meetings had been held; and (e) the minimum daily rest period for one employee had not been respected during on-call duty;

(vi) payroll: an audit revealed that the remuneration of employees at one site was not adjusted when they performed duties requiring a higher level of qualification than their usual duties;

(vii) sexual harassment and bullying: the audits did not reveal any cases of non-compliance;

(viii) disciplinary practices: the audits did not reveal any cases of non-compliance.

- In terms of employees of external companies (temporary work agencies and subcontractors), the audits revealed (a) that one site was unable to demonstrate that it had taken measures to ensure that these companies adhered to L'Oréal's ethical standards and that the site managers did not have sufficient knowledge of the internal procedures applicable to the management of indirect employment; (b) non-compliant pay and benefits for employees of external companies at four sites; and (c) the lack of a procedure to verify the age of employees of external companies at one site.

Action plans have been drawn up for all these cases of non-compliance, with compliance audits to verify implementation scheduled for the first four months of 2026.

Monitoring and control system concerning EHS

In 2025, 80 "Top managers" (managers of factories or distribution centres, Management Committee members, etc.) attended the Leadership & Safety Culture seminar, held at the CEDEP, The European Centre for Executive Development, at the INSEAD campus in France. The seminar aims to raise awareness with top managers about safety issues, increase their leadership ability and see these behaviours adopted and maintained over the long term.

A total of 34 factories are certified[1] ISO 45001, representing 94% of the Group's factories. 34 are certified ISO 14001 (94%) and 28 are certified ISO 50001 (77%)[2].

In 2025, the following EHS audits were conducted:

- 13 risk audits;
- 21 combined EHS culture and risk audits;
- 12 combined Quality, Environment, Health, Safety and Performance audits; and
- 108 additional EHS audits of subcontracting sites in factories, and in external distribution centres and Suppliers.

The most frequently identified risks during EHS risk audits are related to fire protection, procedure safety, hazardous energy, containment of firewater run-off and wastewater management. Failures to comply and formal notice were systematically subject to corrective measures.

In 2025, failures to comply with regulations were found at ten factories with regard to the quality of their wastewater. Thanks to the Waterloop concept, all of L'Oréal's production sites will be able to improve their water treatment and recycling capacities.

(1) ISO 45001: Occupational health and safety management systems. ISO 14001: Environmental management systems. ISO 50001: Energy management systems.
(2) Exclusion: Medik8.

3.6.7.3 Results of the application of the Plan to Suppliers

Adoption of the Applicable Rules by Suppliers

The Mutual Ethical Commitment Letter, reviewed in 2002, sets out the requirements and commitments that L'Oréal imposes on its Suppliers according to the Group's programmes and policies concerning ethics, corporate responsibility, Human Rights, working conditions and compliance. 95% of eligible Suppliers[1], including strategic Suppliers, have contractually undertaken to respect the obligations it contains.

The Mutual Ethical Commitment Letter (MECL) was updated in 2025.

In addition, L'Oréal requires its Suppliers who provide outsourced labour to sign the External Workforce Agency Standards. This document reinforces their commitment to the protection of human rights, in particular with regard to the prohibition of forced labour and access to a whistleblowing system.

L'Oréal aims to reinforce responsible and transparent relationships with its partners and limit environmental and social impacts in line with the Group's policies. This approach is a continuation of its efforts, as detailed in section 4.4.2.2 "Sustainable Purchasing Policy" of this document.

In 2025, 77 newly recruited purchasers in the Group completed an in-depth training programme on Responsible Purchasing.

Monitoring and control system

L'Oréal is taking action to continuously improving its Human Rights, Environment and Health and Safety policies and practices across its operations and supply chains.

It has assessed its Suppliers using EcoVadis for several years now. In 2025, 1,039 Suppliers conducted an EcoVadis assessment of their social, environmental and ethical policies, as well as the implementation of those policies by their own suppliers.

In February 2025, L'Oréal joined SEDEX, a global organisation that promotes responsible and ethical business practices in supply chains. This partnership brings significant benefits to L'Oréal's Suppliers, including simplified on-site audit processes and access to training on best-practice implementation. SEDEX also allows its members to standardise their requirements for Suppliers through its social audit standard, SMETA. The SMETA questionnaire is a recognised standard, regularly reviewed by experts and aligned with L'Oréal's own standards.

In 2025, 1,499 social audits were carried out at L'Oréal Supplier sites.

The Group puts in place initial audits which are followed up by further audits three years later. During these follow-up audits, the auditors verify the effectiveness of any remedial measures required as a result of the initial audit. A tool for social audits is used to plan the audits with the external service provider's system and to manage the results and action plans for all Suppliers concerned.

L'Oréal supports its Suppliers in their continuous improvement process. In 2025, 73% of audits resulted in a "Satisfactory" or "Needs Continuous Improvement" score. L'Oréal tracks the percentage improvement in this regard, building on the actions already implemented.

In 2025, it strengthened its system for monitoring the most severe cases (i.e., Zero Tolerance). This system follows clearly defined steps, involving the Supplier's commitment and subsequent action plan, L'Oréal's validation of the action plan, implementation of the action plan and then verification by a new audit that the plan has been completed. In cases where L'Oréal's efforts fail due to the unwillingness or inability of the business partner to improve, L'Oréal reserves the right to terminate the relationship.

Concrete examples of L'Oréal's approach are provided below.

1. Payment of recruitment fees

In March 2025, an audit revealed that Bangladeshi workers had had to pay excessive recruitment fees to secure their jobs in Malaysia. L'Oréal assisted the Supplier, sharing resources and laying out concrete steps to follow. Further investigations were carried out by the Supplier with the assistance of a third party, which included interviews with workers in their local language and analysis of documentary evidence. The Supplier has undertaken to reimburse the recruitment fees paid by the affected workers. It has (i) introduced a "Zero Recruitment Fees" policy and (ii) brought recruitment in-house. It has also set up a whistleblowing and reporting system for employees. An initial follow-up audit organised by L'Oréal confirmed that the action plan had been duly implemented, with the Supplier having begun to reimburse the recruitment fees (the fees will be reimbursed over a 12-month period).

2. Managing forced overtime

An audit carried out in April 2025 revealed forced labour practices at a Supplier based in Brazil. Temporary staff were being forced to work unpaid overtime under threat of dismissal. Further investigations have been carried out to identify other temporary workers that may be affected. The Supplier agreed to recruit some of these workers and pay back wages based on the victims' testimonies. To limit the likelihood of future violations, the Supplier has strengthened its policy against forced labour, trained its managers in collaboration with the FLA, set up a whistleblowing and reporting mechanism and introduced regular checks and audits of timesheets. The follow-up audit organised by L'Oréal confirmed that the action and remediation plan had been duly implemented.

(1) *Value as a percentage of expenditure at end-November 2025. Eligible Suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.*

Social audits[1]

Cases of non-compliance identified during social audits of Suppliers by topic[2]

The Suppliers concerned have been asked to implement action plans for each case of non-compliance listed below. Future audits will verify action plan implementation.

Topic	*Needs Continuous Improvement*	*Needs Immediate Action*	*Zero Tolerance*	Total number of non-compliance cases	Relative weighting by topic
Health, safety and the environment	341	703	11	1055	41.44%
Working hours	224	321	0	545	21.41%
Payroll	142	277	0	419	16.46%
Forced labour	31	99	9	139	5.46%
Sexual harassment and bullying	51	43	0	94	3.69%
Freedom of association[1]	37	23	0	60	2.36%
Standard employment[2]	3	39	0	42	1.65%
Child labour and young workers	16	23	1	40	1.57%
Disciplinary practices	39	0	0	39	1.53%
Assessment under appropriate conditions[2]	8	24	2	34	1.34%
Subcontracting	20	13	0	33	1.30%
Non-discrimination	24	0	0	24	0.94%
Business ethics[2]	0	22	0	22	0.86%
TOTAL	**936**	**1,587**	**23**	**2,546**	**100%**

(1) Figures exclude audits where verification could not be performed because of the specific nature of local regulations.
(2) Section included in SMETA audits only.

(i) **Health, safety and the environment:** 41.44% of the non-compliance cases concerned the Applicable Rules on Health, Safety and the Environment. Most of these cases concerned the lack of appropriate employee retention measures, of an evaluation plan in the local language, of personal protective equipment and of emergency drills, as well as mishandling of fire extinguishers and protective equipment, failures regarding emergency routes or exits, and the lack of eye rinsing stations.

(ii) **Working hours:** 21.41% of non-compliance cases. Failures to comply concerned the Applicable Rules regarding working hours and mandatory rest periods, but also the lack of documents to ensure appropriate monitoring of these Rules.

(iii) **Payroll:** 16.46% of non-compliance cases. Most non-compliance cases concerned insurance and social security contributions, a lack of documentation for checking compliance with these rules, and a failure to pay the minimum wage, overtime and paid leave.

(iv) **Forced labour:** The non-compliance cases identified for this topic account for 5.46% of all of the cases of non-compliance identified during the social audits performed in 2025. The main remediation measure requested was setting up and amending employment contracts. Other non-compliance cases concerned the lack of a due diligence system to identify or prevent the occurrence of forced labour, the payment of recruitment fees, and the withholding of identity documents.

(v) **Sexual harassment and bullying:** 3.69% of non-compliance cases. Most of these non-compliance cases concerned the absence of a written policy prohibiting sexual harassment and bullying or relevant processes and training regarding these topics, or the absence of an internal system allowing the situation to be reported without negative consequences for the worker in question.

(vi) **Freedom of association and right to collective bargaining:** 2.36% of non-compliance cases. Most of the non-compliance cases concerned the lack of a policy on freedom of association, the lack of free elections for workers' representatives and management interference in these elections. Elections must be carried out or, in countries where such elections are not legal, worker meetings must be organised or alternative arrangements made for workers to raise any concerns or complaints they may have.

(vii) **Standard employment**: 1.65% of non-compliance cases. Most non-compliance cases concerned the repeated and excessive use of temporary workers or other types of precarious work replacing standard employment.

(1) Without prejudice to additional and complementary control measures. In 2025, L'Oréal reported data on L'Oréal and SMETA audits. The two systems do not have the same severity scales. Minor cases of SMETA non-compliance are reported under "Needs Continuous Improvement", major and critical cases under "Needs Immediate Action" and business-critical under "Zero Tolerance".
(2) The table groups together the sections of the L'Oréal questionnaire and the SMETA questionnaire. Equivalences are excluded from this calculation as they inherently constitute third-party validation of the Supplier audit's compliance status.

(viii) **Child labour and young workers:** the non-compliance cases identified for this topic account for 1.57% of all of the cases of non-compliance identified during the social audits performed in 2025. An initial audit revealed the employment of a child under the age of 16. The case concerned a 13-year-old who was involved in manual labour. L'Oréal immediately contacted the supplier, reiterating the importance of prohibiting child labour, particularly in dangerous working conditions. As the company was a prospective supplier, L'Oréal did not begin the commercial relationship.

The other identified cases of non-compliance related in particular to a lack of age-check procedures during the Supplier's hiring processes, as well as failure to respect the applicable legal requirements for employing young workers (such as not organising a pre-employment medical check-up) and apprentices (e.g., failure to respect quotas).

(ix) **Disciplinary practices:** 1.53% of non-compliance cases. Most of the non-compliance cases related to this topic concerned the absence of clear written rules, or illegal rules, unlawful deductions from wages, and/or a lack of communication about the rules to workers.

(x) **Assessment under appropriate conditions**: 1.34%. These non-compliance cases concerned the lack of documents or their inaccuracy, impacting the proper conduct of the audit.

(xi) **Subcontracting:** 1.30% of non-compliance cases. Most failures to comply related to Suppliers failing to ensure that L'Oréal's standards of ethics are upheld in their own supply chain.

(xii) **Non-discrimination:** 0.94% of non-compliance cases. These non-complaince cases mainly concerned the absence of a clear policy to prevent discrimination in recruitment or discrimination in the payment of wages and other charges. It was also noted that some Suppliers made prospective employees take medicals (to identify pregnancies or certain illnesses) as part of the recruitment process. The Suppliers concerned were contacted to ensure that they amend their policies and processes so that these practices will not recur in the future.

(xiii) **Business ethics:** 0.86% of non-compliance cases. Most of the non-compliance cases concerned the absence of a written business ethics or corruption prevention policy, the lack of procedures and training, and the absence of an internal system for whistleblowing and whistleblower protection.

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AFR *This information is an integral part of the Annual Financial Report.*
CSRD *Sections containing information from the Sustainability Report.*

4.1 Introduction

Reading the sustainability report: your guide for understanding L'Oréal's approach under the CSRD framework

This sustainability report presents L'Oréal's main environmental, social and governance (ESG) impacts, risks and opportunities, as well as its main sustainable development ambitions. It forms part of an approach based on transparency towards our stakeholders, including investors, consumers, employees[1], suppliers, customers (distributors) and civil society. This report has been drawn up in accordance with the Corporate Sustainability Reporting Directive (CSRD), which is aimed at standardising and improving the quality of sustainability reporting published by European companies. The reporting scope is based on that of the financial statements, with certain exceptions and estimates (based on the information available at the date of the report). These exceptions and estimates, together with the related uncertainties and limitations, are described in section 4.14.

The essentiality of beauty

Beauty is a universal aspiration that transcends time, borders and cultures. More than just desire, beauty fulfils a deep-seated need rooted in our lives and in society. Our contact with beauty starts with our first breath and ends with our last. Every important moment of our lives – from first lipstick to wedding day make-up – involves beauty rituals that act as a social bond, feeling at one with ourselves and connecting us to others.

Beyond appearances, beauty is closely linked to health and well-being. In a world where almost two billion people suffer from skin problems[2], the beauty industry plays a crucial role in prevention and treatment, thereby having a positive effect on physical and mental health. Feeling beautiful boosts self-confidence and facilitates social bonding, giving expression to individual identity in an increasingly connected world. In today's digital age, "social beauty" is re-inventing our interaction with each other, facilitated by social networks and e-commerce, widening access to products. L'Oréal is a pure player in this rapidly changing market, in which innovation and creativity are driving change.

Innovation for excellence

Innovation is central to the L'Oréal model. With over €1.354 billion invested in Research & Innovation and 4,200 researchers, L'Oréal turns scientific discoveries into concrete solutions, keeping one step ahead of the needs of a market in continual flux. L'Oréal's strategy is built on the two complementary pillars of universalisation and singularisation. L'Oréal's unique multi-polar model allows us to respond to the aspirations of all consumers while respecting local cultural diversity. The interplay in L'Oréal's model between the collective and the individual is driving balanced, multi-polar growth across all Regions and Divisions that is proving resilient on a global scale.

L'Oréal's dual goal

Well aware that in the future there can be no economic growth without sustainability, L'Oréal has set itself a clear ambition to combine economic excellence with social and environmental performance. With a firm belief that economic excellence cannot be achieved without strong environmental and social responsibility, L'Oréal seeks to combine growth and sustainability. With this in mind, in 2025 the Group conducted a strategic review of its flagship programme, L'Oréal for the Future, which is now structured around 15 concrete objectives divided into four major pillars of sustainability: the climate, nature, circularity and communities (see section 4.1.2). The Group's Environmental Policy sets out guiding principles on climate, water and biodiversity, while guiding the integration of environmental considerations throughout its operations and value chain. This framework policy serves as the foundation document and is broken down into several detailed thematic policies, all of which are presented in this report and published on the Group's website, in order to give concrete form to these ambitions and ensure their operational implementation.

Prioritising people

Driven by its humanist values, L'Oréal has always placed the individual at the heart of its strategy. The Group's people-oriented and employee relations approach is based on two key priorities: the development of each employee through ongoing training and career opportunities, and a unique social model, embodied by the Share & Care programme, launched in 2013 and based on competitive employee relations performance and sharing the benefits of growth.

For more than 20 years, L'Oréal has been striving to building a sustainable, equitable, inclusive and diverse organisation. These initiatives showcase the Group's determination to create a working environment that is conducive to personal fulfilment. This ambition extends beyond L'Oréal, with the Group striving to respect human rights along its entire value chain.

(1) *Employees as defined by the CSRD are people who are in an employment relationship with the Company.*
(2) *Source: British Journal of Dermatology (2015).*

L'Oréal's strategy in a nutshell

STRATEGY[1]

FINANCIAL PERFORMANCE FOR THE BENEFIT OF ALL STAKEHOLDERS.
SUSTAINABILITY PERFORMANCE; ECONOMIC AND **SOCIAL** EXCELLENCE.
A CLEAR VISION: BEAUTY FOR EACH **AND FOR ALL.**



Our fundamentals

- **Focusing** on a single business: beauty, nothing but beauty and all beauty.
- **Innovating** in response to the relentless quest for superior quality and safety for consumers.
- **Marketing brands**, products, services and customer experiences: in an increasingly fragmented and digitalised market.
- **Combining universalisation and singularisation** within a unique development strategy: going global while respecting local differences to secure the loyalty of some 1.3 billion consumers.
- **Using balanced, multi-polar growth** across all Regions and Divisions to seize opportunities and absorb economic shocks.
- **Pursuing the dual goal** of economic and corporate excellence to create value for all.
- Aiming for consistent, sustainable **economic and financial performance**.
- **Aiming to help show the way** on environmental and social matters and making a positive contribution to society in the face of ever more pressing challenges.



Our transformation

- **The transformation towards a more sustainable model**, in line with our dual ambition of combining economic performance with social and environmental exemplarity.
- **Digital transformation** and Beauty Tech, to lead the way and become a data augmented company supported by secure state-of-the-art IT.
- **Transformation of work,** reinventing the future of work while strengthening the L'Oréal culture as it strives to attract and retain talented employees.
- **Transformation of Operations** towards greater agility and a more responsible model that serves the omnichannel strategy.



Our strengths

- **Solidly rooted**, with an ownership structure that provides stability, continuity and visibility over the long term.
- **A two-tier governance structure** to ensure the Group's success in the years ahead.
- **A clear vision:** creating the beauty that moves the world.
- **The power of L'Oréal's Research and Operations** in meeting demand for innovation, safety, transparency and responsibility.
- **A fleet of diverse global brands** that is continuously enhanced by strategic and complementary acquisitions.
- **An investment strategy** that is resolutely focused on innovation.
- **Comprehensive** and balanced market coverage.
- **Prioritising** people and social harmony.
- An agile and responsive **multi-polar organisation.**
- **Humanist, ethical and social principles** and values at the heart of the Group's governance and ambitions.
- **A well-balanced**, value-driven business model, coupled with a solid and healthy financial position.

(1) L'Oréal's strategy is based on its business model (see section 1.3.1) and is rolled out across the entire value chain (see section 1.3.2).

L'Oréal's ambition is based on a long-term vision:

1968
- 1st employee profit-sharing scheme

1979
- 1st production of reconstructed skin

1988
- 1st incentive agreement

1989
- End of animal testing for finished products

1995
- 1st environmental research laboratory

1996
- Setting up of the European Works Council

1997
- 1st edition of the L'Oréal Professional Insertion Initiatives

1998
- 1st L'Oréal-UNESCO For Women in Science International Awards

2000
- 1st Ethics Charter

2001
- Creation of the Worldwide Profit-Sharing Program (WPS)

2002
- 1st social audits of suppliers

2003
- ISO 14001 certification
- 1st participation in the CDP
- L'Oréal joins the United Nations Global Compact

2004
- 1st Diversity Charter
- 1st sustainability report

2005
- Commitment to use plant-based raw materials in accordance with the Convention on Biological Diversity

2007
- Creation of the L'Oréal Foundation
- 1st recognition by the Ethisphere Institute as one of the Most Ethical Companies in the World
- 1st participation in the CDP Supply

2008
- 1st Ethics Day
- 1st edition of the L'Oréal Disability Initiatives Trophies

2009
- Commitment to halve carbon emissions, waste generation and water consumption at industrial sites by 2015
- Launch of the *Beauty for a Better Life programme* by the L'Oréal Foundation

2010
- Creation of the Inclusive Sourcing programme
- *Gender Equality European International Standard* (GEEIS) label awarded to a number of L'Oréal Group entities

2013
- Launch of the *Sharing Beauty With All*: 1st sustainable development programme for 2020
- Launch of L'Oréal *Share & Care*
- Publication of the The Way We Prevent Corruption *guide*

2014
- Signing of the *United Nations Women's Empowerment Principles*
- 1st L'Oréal entity to be EDGE *(equity, diversity, and gender equality) certified*

2015
- *Carbon Balanced* Programme

2017
- 2nd stage of the *Share & Care* programme
- *Science Based Targets on climate*
- Publication of the Human Rights policy
- L'Oréal ranked as a global leader in the 1st edition of the *Equileap Gender Equality Report & Ranking*

2018
- Implementation of a whistleblowing system
- 1st employee shareholding plan

2019
- UN Global Compact: *Business Ambition for 1.5°C, signature of the* Net *Zero Emissions 2050 pledge*
- 1st United Nations GEEIS Trophy awarded for the Inclusive Sourcing Programme

2020
- Launch of the L'Oréal for the Future: 2nd sustainable development programme for 2030
- Signing of the TCFD
- Signing of the United Nations Business Leaders' Declaration for Renewed Global Cooperation
- Sense of purpose (*raison d'être*): Create the beauty that moves the world
- Launch of the L'Oréal Fund for Women

2021
- Signing of the *Better Business Through Better Wages call-to-action launched by IDH – The Sustainable Trade Initiative* to promote the living wage
- Launch of the Diversity, Equity & Inclusion Advisory Council
- 3rd stage of the *L'Oréal Share & Care programme:* preventive healthcare, personal ecology, hybrid work and the workplace

2022
- 1st EcoVadis Platinum Medal: top 1% of companies assessed
- 1st in-house *Beauty of Inclusion Awards*
- Launch of *L'Oréal for all Generations* and country-by-country roll-out

2023
- 25 years of the L'Oréal-UNESCO International Awards *For Women in Science*
- Creation of the L'Oréal Climate Emergency Fund

2024
- Validation of the new decarbonisation pathway in accordance with the requirements of the *Science Based Targets initiative* (SBTi) *Net-Zero benchmark*
- Creation of the Solstice Fund with asset management company *Chenavari Investment Managers* to accelerate decarbonisation for industrial partners

2025
- L'Oréal, the only company in the world to be awarded "AAA" by the CDP for the 10th consecutive year
- Creation of the *Engage & Care Corporate Coalition* as part of the *Share & Care programme*
- Strategic review of the L'Oréal for the Future programme
- Creation of L'AcceleratOR, a programme dedicated to sustainable innovation
- Worldwide *Living Wage Employer certification by international NGO Fair Wage Network* for the 3rd year running

4.1.1 Corporate governance: the cornerstone of the Group's transformation

The Group has developed a robust governance structure to support its sustainability approach.

Composition and diversity of the administrative, management and supervisory bodies (GOV-1 21)

	2024 outcomes	2025 outcomes
Number of non-executive members	15	16
Number of executive members	1	1
Number of employee representatives	2	2
% women*	43%	40%
% men*	57%	60%
% independent Board members*	50%	53%

* *Calculated excluding Directors representing the employees, in accordance with Article 20 of the AFEP-MEDEF Code and the French Commercial Code.*

Supervision by the Board of Directors

L'Oréal's Board of Directors has structured its organisation to deal with sustainability issues, in particular through its specialised Board Committees. It has incorporated environmental, social and governance (ESG) skills into its diversity policy, and had 14 members with experience in this area in 2025. The Board has identified three priority topics: the role of the ESG strategy within an international group, governance and business ethics, and the Group's role in society, including corporate philanthropy (see section 2.2.1.2).

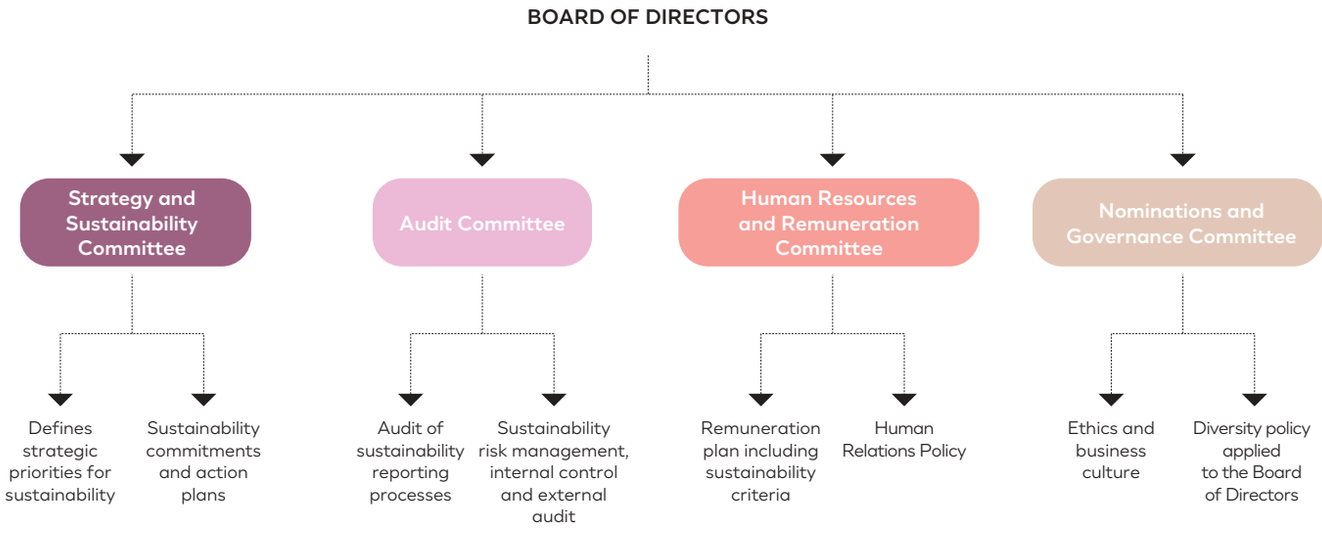
The Board is supported by directors with a strategic overview and whose specialist expertise is reinforced by targeted training in areas such as artificial intelligence ethics and responsible marketing. These skills are regularly enriched by in-depth presentations at meetings of the Board and its committees (see section 2.3.4). Each year, the Board reviews its members' skills matrix as part of its self-assessment procedure (see section 2.3.5), taking into account sustainability matters and the diversity policy.

The Board of Directors ensures that it listens carefully to L'Oréal's stakeholders, while maintaining the vision and objectivity necessary to act in the long-term interest. It is regularly informed of the expectations of investors as expressed in roadshows following Group results publications, of the main non-financial rating agencies, and of its employees, notably through the Human Resources and Remuneration Committee and presentations by the Chief Human Relations Officer. It also receives information on expectations in the sphere of diversity, equity and inclusion, notably through the report on the diversity, equity and inclusion Advisory Board's activity, and in terms of sustainability, in particular through the report on the interventions of the Chief Corporate Responsibility Officer.

The Board is organised in such a way as to examine its areas of responsibility in depth, drawing on the recommendations of the following specialised Board Committees:

- **The Strategy and Sustainability Committee** reviews the Group's strategic orientations, particularly in terms of sustainability. It monitors the strategy with the aim of strengthening the organisation's resilience and value chain, as well as progress made on measures taken, such as those related to decarbonisation and the L'Oréal for the Future programme, through regular presentations by the Chief Corporate Responsibility Officer and the functions and business lines.
- **The Audit Committee** has overseen financial reporting as well as sustainability issues and sustainability risk management since 2018. Following the implementation of the Corporate Sustainability Reporting Directive (CSRD), the Committee's remit was expanded (see section 3.2) to include reviewing the double materiality assessment and monitoring the progress of the Sustainability Report at each of its meetings in 2025.
- **The Human Resources and Remuneration Committee** submits proposals on remuneration, including the non-financial targets applicable to the Chief Executive Officer's variable remuneration and the long-term targets for the conditional share grant plan. It also examines the HR policy and the rules of ethical conduct.
- **The Nominations and Governance Committee** deals with governance matters, including the diversity policy and directors' ESG skills. It also monitors the outcomes of initiatives taken in line with L'Oréal's values, related to people and social progress, for example.

This integrated approach enables the Board to ensure that social and environmental issues are taken into account when defining the Group's strategic orientations. It reviews annually the results achieved and the relevance, if any, of adapting the action plan or modifying the objectives, particularly in light of changes in the Company's strategy, technologies and shareholder expectations and in its economic ability to implement them.



The Board of Directors oversees the main material impacts, risks and opportunities for L'Oréal and the value chain (see section 2.3.4 "Involvement of the Board and its Committees in sustainability"), which were examined in detail by the Board and its Committees in 2025.

Participation of Divisions, Regions and support functions

The comprehensive transformation plan affects all Divisions, Regions, functions and business lines. The Chief Executive Officer relies on the commitment of each Executive Committee member in their area of responsibility in ensuring that the Group's strategic sustainability orientations are implemented.

On the Executive Committee, the Chief Corporate Responsibility Officer oversees the development of the sustainability strategy, ensures proper implementation of the L'Oréal for the Future programme, and monitors the consistency of the strategy as applied by the Group's activities. She guides various internal committees on sustainability issues in drawing up roadmaps for the different entities (Operations, Research & Innovation, Divisions, Regions, countries, etc.). The experts responsible for administering the programme participate actively in these committees, setting annual objectives, reviewing assumptions and trends, and overseeing how they are implemented across the value chain.

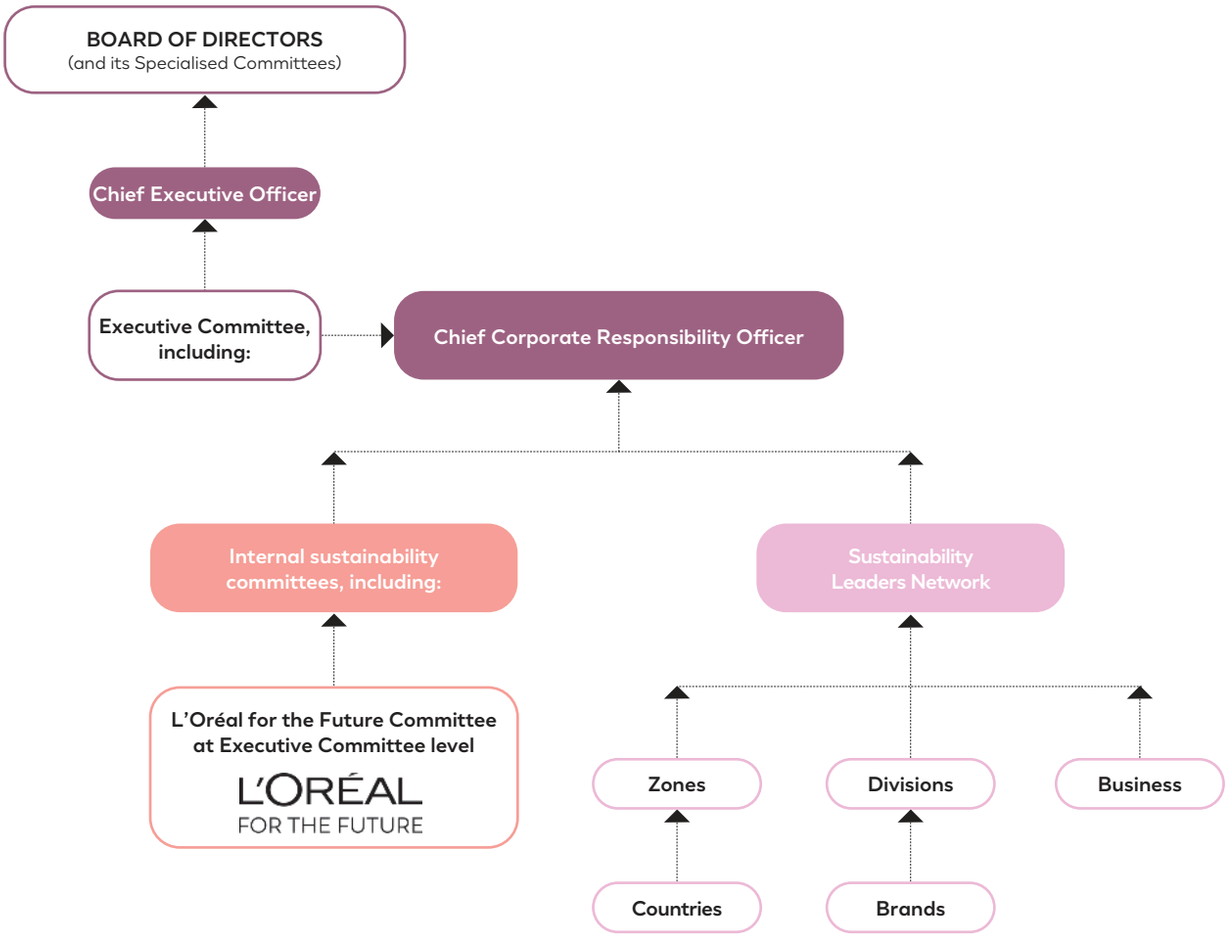
Action plans on sustainability matters are regularly fine-tuned. A network of dedicated leaders oversees the implementation of the L'Oréal for the Future programme in each Division, Region, function and business line.

The Chief Corporate Responsibility Officer regularly attends Executive Committee meetings to define the key strategic priorities and share progress on the programme.

A strategic transformation driven by all

In order for the transformation strategy to succeed, sustainability is being driven by all of L'Oréal's teams. To that end, all L'Oréal employees undertake dedicated learning programmes. They have access to a comprehensive range of online courses as part of the L'Oréal for the Future programme, made available in 15 languages.

Remuneration structures have been revised at the highest level. Firstly, the variable portion of the Chief Executive Officer's annual remuneration incorporates quantitative and qualitative sustainability targets. In addition to, and consistent with, L'Oréal's strategy, which closely combines economic and social performance, the long-term remuneration of the Chief Executive Officer, as well as that of more than 2,000 other recipients of performance shares, incorporates sustainability performance criteria in addition to financial targets (see section 2.4). Lastly, since 2016, the determination of the variable remuneration of top management, including international brand managers and country managers, has also incorporated non-financial targets aligned with the Group's sustainability objectives.



4.1.2 The L'Oréal for the Future sustainability programme

L'Oréal's sustainability ambition is a fundamental component of the Company's strategy, characterised by progressive and ambitious initiatives. The initial approach, Sharing Beauty With All, which was launched in 2013, laid the foundations for integrating sustainability across the Group's entire value chain. This programme has brought significant progress, in particular an 81% reduction in carbon emissions and a 49% reduction in water consumption at L'Oréal's production and distribution sites between 2005 and 2020.

In 2020, the Group introduced the L'Oréal for the Future programme, aimed at transforming the Group's activities while respecting the environment, supporting its ecosystem of partners in their own sustainable transition and helping to solve social challenges. Thanks to this programme, by 2024, L'Oréal had already achieved 97% renewable energy on its operated sites[1] and 92% of formula ingredients and biosourced packaging materials were traceable and from sustainable sources.

Faced with a constantly changing global context requiring companies to continually adapt their sustainability strategies, L'Oréal conducted a strategic review of the L'Oréal for the Future programme, which involved realigning certain targets in early 2025. This proactive approach has proven essential in view of the rapid development of scientific knowledge, tightening of regulations (in particular the CSRD) and the maturity of the objectives in place since 2020. The review was conducted in close collaboration with internal and external experts, based on the 2024 double materiality assessment as well as the most recent scientific data, and gave rise to an updated roadmap. Validated by General Management and presented to the Board of Directors and then to shareholders at the Annual General Meeting in April 2025, it has enabled L'Oréal to step up its action and focus its resources on the highest priority issues.

(1) Sites operated by the Group, excluding site safety and security equipment.

4.1.2.1 L'Oréal for the Future ambitions for 2030

The updated version of L'Oréal for the Future is based on the following four pillars with 15 objectives[1] for 2030:

Stewarding the climate transition: L'Oréal reaffirms its 2050 net zero ambition and climate objectives for 2030, which were validated by the SBTi based on the Corporate Net Zero Standard in 2024. The Group aims to:

- reduce absolute Scopes 1 & 2 greenhouse gas emissions by 57% compared to 2019;
- reduce absolute Scope 3 greenhouse gas emissions from purchased goods and services, upstream transportation and distribution and business travel, by 28% compared to 2019;
- reach 100% renewable energy use on operated sites and stores[2].

Safeguarding nature: the Group aims to:

- sustainably source at least 90% of biobased materials used in formulas and packaging;
- source over 75% of ingredients from nature[3] or from recycled materials in formulas;
- use 100% recycled or reused water for industrial purposes in factories;
- offer water-saving products or technologies to enable consumers in water-stressed markets to meet their hygiene and beauty needs;
- regenerate more land than the Group's footprint to enhance the health and resilience of priority ecosystems.

Driving circularity: the Group aims to:

- reduce the use of virgin plastic for product packaging by 50% in absolute terms compared to 2019;
- source 50% of all materials used in product packaging either from recycled or biobased sources;
- reduce the packaging intensity of products by 20% compared to 2019.

Supporting communities: the Group aims to:

- help 100,000 people from disadvantaged communities gain access to employment[4];
- have 100% of strategic suppliers sign a living wage pledge with a time-bound action plan;
- support 10 million people through its brands' social engagement programmes[5];
- enhance the well-being, empowerment and resilience of 5 million women through philanthropic efforts.

4.1.2.2 Introducing the Sustainable Innovation Accelerator

Building on its long-standing culture of innovation and in line with its ambitions, L'Oréal has launched its sustainable innovation accelerator, dubbed "L'AcceleratOR". The five-year, €100 million programme is designed to boost the Company's capacity to develop and scale sustainable solutions, in line with the themes identified in the double materiality assessment.

In strategic partnership with the Cambridge Institute for Sustainability Leadership (CISL), our accelerator aims to scout, identify, pilot and scale breakthrough technologies addressing our critical challenges and needs. As part of this accelerator, L'Oréal actively seeks out and supports startups, SMEs and established innovative companies with ready-to-pilot solutions in key areas such as low carbon solutions, alternative ingredients, eliminating fossil plastic use and plastic waste, low-impact processes, water resilience, nature-based solutions and inclusive business models.

The launch of the accelerator involved a call for projects, followed by the review of some 1,000 applications from 101 countries, and the selection of the first 13 start-ups and innovative companies to join L'AcceleratOR. From wood-based packaging to waste-derived ingredients, the 13 companies selected stand out for their high potential impact in terms of new-generation packaging, naturally-sourced ingredients, solutions promoting greater circularity and predictive intelligence tools. They will benefit from an intensive support phase led by the CISL innovation team, with particular emphasis on the preparation and deployment of pilot projects.

(1) The sustainable development objectives presented by L'Oréal are voluntary and do not result from a legal obligation.
(2) Operated stores that hold an electricity subscription.
(3) Plant or mineral.
(4) Over the period 2020-2030.
(5) Over the period 2025-2030.

4.1.3 Double materiality assessment: mapping impacts, risks and opportunities

4.1.3.1 Methodology

In preparation for the implementation of the CSRD, L'Oréal updated its double materiality assessment in 2024 together with its stakeholders. This process, informed by regular dialogue over many years (see section 4.1.3.2) and based on in-depth interviews, enabled the Group to incorporate different points of view and better identify and prioritise material topics.

The scope of the analysis covers L'Oréal Groupe in its entirety, i.e., all its entities and activities.

The double materiality assessment is based on two dimensions:

- **Impact materiality:** analysis of the positive or negative gross impacts of the Group's operations and value chain on the environment and people, taking into account the severity, scope and likelihood of remediation. L'Oréal's dependency on natural, human and social resources is also assessed in this context to understand the potential origin of impacts;
- **Financial materiality:** reflects the sustainability-related gross risks and opportunities and their potential impact on financial performance in the short, medium and long term, taking into account the effects on costs, revenues and access to finance. An analysis of dependency on natural, human and social resources is included in this dimension. Each dependency is systematically analysed to determine whether it represents a risk (exposure to potential disruptions) or an opportunity (stimulating innovation and developing sustainable solutions to improve financial performance).

The double materiality assessment was conducted using the five-step methodology set out below. Note that this process of identifying and assessing sustainability risks in accordance with GOV-5 is integrated into the Group's overall risk management process (see section 3.4).

1. Documentary analysis: review of internal (previous single and double materiality assessments, sustainability strategy, risk map assessment) and external documents (the European Sustainability Reporting Standards [ESRS], industry analysis, non-financial ratings, consumer and employee surveys, etc.) in order to understand the risks and opportunities related to L'Oréal's activity and their impact.
2. Identification of impacts, risks and opportunities (IROs): working with a specialist consultancy, L'Oréal identified and defined the positive and negative impacts, dependencies, risks and opportunities related to its operations and value chain. It then categorised them based on the ESRS framework and fine-tuned them in consultation with internal and external experts.
3. Assessment and rating: a robust quantitative rating methodology was used to assess the materiality of each impact, risk and opportunity, considering various time horizons (short term: 1 to 3 years; medium term: 3 to 5 years; and long term: beyond 5 years). A materiality threshold was used to identify the most important issues. For consistency purposes, financial materiality thresholds are aligned with the Group's risk mapping.
4. Stakeholder consultation: the preliminary findings of the double materiality assessment were dry run with more than 45 external stakeholders (investors, NGOs, distributors, industry associations, suppliers, etc.) and internal experts (e.g., top management, sustainability experts, etc.) in dedicated interviews. These discussions were an opportunity to confirm findings, gain an outside perspective on the issues and identify areas for improvement, and ensure that different points of view were taken into account.
5. Validation and reporting: the final results, including the materiality threshold and the list of relevant topics, were validated by the project governance bodies, including:
   - the Steering Committee, made up of key senior executives, which monitored and directed the materiality assessment,
   - function and business line experts: a multidisciplinary expert committee that facilitated the comprehensive and exhaustive approach to identifying material matters,
   - Executive Committee, including representatives of the sustainability, finance, legal, innovation, operations and human relations functions, which validated the final assessment, including the materiality thresholds, and
   - the Board of Directors, through the Audit Committee, which reviewed the materiality assessment, ensured that it was consistent with L'Oréal's overall strategy and reported on it to the Board.

This in-depth assessment is reviewed annually to ensure relevance and accuracy, focusing on L'Oréal's internal governance process (from the Steering Committee to the Board of Directors). Each year, the Group's Social and Economic Committee (SEC) is notified of the assessment and the sustainability report as part of the annual consultation process. This process aims to identify any significant changes, whether triggered by organisational and operational matters (mergers, acquisitions, new activities or developments in the value chain) or external factors (new feedback from internal and external stakeholders, changes in peer positioning, regulatory changes and major external events). In the event of significant change, L'Oréal assesses whether fresh impacts, risks and opportunities (IROs) have emerged, whether the relevance of the existing IROs has changed, and reconsiders how issues are rated as well as existing materiality thresholds. In 2025, the assessment was deemed stable and confirmed the material issues identified.

The Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) framework methodologies were used to carry out in-depth analyses on climate-related and nature-related issues, respectively, to perform a more detailed assessment of their materiality.

4.1.3.2 Importance of continuous stakeholder dialogue

As part of a continuous improvement approach, L'Oréal places great emphasis on dialogue with its stakeholders and, wherever possible, strives to incorporate their expectations, interests and points of view into its strategy.

To that end, the Group has developed specific methods of interaction, designed to be both efficient and adapted to each player. This dialogue has intensified over the years. Since 2013, thanks to the Sharing Beauty With All sustainability programme, stakeholders have played a key role in helping to define and follow up on the Group's targets. In 2019, seven groups of internal experts contributed to creating the L'Oréal for the Future programme for 2030. They carried out independent studies and worked with external partners and civil society to set goals aimed at reducing L'Oréal's impacts while amplifying the Group's positive contribution to its ecosystem as a whole.

In preparation for the implementation of the CSRD, in 2024, L'Oréal updated its double materiality assessment, a strategic exercise conducted with its stakeholders. More than 45 external partners – investors, NGOs, distributor customers, industry bodies and suppliers – and numerous internal experts took part in targeted interviews. These discussions were an opportunity to confirm findings, provide new perspectives and identify areas for improvement, which were then incorporated into the final analysis.

Based on the results of this materiality assessment and on advances in scientific knowledge, the Group conducted a strategic review of the L'Oréal for the Future programme in mid-2025. This proactive approach enabled the Group to realign certain objectives within an updated roadmap, which was approved by General Management, presented to the Board of Directors, and communicated to shareholders at the Annual General Meeting in April 2025.

For L'Oréal, maintaining regular, constructive relationships with its stakeholders is essential. This dialogue informs L'Oréal's strategy, keeps its efforts focused and contributes to creating shared value, which benefits both the company and its ecosystem.

Stakeholder	Purpose of stakeholder dialogue	Examples of initiatives completed or implemented and awards in 2025
Shareholders, investors and financial institutions	• Maintaining sincere trust-based relationships; • Communicating on sustainable development policies and practices to underpin the Group's long-term growth; • Ensuring that the business model and sustainable development efforts are clear and easy to understand.	• General Meeting: strategic review of L'Oréal for the Future by the Chief Executive Officer, and live webcast with the opportunity to ask questions; • Events specifically for individual shareholders with a focus on the Group's sustainability commitments: regional roadshows (Toulouse and Nantes), BoursoLive e-show, site visits (Domaine de la Rose Lancôme, Aulnay-sous-Bois factory); • Roadshows and conferences with institutional investors in France and abroad on ESG issues; • Dedicated communication tools to increase awareness of the Group and illustrate its financial and non-financial performance: Universal Registration Document published in a digital format for better accessibility and readability, interactive digital Annual Report, fully redesigned shareholder brochure, letters to shareholders and loreal-finance.com newsletters; • Participation in the first edition of Paris Investor Week, the new European investment event organised by and with the French financial influencer communities; • For the third year running, L'Oréal won the Education Award at the IR Awards, hosted by Boursorama.
Non-financial rating agencies	• Facilitating a comprehensive rating of the Group's ESG action plans and policies; • Identifying levers for progress on ESG issues, in particular through comparisons with companies of equivalent size or business.	• ESG awards received can be found in section 1.1.6 (Key figures for 2025); • Dialogue with ESG rating agencies ISS ESG, MSCI and EcoVadis to ensure full understanding of data assessments.
Customers (distributors)	• Ensuring that products and services are properly marketed by participating in initiatives for more sustainable products and services; • Maintaining sincere trust-based relationships; • Sharing industry best practices in sustainable development; • Launching business transformation projects to help consumers make responsible consumption choices.	• Continued collaboration and development of sustainable development partnerships with its distributor customers (Europe, North and South America, North Asia and SAPMENA) as part of green joint business plans based on the following priorities: engaging consumers in more sustainable modes of consumption (e.g., joint actions on refills and refillable products), reducing waste and unsold products, environmental design of point-of-sale advertising and decarbonising our joint activities in product transportation and logistics. • At the Consumer Goods Forum, a strategic partnership was signed with the Carrefour group to promote sustainable development on the French market, in particular through optimised logistics and transport and the promotion of refillable solutions for shampoos and shower gels; • Organisation of events with distributor customers from the various channels to present the sustainable development initiatives of the L'Oréal for the Future programme on packaging, formulas and environmental labelling (Europe and South America).

Stakeholder	Purpose of stakeholder dialogue	Examples of initiatives completed or implemented and awards in 2025
Local communities	• Strengthening the link between the business world and non-profits representing local communities; • Staying attentive to current and future expectations, needs and concerns, as well as confirmed and potential impacts; • Identifying levers for action to be put in place with non-profits representing local communities.	• Participation by 28,700 employees across 73 countries in Citizen Day, a day dedicated to volunteering during paid working time, benefiting 680 non-profits for 1,070 outreach initiatives; • Commitment by the Group to combating food waste, in line with the French national objective of achieving further reductions in food waste: 6,571 meals were donated in 2025 by the Group's company restaurants to non-profits such as Restos du Cœur or Le Chaînon Manquant, and 259 meals were sold to employees via “too good to go” type platforms.
Scientific community, including researchers and academics	• Incorporating scientific and academic insight into the Group's strategy and decision-making processes; • Implementing new technology and innovation to accelerate the transformation of the Group and its value chain.	• Collaboration with numerous public and private research centres worldwide[1] in diverse areas such as green chemistry, life cycle analysis, synthetic biology, genomics, skin stem cells, microfluidics, bioprinting and microbiomes; • Founding member of the Advanced Biotech for Sustainability Consortium and contributor to the first report, "Harnessing the economic and environmental benefits of advanced biotechnology"; • Participation by Group researchers in the implementation of sustainable agricultural practices through the development of evaluation methods. A methodology known as the Field Cultivation Index (FCI) was developed for this purpose with an expert from the French National Research Institute for Agriculture, Food and the Environment (INRAE). Implementing sustainable practices also involves field projects, carried out with the CIRAD agricultural research centre, particularly in our palm operations in Indonesia. Lastly, ecosystem health measures are being put in place, in particular with the start-up Genesis, to gain a better understanding of soil health in our supply chains, and working methods and knowledge of minerals (accessibility, extraction processes, availability, etc.) are being developed with institutes such as BRGM[2]; • Collaboration with Polytechnique Montréal and the International Reference Center for Life Cycle Assessment and Sustainable Transition (CIRAIG), along with the Université du Québec à Montréal and other industry partners, through the International Research Consortium on Life Cycle Assessment and Sustainable Transition, which aims to implement strategies to accelerate the decarbonisation process and to develop new methodologies and databases to assess the environmental impact of organisations and products; • Collaboration with consultancies specialising in measuring biodiversity footprints, such as I CARE, to create innovative approaches that can be applied to different areas (organisation, product, agricultural commodity, etc.), and with Quantis, a consulting firm specialising in environmental strategy, to create a methodology for assessing water-related pressures across the entire value chain by updating the usual water footprint and integrating green water in particular; • Collaboration with Le Mans University to develop innovative methods for easily assessing polymer degradation and biodegradability; • Working with Biotechmar to assess the ecotoxicity of substances and formulas in the marine environment; • Within the International Collaboration on Cosmetics Safety, contribution to the development of innovative non animal-based methods for assessing the human and environmental safety of ingredients and products: development of methods for assessing the persistence and bio-accumulation of cosmetic ingredients, potential endocrine-disrupting effects and consumer and environmental exposure; • L'Oréal teamed up with the Cambridge Institute for Sustainability Leadership (CISL) to launch a sustainable innovation accelerator, dubbed "L'AcceleratOR". The programme aims to identify, test and deploy breakthrough technologies that meet the sustainability challenges of the cosmetics industry. In terms of funding, €100 million has been allocated to the project over five years; • Under the impetus of its Dermatological Beauty Division, the Group launched the L’Oréal Act for Dermatology programme, which has been allocated funding of €20 million. In partnership with the World Health Organization (WHO), the International League of Dermatological Societies (ILDS) and the International Alliance of Dermatology Patient Organizations (also known as GlobalSkin), this programme aims to improve access to healthy skin.

(1) Including, for example, the National Institute for Materials Science (NIMS) in Japan and the Singapore Centre for Environmental Life Sciences Engineering (SCELSE).
(2) French geological and mining research bureau (Bureau de recherches géologiques et minières).

Stakeholder	Purpose of stakeholder dialogue	Examples of initiatives completed or implemented and awards in 2025
Consumers	• Staying attentive to current and future needs and concerns, expectations and changing consumption patterns; • Informing consumers of sustainable development improvements made in the Group's product and service portfolios; • Encouraging consumers to adopt more responsible consumption habits (e.g., waste sorting instructions, refills, no-rinse products).	• Participation in the EcoBeautyScore[1] Association to develop a shared scientific methodology to provide consumers with clear, transparent and comparable information on products' environmental impact; • Following work carried out by the EcoBeautyscore Association, gradual roll-out of environmental product labelling on brand websites, in particular L'Oréal Paris and Garnier facial care products sold in France and in Germany; • On World Refill Day in June 2025, launch of the #JoinTheRefillMovement global campaign, the first multi-brand, multi-category, multi-channel global advertising campaign to encourage consumers to adopt refillable products to support the transition to more responsible beauty.
Students and graduates	• Attracting the best and most diverse talent to support the Group's current and future transformations; • Strengthening the Group's employer brand by communicating on all the initiatives available to future employees; • Staying attentive to the expectations and needs of future generations in order to remain an attractive employer, for example by participating in university job fairs; • Developing the employability of young people under 30 by offering them professional opportunities and giving them access to other development resources (mentoring, masterclasses, etc.).	• Organisation of L'Oréal Brandstorm, an international competition for under-30s, which in 2025 brought together more than 240,000 participants from 64 countries; • Acceleration of the L'Oréal Seedz management trainee programme and France's international mobility VIE programme (more than 200 placements in 2025), with more than 4,300 interns; • Long-standing partnership with CEMS, a global alliance of 33 business schools worldwide; • Support by the Group of several academic chairs, including: the Multi-Capital Global Performance chair and the "Chief Value Officer" Executive MBA with Audencia, the Consumer-driven Innovation and Entrepreneurship chair with HEC, the Leadership and Diversity and the Circular Economy chairs with ESSEC, the Marketing, Innovation & Creativity chair with INSEAD and the Marketing chair with the University of Oxford's Saïd Business School; • Strengthening and structuring of the L'Oréal for Youth programme, with more than 25,000 job opportunities on offer; • More than 70 employees have joined the OneYoungWorld programme, which L'Oréal is partnering for the 13th year, bringing together 2,200 young people from 20 countries.
Suppliers	• Strengthening cooperation with suppliers, identifying their expectations and being attentive to their needs; • Involving suppliers in the Group's transformation, such as through the L'Oréal for the Future programme; • Supporting suppliers in their transformation, including decarbonisation; • Sharing best practices in sustainable development.	• L'Oréal is a signatory to the Ellen MacArthur Foundation's 2030 Plastics Agenda for Business programme, thereby reaffirming its circular economy goals. The programme promotes joint advocacy, collaboration and the harmonisation of policies to reduce plastic waste and develop reuse; • Continued deployment of a measurement tool focused on digital advertising campaigns for the Group's brands in order to determine and reduce the greenhouse gas emissions generated, in partnership with ImpactPlus and its Environmental Sustainability Platform *Environmental Sustainability Platform*; • L'Oréal is a member of the Supplier Ethical Data Exchange (SEDEX) initiative, a global collaborative platform for managing and sharing supplier site audit data; • As a founding member of the TRaceability Alliance for Sustainable CosmEtics (TRASCE) coalition, launched in February 2023, L'Oréal is actively engaged with other players in the cosmetics industry. The main aim of this initiative is to map the sector's key supply chains; • Organisation of Suppliers Days on the various purchasing categories, particularly raw materials: presentation of our research and sourcing strategy aimed at transforming the Group's activities and building a portfolio of biobased, low-carbon raw materials; • Spread the Green Vibes events in various geographical regions. At the Spread the Green Vibes global event, outstanding supplier initiatives were recognised with awards in the following key areas: Inclusive Sourcing, Decent Wage, Environmental Design and Decarbonisation; • Discussions with suppliers at strategic meetings on five key topics: quality, corporate social responsibility, innovation, service and competitiveness; • Deployment of a tool to collect data on and calculate greenhouse gas emissions generated by each product shipment, in partnership with EcoTransit; • Update of the Mutual Ethical Commitment Letter (MECL).

(1) Previously known as the EcoBeautyScore Consortium.

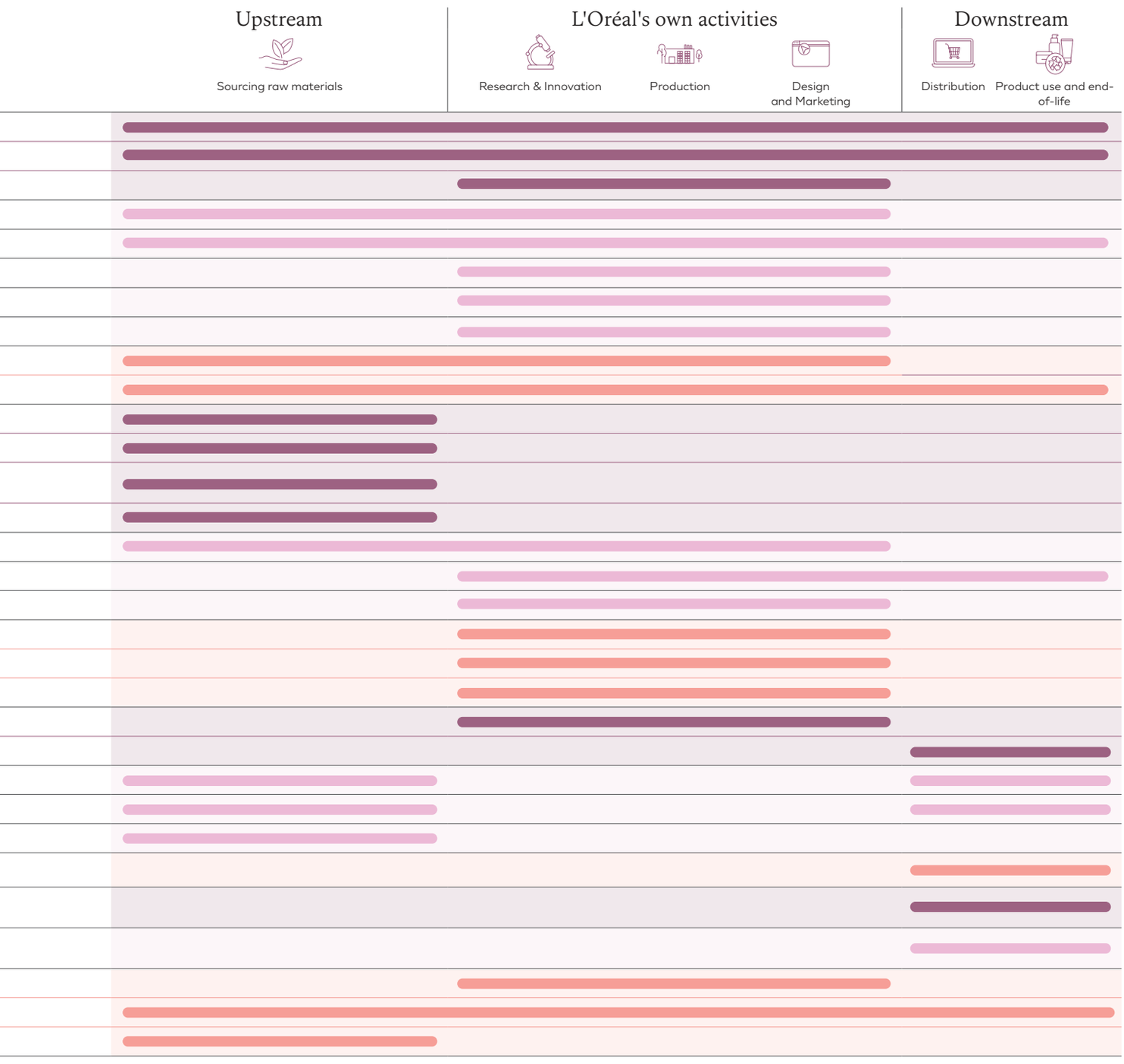
Stakeholder	Purpose of stakeholder dialogue	Examples of initiatives completed or implemented and awards in 2025
International organisations, coalitions, NGOs and non-profits	• Remaining attentive to needs and expectations in order to better understand environmental and social issues and respond to them in a collaborative way; • Strengthening the link between the business world and non-profits, for example by exploring new partnerships linked to sustainable development issues, notably human rights.	• Participation in the creation of The Value of Beauty Alliance with six other players in the cosmetics industry; • Membership of the Fair Labor Association (FLA), a multi-stakeholder initiative bringing together universities, companies and civil society organisations to promote compliance with international labour standards in globalised value chains, especially in matters of human rights; • Commitment to adequate wages through the UN Global Compact's Forward Faster initiative, which aims to accelerate the achievement of sustainability goals; • Publication of the updated Human Rights Policy; • Membership of the International Chamber of Commerce Anti-Corruption Commission and of Transparency International France; • Founding member of the Fashion & Beauty community of SFC (Smart Freight Center) for the decarbonisation of product transport; • Member of the One Planet Business for Biodiversity (OP2B) coalition of international and cross-sector businesses dedicated to biodiversity.
Public authorities, in particular via industry bodies	• Strengthening the link between the business world and public authorities, in particular via industry bodies; • Ensuring compliance with the regulations in force and contributing an industry perspective to serve as a basis for the development of future regulations; • Sharing industry best practices in sustainable development.	• Member of many industry bodies worldwide, including the French federation for beauty companies (*Fédération des Entreprises de la Beauté*), Cosmetics Europe, the European Brands Association, the World Federation of Advertisers, the United States Personal Care Products Council, China Association of Fragrance Flavour and Cosmetic Industries and the Cosmetic, Toiletry & Perfumery Association, alongside industry bodies centred around renewable carbon, such as the Bio-based Industries Consortium, Renewable Carbon Initiative and Change Chemistry; • Sponsor of the Union For Ethical BioTrade (UEBT); • Participation in major international institutional events, such as Climate Week NYC and the World Economic Forum's Davos summit; • Membership of the UN Global Compact; • Member of WFA (World Federation of Advertisers) and *Mont Blanc Circle on matters relating to personal data protection.*
Employees	• Ensuring that employees work in a safe and caring environment; • Being attentive to each individual's needs to develop personalised career paths; • Strengthening the sense of belonging by building on the employer brand and empowering employees to play a key role in the Group's transformation.	• More than 30,000 people logged on to Ethics Day sessions and more than 4,700 questions were submitted worldwide over the 60 sessions that were staged; • 90% of the employees invited took part in the annual “Pulse” engagement survey; • L'Oréal was recognised for the 16th time as one of the world's most ethical companies by the Ethisphere Institute; • At the Group's initiative, launch of the Engage & Care coalition with some 15 founding member companies striving for better social protection for employees worldwide. This involves promoting social innovation to find new solutions to today's social challenges, encouraging the sharing of knowledge and best practices between member companies to accelerate progress, and actively collaborating with external partners (institutions, NGOs, universities, etc.) to build a fairer and more sustainable world of work for all; • Sharing value creation: launch of the fifth employee share ownership plan to encourage Group employees to acquire L'Oréal shares and to involve them closely in the company's development; • Hosting Privacy Days on the theme of personal data protection and cybersecurity, with conferences, interactive games and events on campus.

4.1.3.3 Findings of the material topics

The results of the double materiality assessment are presented in this section by topic and sub-topic in accordance with the CSRD's European Sustainability Reporting Standards (ESRS). The identification of material impacts, risks and opportunities (IROs), presented in this assessment, provides key information about L'Oréal's resilience in the face of sustainable development challenges. Their presentation is organised according to their materiality along L'Oréal's value chain. Each dedicated section begins with a detailed presentation of material IROs.

Topics	Material subtopics	Relevant chapter	ESRS	IRO
CLIMATE CHANGE	Climate change adaptation	4.2	E1	I+ I- R O
	Climate change mitigation			
	Energy			
POLLUTION	Pollution of air	4.3	E2	I-
	Pollution of water			
	Substances of concern			
	Substances of very high concern			I+ R
	Microplastics			
WATER RESOURCES	Water consumption	4.4	E3	I+ I- R
	Water withdrawal			
BIODIVERSITY AND ECOSYSTEMS	Impacts on the extent and condition of ecosystems	4.5	E4	I- R O
	Impacts and dependencies on ecosystem services			
	Biodiversity loss due to land-use change, freshwater-use change or sea-use change			
	Biodiversity loss due to direct exploitation			
RESOURCE USE AND CIRCULAR ECONOMY	Resource inflows: formulas and packaging	4.6	E5	I+ I- R O
	Resource outflows: formulas and packaging			
	Waste from operations			
WORKFORCE	Working conditions	4.7	S1	I+ I-
	Employee well-being and retention			I+
	Diversity, equity and inclusion			I- I+
PRIVACY AND PERSONAL DATA PROTECTION	Protection of employee privacy	4.8	S1/S4	R
	Protection of consumer privacy			
HUMAN RIGHTS IN THE VALUE CHAIN AND COMMUNITIES	Labour rights	4.9	S2/S3	I+ I- R
	Working conditions			
	Rights of indigenous peoples			
PRODUCT SAFETY	Personal safety of consumers	4.10	S4	I-
RESPONSIBLE LABELLING AND CONSUMPTION	Access to quality information	4.11	S4	I+ I- R O
RESPONSIBLE MARKETING AND ADVERTISING	Responsible marketing practices	4.12	S4	I+ I-
BUSINESS CONDUCT	Corporate culture	4.13	G1	R
	Protection of whistleblowers			
	Management of relationships with suppliers			

I+ Positive impact I- Negative impact R Risk O Opportunity


Upstream
Sourcing raw materials
L'Oréal's own activities
Research & Innovation
Production
Design and Marketing
Downstream
Distribution
Product use and end-of-life

4.2 Climate: mitigation and adaptation (E1)

4.2.1 Background

In view of the climate emergency, L'Oréal has strengthened its strategy so as to actively contribute to a sustainable future. Using an evidence-based approach and by involving its entire organisation, the Group is aiming to step up the pace of its climate transformation to a low-carbon economy.

In 2023, L'Oréal revised its climate transition plan, setting new net zero targets that were validated by the SBTi and which are in line with the recommendations of the Intergovernmental Panel on Climate Change (IPCC[1]) to limit global warming to 1.5°C. These decarbonisation targets were not changed during the strategic review of the L'Oréal for the Future programme in 2025 and are reflected in the key ambitions for 2030. The Group aims to:

- reach 100% renewable energy use on operated sites and stores[2]. This target was extended in 2025 to include the Group's stores;
- reduce absolute Scopes 1 & 2 greenhouse gas (GHG) emissions by 57% compared to 2019;
- reduce absolute Scope 3 greenhouse gas emissions from purchased goods and services, upstream transportation and distribution and business travel, by 28% compared to 2019.

4.2.1.1 Material climate-related impacts, risks and opportunities

Building on the double materiality assessment carried out for the Sustainability Report, L'Oréal has used the Task Force on Climate-Related Financial Disclosures (TCFD) methodology as a basis for identifying the major climate issues. The Group strives to provide consistent and reliable information, allowing investors to take account of climate change-related financial risks while anticipating their potential impacts so as to ensure its long-term resilience.

In-depth analysis of the financial impacts of climate change, together with the environmental challenges, has enabled the Group to identify the key risks and opportunities for 2030 and 2050[3], based on:

- a proactive approach to risk identification;
- an assessment of the impacts based on the 1.5°C and 3-4°C temperature rise scenarios (IPCC scenarios RCP 1.9 and RCP 8.5);
- incorporation of political, economic, social, technological, environmental and legal factors (PESTEL analysis[4]).

(1) The IPCC is responsible for providing a comprehensive summary of scientific knowledge regarding climate change. It analyses various scenarios in terms of changes in greenhouse gas concentrations and uses them to define representative concentration pathway (RCP) profiles.

(2) Operated stores that hold an electricity subscription.

(3) This approach is in line with our double materiality methodology, which considers short-term horizons (1 to 3 years), medium-term horizons (3 to 5 years) and long-term horizons (beyond 5 years), with the 2030 and 2050 horizons falling within the long-term perspective.

(4) PESTEL is a strategic framework for identifying and analysing the Political, Economic, Socio-cultural, Technological, Environmental and Legal factors likely to influence a company.

This forward-looking approach used by the Group's internal experts is based in particular on specific studies into the supply of plant-based raw materials. The results are presented in the table below:

	Description	Sub-topics	Policies	Action plans and 2030 objectives
I- ST/LT	L'Oréal's activities may contribute to climate change throughout its value chain, including greenhouse gas emissions from the supply of raw materials, the transportation of goods and manufacturing processes. These emissions contribute to climate change and can indirectly affect populations through phenomena such as extreme weather events, water shortages, food insecurity, greater prevalence of health problems and climate-induced migration.	**Climate change adaptation** **Climate change mitigation** **Energy**	Climate transition plan	Pulling the decarbonisation levers on Scopes 1, 2 & 3, with the objective of: • 57% reduction in Scopes 1 & 2 (compared to 2019) • 28% reduction in Scope 3 (compared to 2019): purchased goods and services, upstream transportation and distribution and business travel • 100% renewable energy use on operated sites and stores[1]
I+ MT/LT	L'Oréal's leadership in the field of sustainable development can be the catalyst for wider change in the industry. By developing and adopting more sustainable products, L'Oréal can encourage more environmentally friendly production practices industry wide, including among suppliers. In the face of climate change, this approach can be used to empower consumers to make more informed, sustainable choices.			
R ST/MT	In terms of transition risks, a sudden increase in the price of carbon imposed by suppliers represents a financial risk as it would mechanically lead to an increase in operating costs. The transition towards sustainable packaging is intensifying competition for innovative materials. The cost and availability of such materials are becoming more uncertain, and this could impact L'Oréal by increasing its production costs. At the same time, growing demand for sustainable products poses a market risk, as failing to act swiftly could give rise to the loss of market share to more environmentally advanced competitors. Climate change also exposes L'Oréal to direct physical risks. The increasing scarcity of water and rising temperatures could impact demand for certain products, forcing the Group to adapt in order to remain competitive. At the same time, the growing frequency of extreme weather events is threatening the supply of agricultural raw materials, with the attendant risk of price volatility and supply chain bottlenecks. These events could also disrupt external energy supplies, underlining the importance of energy efficiency for L'Oréal.	**Climate change adaptation** **Climate change mitigation** **Energy**	Climate transition plan Climate adaptation plan	
O ST/MT	The main environmental impacts of the cosmetics sector are connected to the use of products that require rinsing water, mainly affecting the carbon footprint and the water footprint. In the context of increasing water stress, changes in consumer behaviour represent an opportunity to develop innovative, water-saving products that meet new consumer expectations. The transition towards renewable energy also represents an economic opportunity for L'Oréal. The expected rise in the price of fossil fuels is accelerating the switch to renewable energy. This could allow L'Oréal, which is already mobilised in support of this process, to reduce its operating costs relative to competitors who have made less progress. Growing consumer awareness of the environmental impact of products, reinforced by regulatory change and environmental labelling, may provide L'Oréal, as a pioneer in these matters, with the opportunity to promote its ambitions and innovation in the field of sustainable development.			

IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.
Time horizon: ST = short term; MT = medium term; LT = long term.

(1) Operated stores that hold an electricity subscription.

4.2.2 Governance engaged at every level of the organisation

L'Oréal has set up a robust governance structure involving the Group's most senior management levels in overseeing material climate-related matters. In particular, the climate transition plan is prepared according to several key stages:

1. collaborative drafting and validation: the plan is drawn up together with the functions and business lines to ensure feasibility and alignment with operational reality;
2. validation by the Executive Committee, which reviews the plan to ensure that it is consistent with the Group's overall strategy;
3. presentation to the Board of Directors: the Board of Directors monitors the risks and opportunities, as well as the impact on society and the environment, notably through the Audit Committee and the Strategy and Sustainability Committee; and
4. implementation: the functions and business lines apply the plan with the support of the Sustainability Leaders Network, which ensures that sustainability is integrated into all Group functions.

Climate transition plan implementation process

Once the climate transition plan has been validated by L'Oréal's top management bodies, it is implemented at all levels of the organisation:

Operational deployment: each business line, Division and Region receives a tailored roadmap, transposing the Group's net zero strategy to local scale:

- The Divisions, which are more involved in the upstream value chain and product design, focus on emissions reduction targets linked to the environmental design of products, the choice of ingredients and packaging;
- The Regions and Countries, which are more involved downstream, focus on reducing emissions linked to marketing and distribution, such as transportation and marketing products (e.g., refills);
- The various functions and business lines, including Research & Innovation, Operations and Marketing teams, actively contribute to decarbonisation by identifying and reviewing innovation opportunities and defining a specific transition plan for each Division and Region. For example, Purchasing is incorporating responsible supply into its processes (see section 4.4.2.2), and Operations is optimising energy performance at production sites.

Prioritisation: the roadmaps set out the priority actions, with quantitative time-bound targets, so as to ensure that the plan is implemented in a concrete and measurable way.

Involving the Sustainability Leaders Network: this internal network made up of employees trained in sustainability provides the operational teams with expertise and support, and acts as a point of reference as they implement the plan.

Outcome monitoring process

Each year, the Board of Directors reviews the outcomes of the climate strategy against the initial objectives. Within this framework, in 2025, the Group conducted an in-depth review of the carbon pathway, whose conclusions were presented to the Board of Directors. The outcomes are also reviewed by the Strategy and Sustainability Committee. The Chief Executive Officer also presented the Group's climate change strategy to the 2024 Annual General Meeting. Shareholders can engage in discussion with L'Oréal on a regular basis as part of the Group's shareholder consultation process. The Board of Directors receives an account of these discussions.

The level of remuneration of the Chief Executive Officer and the Group's top management is subject to the achievement of climate objectives (see sections 2.4.1.2.1. and 7.4.3.6). Each year, the Human Resources and Remuneration Committee reviews both the upcoming remuneration policy objectives and the performance achieved during the year in question. The Committee makes recommendations in this regard to the Board of Directors.

4.2.3 Climate transition plan

4.2.3.1 Decarbonisation targets and the Net Zero strategy

Fully engaged in the fight against climate change and attentive to scientific recommendations, L'Oréal has developed a climate transition plan whose pathway has been validated by the SBTi[1]. This plan pursues two ambitions:

- by 2030, to reduce Scopes 1 & 2 emissions by 57% and Scope 3 carbon emissions by 28% for goods and services purchased by the Group, business travel, upstream transportation and distribution; and
- by 2050, to reduce overall emissions by 90%, with any residual emissions offset to achieve net zero.

In absolute terms, these reductions refer to a 2019 baseline year.

To meet its target for reducing Scopes 1 & 2 emissions by 2030, L'Oréal has made commitments regarding the transition to renewable energies. In 2025, L'Oréal hit a historic milestone by reaching 100% renewable energy use on operated sites and stores[2]. The Group's efforts will continue under its L'Oréal for the Future programme so as to maintain this performance. This ambition is important because Scopes 1 & 2 concern, respectively, direct emissions linked to the Group's activities, such as on-site combustion, and indirect emissions linked to the consumption of purchased energy, such as electricity. By using renewable energy sources such as wind power and solar energy to power its facilities, L'Oréal is reducing its dependence on fossil fuels, thereby limiting its carbon footprint.

(1) L'Oréal is not affected by the EU Paris-aligned benchmark exclusions.
(2) Operated stores that hold an electricity subscription.

To meet its target for reducing Scope 3 emissions, which account for the majority of its carbon footprint, L'Oréal has set out trajectories adapted to the transformation of each of its functions and business lines, and planned how to roll them out in collaboration with all the Divisions and Regions. Reducing Scope 3 emissions includes indirect emissions linked to the company's entire value chain, upstream and downstream of its direct operations. This includes emissions linked to the purchase of raw materials, the transportation of goods, the use of products sold, the end-of-life of these products, and business travel.

L'Oréal has consolidated these ambitions in its transition plan, which includes the levers under its direct responsibility as well as the contribution expected from suppliers reducing emissions from their activities. The main levers identified to achieve these objectives by 2030 are described in detail in section 4.2.3.2.

Beyond 2030, to prepare for the future and meet its 2050 decarbonisation ambition, L'Oréal is exploring various solutions, supported by technological developments and a favourable political context. These include:

- improving the energy mix in all countries in the value chain;
- carbon-free logistics;
- developing carbon capture technologies for raw materials; and
- new product and packaging formats.

L'Oréal also strives to minimise "locked-in" emissions, linked to the depreciation of assets designed to emit carbon irreversibly, such as certain emergency power generators or cooling systems containing refrigerants. In Scopes 1 & 2, the use of renewable energies reduces current emissions and prevents new locked-in emissions. With regard to Scope 3, even though the use of L'Oréal products does not involve direct consumption of fossil energy, their full life cycle could generate emissions that depend on the local energy mix (for example, the electricity needed to use appliances such as the "Air Light Pro" hairdryer). These emissions are recorded in the greenhouse gas emissions reports and in the transition plan. The risks associated with these locked-in emissions are considered to be limited and are not expected to compromise the Group's decarbonisation targets.

Focusing on deep decarbonisation

As part of its drive towards Net Zero, the Group's current strategy is focused on reducing emissions across its value chain. Offsetting through carbon capture will be rolled out to deal with any residual emissions (up to a maximum of 10%), gradually ramping up through to 2050.

4.2.3.2 Pulling multiple decarbonisation levers

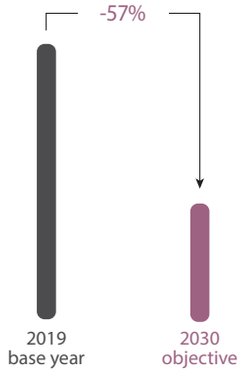
L'Oréal is actively pursuing its 2030 decarbonisation pathway, using several major strategic levers. These efforts are structured around various action plans, aimed at reducing the Company's carbon footprint by addressing both direct operations and the entire value chain.

Main ongoing actions related to Scopes 1 & 2

Decarbonisation efforts for Scopes 1 & 2 are focused on sites, stores and the vehicle fleet with a view to:

- improving the energy efficiency of operated sites;
- reaching 100% renewable energy use on operated sites and stores[(1)];
- continuing to electrify the vehicle fleet.

DECARBONISATION OF SCOPES 1 & 2



(1) Operated stores that hold an electricity subscription.

Main ongoing actions related to Scope 3

Scope 3 accounts for a significant proportion of the Group's emissions. The decarbonisation levers extend across the entire value chain, requiring close collaboration with partners and suppliers.

With regard to **product packaging:**

- continuing to reduce the weight of packaging;
- increasing the proportion and availability of reusable and refillable formats;
- increasing the proportion of recycled materials in packaging;
- promoting low-carbon decor techniques and processes;
- encouraging and helping packaging suppliers to reduce the emissions related to their activities and enhance the transparency and monitoring of their emissions.

With regard to **product formulas:**

- promoting the use of plant-based ingredients as an alternative to petrochemicals;
- replace carbon-intensive ingredients;
- continuing to combat deforestation and promote sustainable and regenerative agricultural practices;
- encouraging and helping ingredient suppliers to reduce the emissions related to their activities and enhance the transparency and monitoring of their emissions.

With regard to **digital marketing:**

- reducing the impact of producing digital advertising content;
- increasing the reuse rate of digital advertising content;
- optimising digital advertising content formats to reduce the impact of their distribution;
- encouraging and helping agencies and media service providers to reduce the emissions related to their activities, and increase the transparency and monitoring of their emissions.

With regard to **point-of-sale (POS) promotions:**

- encouraging the adoption of environmental design practices and tools for POS advertising;
- promoting lighter-weight POS advertising, using monomaterials and a higher proportion of recycled materials, and limiting the amount of waste generated;
- continuing to reduce power consumed by permanent POS displays;
- encouraging and helping POS suppliers to reduce the emissions related to their activities.

With regard to **logistics:**

- reducing the proportion of air freight by substituting it with sea and rail freight;
- using multimodal transport;
- optimising fill rates;
- using lower-emitting engines and fuels;
- encouraging and helping logistics suppliers to reduce the emissions related to their activities.

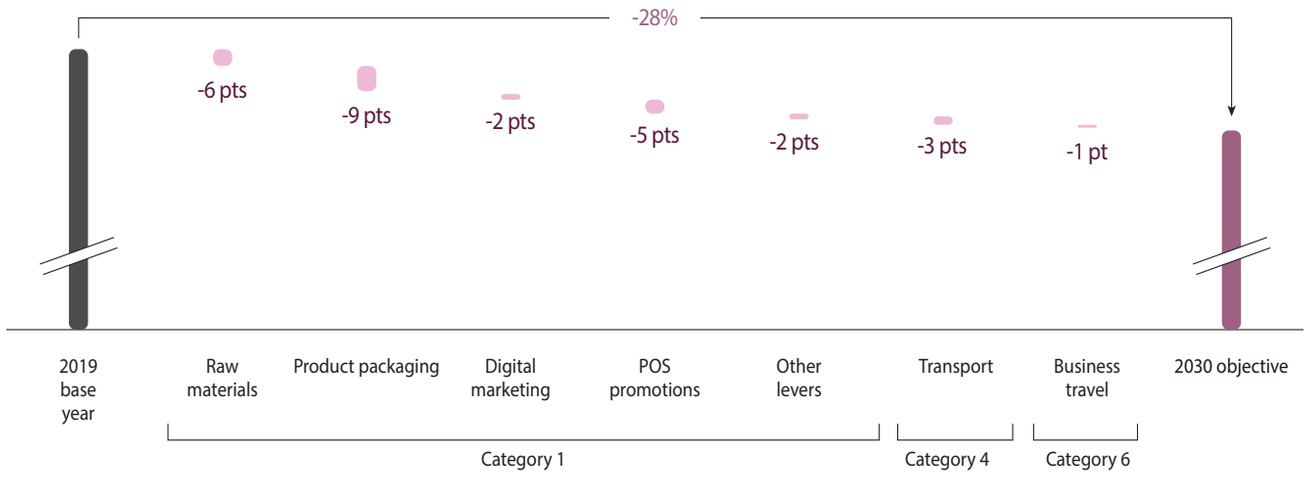
With regard to **business travel:**

- reducing the impact of business travel through a dedicated travel policy.

In the **other** levers category:

- encouraging and helping service providers to reduce the emissions related to their activities.

SCOPE 3 DECARBONISATION LEVERS [1]



(1) *These figures represent the estimated reductions for each decarbonisation lever. They are based on operating performance forecasts and may change in line with technological advances and the product mix.*

4.2.3.3 Funding the transition plan

L'Oréal believes that its ambitious decarbonisation pathway and the actions required to achieve it are solidly underpinned by the availability and allocation of internal financial resources until 2030. At the same time, climate objectives also depend on important external factors, in particular the development of decarbonisation technologies, suppliers' success in reducing their own emissions, and a regulatory and political context that remains supportive of the energy transition.

The Group's strategy is supported by the consideration of climate impacts costs and benefits into its standard operational and budgetary processes. A Group management standard ensures that each entity integrates sustainability factors (including decarbonisation efforts) directly into its financial planning process.

Consequently, the Group does not manage an isolated "transition budget," as these investments are inseparable from "business as usual" operations. While certain specific expenditures can be identified as purely transition-related, they represent a non-significant amount on a Group scale. This high level of integration allows the Group to drive its transformation efficiently within its existing financial framework, while making it difficult to isolate "sustainability-only" costs.

The effectiveness of this model is evidenced by the Group's outcomes. For example, in 2025, L'Oréal has succeeded in reducing its use of virgin plastic by 37% compared to 2019 without compromising its financial results. Transformations of this nature involve complex shifts in sourcing and industrial processes where the "climate" investment is inextricably linked to product innovation and quality.

Given the highly integrated nature of these processes, isolating specific financial figures would result in only a partial view that does not represent the actual scale of the resources and means deployed across the organization to achieve its climate ambitions. As these investments are fundamentally embedded across all operating activities to ensure maximum efficiency and strategic alignment, L'Oréal does not report the financial resources for the climate transition plan as a separate, isolated disclosure.

4.2.4 Climate adaptation plan

4.2.4.1 Raw materials continuity plan

L'Oréal is anticipating the risks posed by climate change to its supply of plant-based raw materials. To ensure the long-term future of its business activities, the Group has put in place an adaptation strategy based on scientific knowledge and risk analysis. The Research & Innovation, Operations and Corporate Social Responsibility teams assess the impact of climate change on the entire value chain in order to anticipate the corresponding risks, particularly as regards the supply of raw materials. L'Oréal is seeking to diversify its sources as swiftly as possible, not just when there are material threats, and to adapt production areas, seek alternatives and work with partners to develop more sustainable farming practices within the overall goal of building a resilient supply chain while guaranteeing product quality.

4.2.4.2 Business continuity plan

L'Oréal works proactively to protect its sites against extreme weather events. Its approach comprises three key stages: (i) analysis of climate scenarios, (ii) incorporation of results into site risk reviews and (iii) implementation of tailored adaptation plans, supplemented by targeted audits of infrastructure resilience if necessary. Using this approach, the Group is able to anticipate climate challenges while ensuring business continuity.

4.2.4.3 Product consumption continuity plan

With natural resources such as water becoming increasingly scarce, L'Oréal aims to offer water-saving products and technologies to enable consumers in water-stressed markets to meet their hygiene and beauty needs. In order to achieve this goal, the Group is innovating with formulas that use less water or that do not require rinsing. L'Oréal is also investing in innovations such as the L'Oréal Water Saver showerhead, which reduces water consumption in hairdressing salons. L'Oréal's measures covering its downstream value chain aims to offer products that meet environmental challenges and consumer expectations in terms of sustainability.

4.2.5 Climate outcomes

4.2.5.1 L'Oréal for the Future ambitions for climate change

Targets	2024 comparative figures	2025
By 2030, L'Oréal is aiming to reduce its Scopes 1 & 2 carbon emissions by 57%, compared to 2019.	-51%	-58%
By 2030, L'Oréal is aiming to reduce its Scope 3 carbon emissions (from purchased goods and services, upstream transportation and distribution and business travel) by 28%, compared to 2019.	+6%	+5%
By 2030, L'Oréal is aiming to reach 100% renewable energy on operated sites and stores[1].	-	100%
By 2050, L'Oréal is aiming to reduce its Scopes 1, 2 & 3 carbon emissions by 90%, compared to 2019.	+2%	+1%

(1) Compared with the ambition published in 2024, the scope of this objective has been extended to include operated stores that hold an electricity subscription.

4.2.5.2 Outcomes for energy consumption and energy mix (E1-5)

Energy consumption and energy mix

	2024		2025	
KPI	MWh	%	MWh	%
1. Fuel consumption from coal and coal products	-	0%	-	0%
2. Fuel consumption from crude oil and petroleum products	4,171	0%	458	0%
3. Fuel consumption from natural gas	32,419	3%	1,704	0%
4. Fuel consumption from other fossil sources	-	0%	-	0%
5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	65,336	7%	40,695	4%
6. Total energy consumption from fossil sources (calculated as the sum of lines 1 to 5)	101,926	10%	**42,857**	**4%**
7. Consumption from nuclear sources	96	0%	**-**	**0%**
8. Fuel consumption for renewable energy sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	251,927	25%	271,429	27%
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	572,894	57%	611,261	61%
10. Consumption of self-generated non-fuel renewable energy	74,788	7%	81,210	8%
11. Total renewable energy consumption (calculated as the sum of lines 8 to 10)	899,609	90%	963,899	96%
TOTAL ENERGY CONSUMPTION (CALCULATED AS THE SUM OF LINES 6 AND 11)	**1,001,631**	**100%**	**1,006,756**	**100%**

Comments on the 2025 climate performance

In order to provide a comprehensive overview of its progress, L'Oréal assesses its performance against the absolute reduction targets validated by the SBTi. Concerning Scope 3 emissions, although they were up 5% in the year compared with 2019 (versus a reduction target of 28% by 2030), 2025 marked a major turning point, with Scope 3 emissions beginning to fall in absolute terms compared with the previous year.

This reflects the success of the Group's efforts to decouple business growth from its GHG emissions. The Group's progress has been driven by significant reductions in transport-related emissions, thanks to limited use of air freight, as well as by continuous improvements in packaging circularity and the carbon efficiency of raw materials. Although volume growth and changes in the product mix partially offset this progress, the stabilisation of the Group's marketing and digital footprint hails a turning point in its decarbonisation pathway.

In order to obtain the highest level of transparency, the Group continued to improve data reliability by moving to a reporting model based primarily on actual business data. This shift from spend-based estimates to physical metrics ensures that the Group's reporting reflects actual operational improvements, rather than spending fluctuations or the impact of inflation.

Other CSRD disclosure requirements linked to energy consumption and the energy mix

Energy intensity based on net sales	2024	2025
Total energy consumption from activities in high climate impact sectors by net revenue from activities in high climate impact sectors[1][2]	23 MWh/€m	23 MWh/€m

(1) The Group's activities are classified under NACE code C20.4 (Manufacture of soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations). According to the CSRD, NACE codes A to H are defined as "high climate impact sector".
(2) Financial results, including the turnover (sales) figures used to calculate this ratio, are set out in detail in section 6.1.

4.2.5.3 Outcome of the greenhouse gas emissions assessment (E1-6)

The Group calculates and monitors the greenhouse gas (GHG) emissions originating from all its activities according to the GHG Protocol.

	Retrospective data					Milestones and years concerned	
in tonnes of CO_2 equivalent (tCO_2eq)	2019 comparative figures	2024 comparative figures	2025	2025 vs. 2024	2025 vs. 2019	2030	2050
SCOPE 1 GHG EMISSIONS							
Gross Scope 1 GHG emissions	98,869	54,329	42,428	-22%	-57%		
SCOPE 2 GHG EMISSIONS							
Gross Scope 2 GHG emissions (location-based)	191,550	175,667	171,924	-2%	-10%		
Gross Scope 2 GHG emissions (market-based)	60,330	23,417	24,206	+3%	-60%		
Scopes 1 & 2 GHG emissions (location-based)	**290,418**	**229,996**	**214,353**	**-7%**	**-26%**		
Scopes 1 & 2 GHG emissions (market-based)	**159,199**	**77,746**	**66,634**	**-14%**	**-58%**	**68,456**	
Material Scope 3 GHG emissions	**4,938,964**	**5,251,298**	**5,174,241**	**-1%**	**+5%**	**3,556,054**	
1. Purchased goods and services	4,280,798	4,797,911	4,743,254	-1%	+11%		
4. Upstream transport and distribution	511,164	360,970	335,678	-7%	-34%		
6. Business travel	147,002	92,417	95,309	+3%	-35%		
Other Scope 3 GHG emissions	**1,280,859**	**1,197,111**	**1,180,810**	**-1%**	**-8%**		
2. Capital goods	250,328	185,717	164,303	-12%	-34%		
3. Fuel- and energy-related activities	90,030	96,010	98,577	+3%	+9%		
5. Waste generated in operations	36,731	18,327	22,397	+22%	-39%		
7. Employee commuting	110,912	94,294	95,313	+1%	-14%		
8. Upstream leased assets	-	-	-				
9. Downstream transportation and distribution	75,690	73,816	68,733	-7%	-9%		
10. Processing of sold products	-	-	-				
11. Use of sold products[1]	193,166	225,111	237,445	+5%	+23%		
12. End-of-life treatment of sold products	425,608	454,391	437,594	-4%	+3%		
13. Downstream leased assets	-	-	-				
14. Franchises	-	-	-				
15. Investing activities	98,393	49,445	56,449	+14%	-43%		
Total Scope 3 GHG emissions	**6,219,823**	**6,448,409**	**6,355,052**	**-1%**	**+2%**		
TOTAL GHG EMISSIONS							
Total GHG emissions (location-based)	6,510,241	6,678,405	6,569,404	-2%	+1%		
Total GHG emissions (market-based)	6,379,022	6,526,156	6,421,686	-2%	+1%		637,902

(1) For the sake of transparency, it is important to note that this category only includes direct emissions associated with the use of L'Oréal's products. Indirect emissions from the use of products (4,359,058 tCO_2eq in 2025 and 4,324,488 tCO2eq in 2024) are not included because they are considered optional by the GHG Protocol.

GHG intensity based on net sales

GHG intensity by net sales in $tCO_2eq/€$ *millions*	2024 comparative figures	2025
Total GHG emissions (location-based) per net sales[1]	159	149
Total GHG emissions (market-based) per net sales[1]	155	146

(1) Financial results, including the turnover (sales) figures used to calculate this ratio, are set out in detail in section 6.1.

Biogenic carbon emissions from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions

	2024	2025
Biogenic carbon emissions from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions *in* tCO_2eq	63,214	67,992

Renewable energy purchases and contractual instruments (E1-6 AR 45)

	2024	2025
Renewable power purchased *in KWh*	510,798,042	551,613,983
% of Power Purchase Agreements (PPA)	9%	10%
% of bundled purchases with Energy Attribute Certificates (EAC)	55%	55%
% of unbundled purchases with Energy Attribute Certificates (EAC)	37%	35%

4.2.5.4 GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

Although the cosmetics industry has a low carbon footprint compared to other industries, L'Oréal is focusing its efforts on decarbonising the value chain. The Group does not currently use carbon offsetting mechanisms and relies on biodiversity to capture carbon. In 2020, the Group launched the L'Oréal Fund for Nature Regeneration. Endowed with €50 million, its mission is to restore one million hectares of ecosystems by 2030, with the overall goal of capturing 15 to 20 million tonnes of CO_2 and creating jobs[1] in the process.

4.2.5.5 Alignment with the EU Taxonomy

4.2.5.5.1 Reminder of the regulatory environment and L'Oréal's sustainability strategy

L'Oréal publishes its taxonomy report in accordance with Regulation (EU) 2020/852 (the "Taxonomy Regulation") and the associated delegated regulations. These include Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2485 on climate objectives, and Delegated Regulation (EU) 2023/2486 on non-climate environmental objectives. This approach incorporates the European Commission and Platform on Sustainable Finance doctrine, and takes into account the new Delegated Regulation (EU) 2026/73 published in the Official Journal of 8 January 2026, which amends Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486.

This report identifies L'Oréal's eligible activities and specifies which of them meet the alignment requirements of the Taxonomy Regulation. To be aligned, an activity must not only be eligible, i.e., it must comply with the Taxonomy definition of the activity, but must also make a substantial contribution to an environmental objective, and must not cause significant harm to the other five environmental objectives under the "Do No Significant Harm" (DNSH) principle. In this context, L'Oréal Groupe has selected only the climate change mitigation objective (CCM) to conduct its eligibility and alignment analysis.

In addition to these environmental criteria, the alignment of an activity also requires compliance with the minimum safeguards defined by the Regulation. L'Oréal demonstrates its compliance with these safeguards through a rigorous governance and risk management framework that is fully integrated and managed within its real estate activities. The Group is based on the recommendations of the Platform on Sustainable Finance's (PSF) report through the following mechanisms:

- its Code of Ethics and Vigilance Plan (to prevent risks of violations of human rights, fundamental freedoms, health, safety and the environment – see sections 3.2.1 and 3.6);
- its anti-corruption policy (see section 3.2.3);
- the integration of taxation into its sustainability statement (see section 3.2.4); and its Legal Charter (compliance with local legislation, particularly competition law – see section 3.5.3).

In accordance with the European Commission communication of 16 June 2023 on minimum safeguards (2023/C 211/01) and with the Sustainable Finance Disclosure Regulation (SFDR), the Group is not exposed to the manufacture or sale of controversial weapons.

(1) The impacts in terms of CO2 and job creation will be measured and published once the projects have reached maturity.

As L'Oréal's beauty business activities have not yet been included in the EU Taxonomy list, they are considered ineligible within the meaning of these regulations. Accordingly, L'Oréal only reports on its secondary activities, mainly related to real estate.

In accordance with the introduction of a materiality threshold of 10% under the new Regulation (EU) 2026/73 of 8 January 2026, L'Oréal is now authorised to omit the assessment of the eligibility and alignment of taxonomy-related economic activities whose cumulative value falls below 10% of the denominator of the relevant indicator (Turnover [Net sales], Capital expenditure (CapEx), Operating expenditure (OpEx)). Consequently, only two types of L'Oréal property investments were assessed for the purposes of taxonomy reporting at 31 December 2025:

- fixed rental payments capitalised in accordance with IFRS 16, relating to building leases;
- acquisitions of fully-owned buildings.

These investments are grouped under activity 7.7 "Acquisition and ownership of buildings", which is the only taxonomy-related activity published by L'Oréal.

Under the Regulation, non-financial companies must publish three key performance indicators (KPIs), which are presented in the two new regulatory tables below. Based on financial aggregates (Turnover, CapEx, OpEx), these KPIs are defined as follows:

- KPI for eligible activities: this indicator represents the proportion of the Company's Turnover, CapEx or OpEx related to economic activities eligible for the Taxonomy, whether aligned or not.
- KPI for aligned activities: this indicator represents the proportion of the Company's Turnover, CapEx or OpEx related to economic activities aligned with the Taxonomy. This implies that the activity meets the criteria of making a substantial contribution to an environmental objective, does not significantly harm other objectives (DNSH), and complies with the minimum standards.
- KPI for non-material activities: this new indicator makes it possible to report the proportion of activities considered insignificant for the respective KPIs and for which assessment of eligibility and alignment with the Taxonomy is not required.

It should be emphasised that the key performance indicators set out in the European Taxonomy only capture L'Oréal's sustainability strategy to a very limited extent. These KPIs focus on specific assets and do not reflect the extent of the Group's climate commitment, nor the breadth of its actions to preserve water resources, adopt a circular economy model, prevent pollution and protect biodiversity across its entire value chain.

4.2.5.5.2 Regulatory templates and data analysis

TEMPLATE 1: PROPORTION OF TURNOVER, CAPEX AND OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

					Breakdown by environmental objectives of Taxonomy-aligned activities											
KPI 2025	Total in millions of euros	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities in millions of euros	Proportion of Taxonomy-aligned activities	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered as non-material	Taxonomy-aligned activities in previous financial year (2024) in millions of euros	Proportion of Taxonomy-aligned activities in previous financial year (2024)
Sales [1]	44,052	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%
CapEx	2,583	16%	5	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	38	2%
OpEx	1,632	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%

(1) Financial results, including the turnover (sales) figures used to calculate this ratio, are set out in detail in section 6.1

As in the period 2021 to 2024, the Group did not identify any eligible turnover within the meaning of European Taxonomy for 2025.

In accordance with Delegated Regulation (EU) 2026/73, the OpEx denominator required by the Taxonomy is made up mainly of research and development expenditure, short-term rental costs, maintenance costs and operating costs relating to the management of property assets and buildings. These expenditure categories represent a limited proportion of the Group's overall operating expenses, amounting to less than 5% of consolidated OpEx. Given the structure of the Group's business model and the insignificant nature of these expenses within its overall operating costs, OpEx as defined by the Taxonomy is considered to be non-material to the Group's business model. Pursuant to the possible exemption provided for in the same delegated regulation (EU) 2026/73, when OpEx is deemed to be non-material, the Group has not assessed the eligibility and alignment of the OpEx numerator and declares it to be zero for the 2025 financial year.

Therefore, only the eligibility and alignment of L'Oréal's investments (CapEx) in the property sector, which falls under activity 7.7, were assessed, and the amounts are detailed in Table 1.

To ensure consistency with the Group's financial data, the following table shows the reconciliation between the denominator of capital expenditure (CapEx) used for taxonomic reporting and the corresponding aggregates in the consolidated financial statements:

RECONCILIATION OF THE DENOMINATOR FOR THE INVESTMENT INDICATOR

€ millions	2024	2025	Reconciliation with the financial statements
Intangible assets	**437.1**	**931.6**	**Variations in intangible assets tables (note 7.2)**
of which acquisitions	384.2	343.6	"Acquisitions/charges" column
of which business combinations	43.0	585.4	Included in the "Changes in the scope of consolidation" column
of which allocation of goodwill to the brand	9.9	2.7	Included in the "Other movements" column
Property, plant and equipment	**1,277.2**	**1,171.0**	**Changes in property, plant and equipment tables (note 3.2.2)**
of which acquisitions	1,276.3	1,158.7	"Acquisitions/charges" column
of which business combinations	0.9	12.4	Included in the "Other movements" column
Right of use (IFRS 16)	**508.4**	**480.5**	**Right of use table (note 3.2.3)**
of which new and renewed leases	505.6	455.3	
of which business combinations	2.8	25.2	
TOTAL ACQUISITIONS	**2,222.6**	**2,583.2**	

In addition, the activities in the Taxonomy considered to be non-material and whose eligibility and alignment are therefore not assessed, concern certain equipment and facilities belonging to the L'Oréal for the Future programme, located in operational and administrative sites, and which contributie to climate change mitigation or adaptation (CCM or CCA) or to circular economy (CE) objectives. These include activities previously reported under the categories CCM 7.2 (Renovation of existing buildings), CCA 14.2 (Flood risk prevention and protection infrastructure), CCM 7.3 and 7.5 (Installation, maintenance and repair of energy efficiency equipment and of instruments and devices for measuring, regulating and controlling the energy performance of buildings), and CE 2.2 (Production of alternative water resources). Similarly, activity 6.5 (Transport by Motorbikes, passenger cars and light commercial vehicles) has also been excluded from the scope of analysis, as its impact is deemed to be non-material at Group level.

The non-materiality of all these activities is established insofar as the total associated capital expenditure (CapEx) does not exceed 10% of the total (i.e., 2% in 2025).

TEMPLATE 2: PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ELIGIBLE OR TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - BREAKDOWN BY ACTIVITY

					Breakdown by environmental objectives of Taxonomy-aligned activities								
Economic activities (2025)	**Code**	**Taxonomy-eligible KPI (proportion of Taxonomy-eligible turnover/CapEx/OpEx)**	**Taxonomy-aligned KPI (monetary value of sales/ CapEx/OpEx) in millions of euros**	**Taxonomy-aligned KPI (proportion of Taxonomy-aligned turnover/CapEx/ OpEx)**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Enabling activity**	**Transitional activity**	**Proportion of Taxonomy-aligned in Taxonomy-eligible**
Acquisition and ownership of buildings	7.7	16%	5	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			
CapEx KPI		16%	5	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

In accordance with the Regulation, activity 7.7 “Acquisition and ownership of buildings” is now the only activity to exceed the new 10% materiality threshold and therefore subject to analysis of eligibility and alignment for L’Oréal. The precise amounts and percentages of eligible and aligned investments for 2025 under this activity are shown in template 2.

In 2025, Taxonomy-eligible CapEx amounted to €420 million, representing 16% of total acquisitions amounting to €2,583 million. By comparison, in 2024, Taxonomy-eligible CapEx amounted to €493 million, representing 22% of eligible CapEx out of a total of €2,223 million. This change is explained by sustained growth in the overall volume of the Group's acquisitions, creating a base effect that mechanically dilutes the relative share of eligible assets in the denominator. In addition, 2025 will form part of a cycle of more moderate expenditure in the scope of activity 7.7 "Acquisition and ownership of buildings", after 2024 was marked by scaled commitments in the development and deployment of our real estate infrastructures.

With regard to the aligned portion, the reduction observed for 2025 does not reflect a weakening of our property due diligence. Rather, it is mainly attributable to the inclusion of new building leases capitalised under IFRS 16 in Asia-Pacific, which account for almost half of these leases. Although local sustainability standards in this region are effective and constantly improving, alignment with the strict European Taxonomy technical criteria remains complex due especially to the absence of harmonised standards such as energy performance certificates, and to diverging definitions.

4.3 Pollution: operations and value chain (E2)

4.3.1 Background

L'Oréal aims to offer beauty that combines quality, effectiveness, safety and responsibility. The Group continuously invests in solutions that minimise or eliminate any adverse effects of its products and ingredients, in accordance with applicable regulations. Its research and innovation policy aims to improve the environmental footprint of its products over their entire life cycle, while ensuring the personal safety of consumers.

In view of the challenges posed by the pollution of water and air, the Group conducts assessments on an ongoing basis to minimise its impacts in the value chain and strives to make reducing environmental consequences a priority. The Group introduces concrete actions at production sites and across the supplier network to promote more sustainable practices. This section presents the measures taken and the outcomes achieved through this approach.

4.3.1.1 Material pollution-related impacts, risks and opportunities

In accordance with the CSRD, the double materiality assessment concerning ESRS E2 on pollution has a more targeted approach than other standards owing to the list of pollutants in the European Pollutant Release and Transfer Register (E-PRTR). Instead of a broad initial assessment of impacts as is the case with the other ESRS, E2 focuses directly on regulated pollutants, offering a more precise and relevant analysis for this specific topic. Pollutants that are prohibited for use in cosmetics, absent from raw materials or present in quantities well below the classification thresholds have been excluded from the analysis. L'Oréal used its internal tool, data from independent non-profit Citepa[1] and conservative assumptions to quantify the remaining pollutants. Only pollutants exceeding the regulatory materiality thresholds are classified as material and included in the table below.

	Description	Sub-topics	Policies	Action plans
I- ST	The potential direct or indirect negative impact includes pollution[1] of water and air from L'Oréal's own industrial activities. Specifically, the materiality assessment of pollutants based on the CSRD's ESRS framework highlights the chemical oxygen demand (COD) for water and non-methane volatile organic compounds (NMVOCs) for air as material pollutants. Suppliers' upstream industrial and agricultural activities can also generate air and water pollution. Downstream, the use of rinse-off products by consumers could contribute to the discharge of pollutants into water and impact the quality of the water discharged into wastewater systems.	**Pollution of air** **Pollution of water**	Responsible Water Use Policy EHS policy Sustainable purchasing policy Research & Innovation policy	Prevent pollution risks at operated sites Encourage suppliers to take steps to avoid pollution Reduce the environmental footprint of products
I+ MT/LT	L'Oréal strives to minimise the environmental footprint of its products by developing more environmentally friendly formulas and minimising the use of substances of very high concern and microplastics. This approach could influence production practices on a wider scale across the industry, encouraging stakeholders to adopt more sustainable processes and invest in research and innovation.	**Microplastics** **Substances of concern (SOCs)** **Substances of very high concern (SVHCs)**	Research & Innovation policy	Remove microplastics Remove substances of very high concern
R ST/MT	Another challenge that L'Oréal faces is adapting to constantly changing regulations and shifting consumer expectations in relation to the environment. New regulations, particularly regarding ingredients and packaging, require L'Oréal to reformulate products and conduct additional tests, which generates significant costs. The diversity and constant reinforcement of the regulatory environment expose the Group to a risk of failure to comply or increased compliance costs. In addition, growing consumer awareness of environmental issues requires L'Oréal to constantly adapt. Failure to meet new consumer expectations regarding sustainable products and ensure that its practices comply with ethical and environmental standards, could harm its image and negatively impact sales.			

○ *IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.*
□ *Time horizon: ST = short term; MT = medium term; LT = long term.*
(1) To determine the materiality of the pollution, the Group analysed each pollutant emitted and listed in Annex II of Regulation (EC) No. 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register – E-PRTR Regulation). If the quantity of pollutants observed exceeds the materiality threshold set by the regulation, it is included in the Sustainability Report.

(1) Citepa, or Centre Interprofessionnel Technique d'Etudes de la Pollution Atmosphérique, is a panel of specialists who assess greenhouse gas and air pollutant emissions by sector and pollutant every year.

4.3.2 Pollution-related policies

L'Oréal's material pollution issues concern air and water. Air pollution is identified as material both in the upstream value chain and within the Company's own operations.

Water pollution is considered to be material throughout the value chain. To address this Group-wide issue, L'Oréal published a Responsible Water Use policy in April 2025, setting out the guiding principles, based on several fundamental pillars. L'Oréal is aiming to minimise the impact of its products and operations on water quality. This includes continuously raising the quality of wastewater discharged from its factories, working on improving the biodegradability of ingredients and formulas to reduce their end-of-life environmental footprint, eliminating microplastics and reducing Substances of Very High Concern (SVHC), in particular by prohibiting the inclusion of any new ingredient classed as SVHC from the raw materials portfolio and by reformulating products that may still contain them today. The policy also aims to reduce water pollution in its upstream value chain by working with supply chain partners, and to contribute to the conservation and restoration of ecosystems (in territories where the Group sources key raw materials) by supporting supplier efforts to implement nature-based solutions and regenerative agriculture, as well as anything other levers that may help reduce pollution. In addition, the Mutual Ethical Commitment Letter (MECL) that suppliers[1] must sign requires adherence to fundamental human rights linked to access to water, sanitation and hygiene.

This overarching policy is deployed via detailed policies for each value chain segment, including the EHS policy for operations (4.3.2.1), the Sustainable Purchasing Policy for upstream pollution (4.3.2.2), and the Research & Innovation policy linked to downstream pollution (4.3.2.3).

4.3.2.1 General EHS policy and aspects relating to pollution from operations

This section presents L'Oréal's overarching EHS policy, with a focus on pollution.

L'Oréal's Environment, Health and Safety (EHS) policy is designed to reduce the Group's environmental footprint while ensuring the safety of employees and partners. By applying strict standards across all sites and conducting regular audits, the Group ensures that these standards are adhered to, both internally and by subcontractors and suppliers. The key aspects of this policy include:

- an EHS management system to support the Group's strategy;
- a manual detailing the measures to be applied to protect people, property and the environment;
- an ISO certification programme for production facilities;
- regular monitoring based on specifto limit the environmental footprint in the value chainto limit the environmental footprint in the value chainprocedures on the ground (notably in line with ic indicators;
- mandatory training for all employees, at every level; and
- an internal and external audit system covering all sites worldwide.

Suppliers are also audited to check compliance with the Group's environmental and safety requirements.

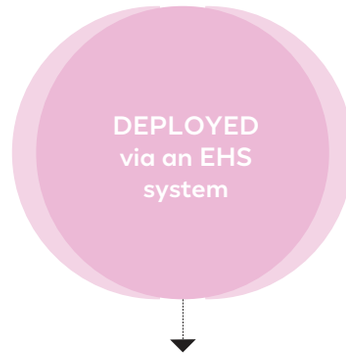
In the event of an accident, contingency plans for each site are activated and employees have received relevant training in this area, subject to regular checks by the EHS team and insurers and to EHS audits. When a significant risk is identified or standards impose specific requirements, an in-depth assessment is carried out and immediate mitigation action plans are rolled out.

(1) Eligible Suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.



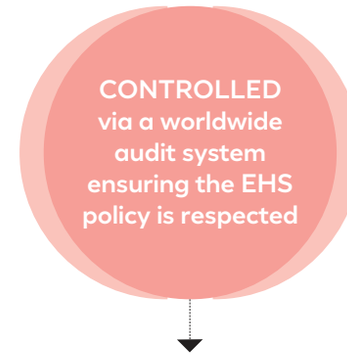
ACTIONS

- **Understanding** and respecting procedures
- **Improving** the Group's environmental, health and safety performance
- **Disseminating** a sustainable EHS culture to every employee
- **Reducing** to the greatest extent possible the risks of harm to people, the environment and property



ACTIONS

- **Disseminating** the principles of the EHS policy at all
- **Training** teams on EHS policy and practices



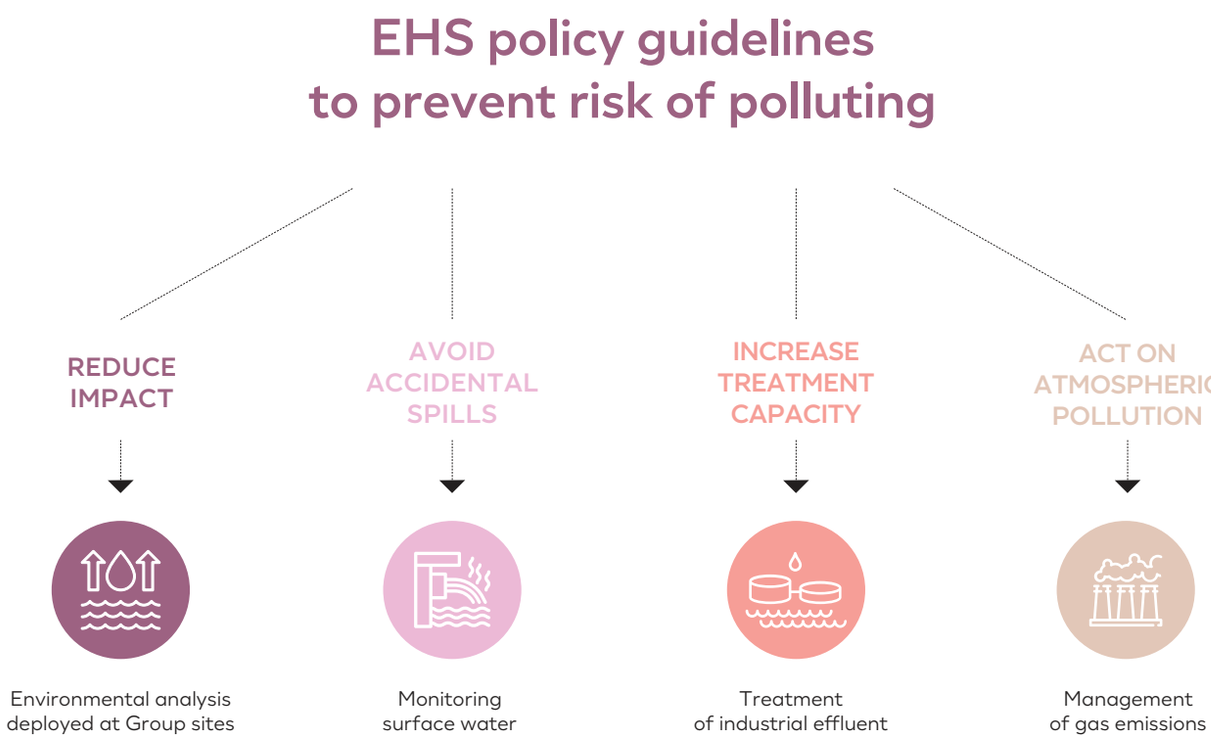
ACTIONS

- **Monitoring** compliance of practices and installations
- **Reducing** to the greatest extent possible the risks of harm to health, safety and the environment
- **Improving** the Group's environmental, health and safety performance

The Group has set up a dedicated governance structure under the responsibility of the Operations Department to ensure that this EHS policy is reflected in all aspects of its activities (see section 3.2.1).

4.3.2.1.1 Preventing pollution-related risks through the EHS policy

The fight against air and water pollution is based on the EHS policy, which applies to all sites operated by L'Oréal and its subcontractors, with an approach built on four strategic pillars:



4.3.2.1.2 Environmental assessment

All production sites conduct an environmental assessment which is updated once a year. The assessment covers all of the site's activities, including upstream and downstream processes, to identify any significant risks of water and air pollution, and to respond with an action plan. This approach is also used to reduce the impacts related to new site locations, renovation projects and changes to industrial processes. Environmental due diligence is systematically performed before any land or building acquisition.

4.3.2.1.3 Monitoring surface water

The Group ensures that its water, particularly rainwater, discharged directly into the environment is of good quality. To do so, it uses monitoring, treatment (e.g., sites are equipped with hydrocarbon separators in car park areas) and retention (e.g., at-risk storage areas must have sufficient retention capacity to contain extinguishing water in the event of a fire) methods.

4.3.2.1.4 Treating industrial effluent

A key indicator of water pollution is chemical oxygen demand (COD), which quantifies the oxygen required to chemically oxidise organic matter in water, whether biodegradable or not. A high COD means a high concentration of these substances and more polluted water. The COD test uses a powerful oxidant in an acid environment to oxidise these materials, and the quantity of oxidant consumed is converted into oxygen equivalent. This measurement is essential for assessing the effectiveness of wastewater treatment and monitoring the water quality.

The Group's production sites are required to comply with local regulations and contractual agreements for all their discharge indicators. In addition to these requirements, L'Oréal has defined an internal standard of 1,000 mg COD per litre of effluent, which is used to monitor the efficiency of its water treatment plants.. This standard defines the maximum concentration of chemically oxidisable organic matter for its discharges.. It was defined based on analyses of data on internal performance and the most modern wastewater treatment plants and of the rates observed in domestic water.

To achieve this, L'Oréal uses appropriate technologies (physical, chemical and biological processes) depending on the characteristics of the effluent. The local sites are responsible for operating the relevant equipment and managing the discharge, ensuring that there is no untreated water spill.

4.3.2.1.5 Controlling the Group's air emissions, excluding greenhouse gases

Non-methane volatile organic compounds (NMVOCs) are a variety of volatile carbon compounds, with the exception of methane. These compounds come from both natural and man-made sources, including for example, the use of solvents and industrial processes.

L'Oréal is working to identify and control the risks associated with NMVOCs. Firstly, L'Oréal's facilities ensure that they comply with the local requirements set by operating permits. In addition, a solvent management plan is put in place and revised each year at the most exposed facilities, covering more than 90% of solvents used, which is used to monitor NMVOC emissions. This methodology provides a comprehensive view of the Group's discharges and facilitates the implementation of corrective measures.

4.3.2.2 Sustainable purchasing policy relating to upstream pollution

L'Oréal's Sustainable Purchasing Policy (see section 4.4.2.2) is based on working closely with suppliers to limit the environmental footprint in the value chain. Two main objectives have been defined to reduce upstream pollution:

- reducing air pollution: L'Oréal aims to reduce its greenhouse gas emissions, and encourages suppliers to adopt the same decarbonisation targets (see section 4.2). While this policy does not specifically cover the monitoring of NMVOCs, which are a source of air pollution, it does include broader measures to reduce air pollution;
- sustainable water management: L'Oréal promotes the responsible use of water by strategic suppliers, particularly in sectors with a high potential impact on water resources (see section 4.4).

4.3.2.3 Research & Innovation policy relating to downstream pollution

L'Oréal's Research & Innovation (R&I) policy puts sustainable innovation at the heart of its environmental strategy. This includes efforts made to formulate new products from more sustainable raw materials as well as the reformulation of existing products to help minimise their environmental footprint, especially as regards upstream pollution. For the environmental design of its products, L'Oréal uses the Sustainable Product Optimisation Tool (SPOT), which is based on life cycle analysis.

For all new products, SPOT measures the improvement in relation to an average of existing products, while all updated products are compared to the previous product. All product formulator teams use this tool, for example to assess and reduce the impact on water whenever new formulas are created (see section 4.4).

In line with the Group's Responsible Water Use policy, L'Oréal specifically aims to monitor and maximise the biodegradability of formulas[1] in order to reduce their impact on downstream pollution. The aim is to enable raw materials in those formulas to decompose quickly and completely in nature through exposure to micro-organisms, in line with recognised international standards such as OECD 301 or equivalent ISO. New raw materials screened for the catalogue are also assessed for their impact on living organisms and ecosystems.

In addition, the R&I teams work to change the way raw materials are sourced, processed and used through the Green Sciences programme (see section 4.5) built on four pillars: sustainable agriculture, biotechnology and fermentation, environmentally designed extraction and physical transformation processes, and green chemistry. This policy is overseen by the Deputy Chief Executive Officer in charge of Research, Innovation and Technology, who sets the related strategy. The Group's R&I teams work with the Divisions and Brands to accelerate product transformation and environmental design.

4.3.3 Action plans in place

4.3.3.1 Pollution operations action plan

Pollution of water: Each facility is equipped with a monitoring system for real-time tracking of regulated indicators, such as COD, pH and effluent temperature, as well as substances that could disrupt treatment facilities. This system not only detects the risk of overshoots, but also prevents any breaches in compliance and triggers the necessary corrective actions. Local sites also carry out annual self-assessments and internal audits to ensure optimal management of industrial effluents. Furthermore, thanks to the Waterloop concept (see section 4.4.2.1), all of L'Oréal's production sites will be able to improve their water treatment and recycling capacities. L'Oréal emphasises achieving the internal objective of limiting COD to 1,000 mg per litre of effluent, starting from the design phase of Waterloop projects, in order to achieve the trajectory defined by the Group.

Pollution of air: L'Oréal aims to minimise its non-methane volatile organic compound (NMVOC) emissions into the atmosphere. Each year, L'Oréal assesses NMVOC emissions resulting from the use of solvents on its production sites. This assessment is based on certain local restrictions (such as operating permits in France) and a requirement introduced by the Group. Internal data enables L'Oréal to identify the sites where the use of solvents is greatest, and the largest consumers are required to quantify their NMVOC emissions using a Solvent Management Plan, which includes an action plan to reduce air emissions.

(1) *All formulas, except make-up formulas.*

4.3.3.2 Sustainable purchasing action plan relating to upstream pollution

In signing L'Oréal's Mutual Ethical Commitment Letter (MECL) (see section 4.4.2.2), suppliers[1] undertake to put in place systems to prevent accidental pollution of the air, soil, surface and ground water during production and storage processes, including wastewater, as well as pollution during transportation. They also commit to raising employees' awareness of what they should do in the event of an environmental incident.

The Group's suppliers can thereby assess their environmental footprint and implement appropriate prevention measures at each site concerned. Supplier risk analysis covers at least those areas identified in the audit grid provided by L'Oréal, drawn from the list of major risks described below, and is applied during initial referencing and follow-up audits (see section 3.6.4.2):

- the nature of the suppliers' activity requires identification of specific risks: the suppliers are required to roll out additional prevention measures in accordance with best practices in their industry; and
- the nature of the raw materials used by the suppliers: in the case of subcontracting to suppliers involved in aerosol production or storage, bleaching powders or flammable products, the local sites are subject to specific risk analyses on process safety. Additional specific EHS audits are performed by independent third parties at these subcontractors' sites. These audits are launched at the time of referencing, as part of a follow-up conducted within three years of a "Needs Immediate Action" request, depending on the severity of the breach in compliance identified, and at the time of confirmation, five years after the initial audit.

Suppliers that present the most significant risks because of their activity or geographic location may be audited on these issues, as provided for in the risk map.

Serious cases of non-compliance (Needs Immediate Action, Zero Tolerance and Access Denied) or the failure to implement corrective actions can result in the refusal to list a new Supplier or the suspension or termination of business relationships with a listed Supplier. All the main cases of non-compliance found are monitored and consolidated annually by risk type.

4.3.3.3 Research & Innovation action plan for downstream pollution

L'Oréal has been taking concrete action for many years to identify, assess and limit the environmental footprint of products made available to consumers. This approach is based on several pillars:

- improving the environmental profile of its products throughout their life cycle;
- improving the biodegradable properties of its formulas;
- removing microplastics; and
- reducing the use of substances of (very high) concern.

L'Oréal is improving the environmental profile of its products, including formulas, packaging and raw materials, in particular through the SPOT environmental design tool, which assesses 14 environmental impact factors, including water quality (see section 4.4.3.3).

L'Oréal is also working on improving the biodegradable properties of its formulas, not only for new products but also for existing ones. Formulas are considered to be biodegradable when the raw materials in those formulas decompose quickly and completely in nature thanks to the action of micro-organisms (OECD 301 or equivalent ISO).

L'Oréal has taken the lead in eliminating microplastics, anticipating regulations and acting proactively to reduce the impact of its products on the environment. As early as 2014, L'Oréal began reformulating its rinse-off products such as shower gels and shampoos, succeeding in completely eliminating plastic microbeads from its exfoliating products as of 2017 (six years before the regulatory ban in Europe) and microplastics from all its rinse-off formulas as of 2020 (seven years before the regulatory ban in Europe). The Group continues to work on substitutions that do not compromise the effectiveness or performance of other product categories.

L'Oréal prohibits the introduction of new ingredients classified as SVHC[2] in its product portfolio. Aware of constantly evolving scientific knowledge, L'Oréal strives to remove from its products any substance which, although not classified as SVHC when the formula was first marketed, has subsequently been identified as such.

Thanks to the SPOT environmental design tool, L'Oréal automatically takes into account the potential environmental impact of substances of concern and, with the aim of improving the environmental footprint of its products, will consequently minimise the use and potential concentrations of this type of ingredient.

L'Oréal also rigorously assesses the toxicological and environmental profile of the ingredients used in its products, in accordance with the REACH and CLP (Classification, Labelling, Packaging) Regulations on chemical substances.

(1) Eligible Suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.
(2) Substances of very high concern as identified by Article 57 of the European REACH Regulation.

4.3.4 Pollution-related outcomes

4.3.4.1 Air pollution-related outcomes (E2-5)

Key performance indicator	2024	2025
Non-methane volatile organic compounds (NMVOC)	743 tonnes	866 tonnes

4.3.4.2 Water pollution-related outcomes (E2-5)

Key performance indicator	2024	2025
Chemical oxygen demand post factory	3,690 tonnes	3,377 tonnes

4.3.4.3 Results related to microplastics and SVHCs (E2-5)

Key performance indicator	2024	2025
Microplastics used as a percentage of the total volume of the Group's ingredients	<0.03%	approx. 0.025%
Substances of very high concern as a percentage of the total volume of the Group's ingredients	approx. 0.44%	approx. 0.32%
Substances of very high concern by main hazard class[1] as a percentage of the total volume of ingredients in the Group:		
• Substances of very high concern, hazard class PBT (persistent, bioaccumulative, toxic)	approx. 0.007%	approx. 0.003%
• Substances of very high concern, hazard class vPvB (very persistent, very bioaccumulative)	approx. 0.44%	approx. 0.32%

(1) The same substance may be classified in several risk classes, which explains why the total quantity of substances of very high concern may be less than the sum of each class.

4.4 Water resources: consumption and withdrawals (E3)

4.4.1 Background

The challenge of preserving water is recognised by the international scientific community. Water is an essential resource for the production and use of L'Oréal products, and its sustainable management is a key priority for the Group. In that context, L'Oréal seeks to use its influence on the value chain and in all the watersheds in which it operates.

The Group is taking action at all levels to limit the water footprint linked to its business activities:

- at operated sites, including on industrial uses such as cleaning production equipment or producing steam;
- upstream in the value chain, by encouraging suppliers to adopt sustainable practices; and
- downstream in the value chain, by optimising product usage among consumers.

This section covers the quantities of water withdrawn and used. Aspects relating to water quality and pollution are dealt with in section 4.3 (ESRS E2), and impacts on biodiversity in section 4.5 (ESRS E4).

4.4.1.1 Material water resources-related impacts, risks and opportunities

Description	Sub-topics	Policies	Action plans and 2030 objectives
I- ST /LT The Group's activities may have an impact on water availability at different levels of the value chain, potentially contributing to tensions over this resource, particularly in regions already subject to water stress. Upstream, the agricultural practices required to grow certain raw materials may put pressure on local water resources. The production phase of cosmetic products, which requires water at various stages, for example to rinse the processing tanks, must also be monitored. Lastly, the usage of products by consumers, particularly when rinsing off shampoos or shower gels, contributes to water consumption.	**Water consumption** **Water withdrawal**	Responsible Water Use policy EHS policy	Preserving water resources at operated sites, with the objective of: • 100% recycled and reused water in industrial processes in factories.
I+ MT /LT By promoting best water management practices, the Group can have a positive influence by improving industry applications – including among strategic suppliers, especially those with a potential impact on water resources – innovating to offer products that require less water and raising consumer awareness on ways of reducing water consumption when using beauty products.		Sustainable purchasing policy	Working with suppliers to use water responsibly
R ST /LT Water stress poses three financial risks for L'Oréal. The supply of raw materials may be affected by water shortages in some regions. Production site operations in areas of water stress are vulnerable to disruption. Lastly, demand for and sales of products whose everyday use requires water, such as shampoos, is likely to fall in regions affected by water shortages where local consumers may not be able to use them.		R&I policy	Making beauty rituals possible despite water scarcity: • offering consumers water-saving products and technologies in water-stressed markets

IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.
Time horizon: ST = short term; MT = medium term; LT = long term.

4.4.2 Water policies

Responsible water management is central among L'Oréal's priorities. The recently updated Responsible Water Use policy, published in 2025, forms the basis of its water management initiatives and recognises access to water as a fundamental human right and a critical issue at every stage in L'Oréal's value chain. Using footprint, risk and dependency analyses, L'Oréal aims to achieve operational excellence in water management at operated sites, to engage suppliers and small producers in the upstream value chain in resource restoration programmes, and to respond to increasing constraints for consumers located in water-stressed areas downstream of its value chain. By contributing to the preservation of water resources, the aim is to ensure their sustainable and integrated management. Accordingly, L'Oréal is developing projects to regenerate catchment basins where it sources priority raw materials and its industrial operations are located, in order to preserve and restore the health of ecosystems and water resources.

This chapter fleshes out these ambitions by setting out the policy in detail, which is organised by stage in the value chain, ensuring a specific approach for each one.

4.4.2.1 EHS policy for water management at operated sites

L'Oréal is aware of the increasing pressure on water resources and is adopting responsible management policies across its sites. The EHS policy for water management at operated sites aims to preserve this precious resource through a multi-disciplinary approach detailed in the action plan. Through the innovative Waterloop concept, L'Oréal is aiming to use recycled and reused water in industrial processes. Under the L'Oréal for the Future programme, the Group has set itself the objective of using 100% recycled or reused water for industrial purposes at its factories by 2030. Waterloop equipment and best practices are being deployed by order of priority of the water situation in the catchment basins in which L'Oréal operates.

Recycling and reusing water with the Waterloop concept

Using water reuse and recycling techniques, Waterloop aims to limit the amount of water withdrawal for industrial purposes at L'Oréal's production sites. In practical terms, mains water is only used for human consumption and manufacturing cosmetic products, while industrial needs, such as cleaning or steam production, use water treated directly on site.

This system is based on two essential pillars:

1. process optimisation: reducing the volume of water used in production processes; and
2. reuse and recycling: wastewater treatment using advanced technologies such as ultrafiltration and reverse osmosis, to obtain high-quality water that can be reused in industrial processes.

Launched in 2017, Waterloop is operational at a number of the Group's production facilities, with a gradual roll-out based on the order of priority determined by regional water stress levels.

The EHS policy also covers treatment of industrial effluents and is aimed at reducing the environmental impact of the water leaving the sites (see section 4.3).

4.4.2.2 Sustainable purchasing policy

Sustainability is deeply rooted in the values and choices of L'Oréal's Purchasing Department. Supporting its ecosystem throughout the value chain is fundamental for L'Oréal in its efforts to meet today's environmental and social challenges. With the aim of moving towards a more sustainable beauty industry alongside its suppliers, L'Oréal applies a Sustainable Purchasing Policy framework to both production and service purchases. The policy is set by the Group's sustainable purchasing team in agreement with internal stakeholders (the Ethics, Corporate Social Responsibility and Operations Departments). It is applied by L'Oréal's buyers in the various purchasing areas and Regions with the aim of forging responsible and transparent relationships with all suppliers and limiting environmental and social impacts in line with L'Oréal's policies.

The policy is built around four pillars. These are in turn part of L'Oréal's Mutual Ethical Commitment Letter, which formalises the joint commitment that L'Oréal has with its suppliers:

1. respect for human rights: L'Oréal requires its suppliers to respect human rights in accordance with international labour standards. In particular, L'Oréal's suppliers are required to guarantee decent and safe working conditions, prohibiting all forms of forced labour, child labour and discrimination. In line with the L'Oréal for the Future programme, L'Oréal aims to have 100% of strategic suppliers sign a living wage pledge with a time-bound action plan (see section 4.9);
2. preservation of the environment and natural resources: L'Oréal aims to minimise the environmental impact of its supply chain and services:
   - by reducing its carbon footprint: the Group works with its suppliers to reduce greenhouse gas emissions in the value chain (see section 4.2),
   - by requiring its strategic suppliers to commit to sustainable water management practices: L'Oréal aims to have all strategic suppliers commit to sustainable water resource use, using the CDP Water score achieved by strategic suppliers to check alignment with this indicator. This applies to strategic suppliers whose activities have a high potential impact on water resources (see section 4.4.3.2),
   - preserving resources and biodiversity. L'Oréal strives to source raw materials that are traceable and sustainable (see section 4.5);
3. business integrity: L'Oréal demands the highest integrity from its suppliers. L'Oréal's business relationships are based on transparency and respect for ethical standards and anti-corruption laws. The Group's buyers receive training in this regard. These principles are also enshrined in L'Oréal's Code of Ethics and reflected in its supplier selection process (see section 4.13);
4. diversity, equity and inclusion: firm in its belief in creating a diverse and inclusive working environment, both within the Group and across the supply chain, L'Oréal encourages diversity, fairness and inclusion among its suppliers. L'Oréal encourages them to adopt responsible practices and supports them in developing inclusive purchasing programmes (see section 4.9).

Governance over this policy is integrated into L'Oréal's purchasing processes, based on measurable objectives that are in line with the Group's environmental, social and economic ambitions. Reporting to the Chief Operations Officer, the sustainable purchasing team defines the relevant action plans in conjunction with the managers of each purchasing field and Region, as well as with internal and external stakeholders.

Key indicators are monitored and shared at least once a year at Group level, in particular through management committee meetings dedicated to ESG measures. Regular monitoring is rounded out by internal and external audits of L'Oréal's processes and quantitative indicators, which guarantee the system's robustness.

In terms of the practical application of these ambitions, L'Oréal has set up a supplier evaluation system based on five criteria: quality, social and environmental responsibility, innovation, services, and competitiveness. These criteria define the performance expected of suppliers, with a 20% weighting on environmental and social criteria.

L'Oréal actively engages with its suppliers in order to accelerate the transformation of sustainability practices and anticipate regulatory challenges, providing training via events, webinars and sharing best practices on digital platforms such as Spread the Best Practices. The Group also organises events, including the international Spread the Green Vibes programme launched in 2019, and themed supplier days that are adapted locally. For example, in June 2025, the second global edition of Spread the Green Vibes brought together more than 80 strategic suppliers and 15 partners, with regional breakouts and sessions organised by purchasing category.

4.4.2.3 Research & Innovation policy for developing water-efficient products

As part of its R&I policy, and guided by the L'Oréal for the Future programme, L'Oréal aims to offer water-saving products or technologies to enable consumers in water-stressed markets to meet their hygiene and beauty needs. This approach is rooted in the conviction that access to beauty and well-being should not be limited by disparities in access to drinking water.

Accordingly, L'Oréal is developing formulas that require less water for rinsing (for example, that combine several functions, such as 2-in-1 shampoos, for which characterisation work is being carried out with a view to official inclusion in the water-saving offering indicator), even no rinsing at all (such as no-rinse conditioners and face cleansers), or that permit users to wash their hair less frequently, such as dry shampoo. The Group partners or acquires companies such as Gjosa to offer innovations including the L'Oréal Water Saver showerhead used in hair salons to reduce the water required to rinse off hair products.

4.4.3 Action plans in place

4.4.3.1 Water resource preservation at operated sites

As part of its EHS policy to reduce water consumption, L'Oréal is planning measures to preserve water resources at its production sites. This multidisciplinary approach is described in the following chart:

- mapping the water pathway: thanks to the general rollout of metering plans, which identify the key stages of water processing within production sites, from withdrawal to treatment.
- putting in place equipment and processes to reduce water consumption. Through initiatives such as OPTICIP, designed by L'Oréal to optimise the cleaning of industrial equipment used in the production of cosmetic formulas, which is the main source of water consumption at manufacturing facilities.
- recycling and reusing industrial water through the Waterloop concept, which treats and reuses industrial water for internal use.

4.4.3.2 Working with upstream agriculture to use water responsibly

Sustainable water management is essential to L'Oréal's supply chain organisation. In an era of growing global water constraints, L'Oréal wants to support its suppliers in implementing responsible practices. Its action plan is built on three pillars:

- Mapping and assessing water risks: L'Oréal is working to identify the risks and dependencies linked to water in its supply chains for farming and forestry-derived ingredients used in its formulas and packaging. Using this analysis, the Group is aiming to anticipate risks to water resources, and to set up projects to preserve and restore ecosystems and watersheds where the most critical situations are identified. The Sustainable Land Use policy complements the Responsible Water Use Policy, enabling a systemic approach to priority areas.
- Sustainable water management by strategic suppliers: L'Oréal engages with strategic suppliers to promote sustainable water stewardship, determined based on their potential impact on water resources. This involves monitoring suppliers' environmental performance in terms of water management (in particular through their scores on the CDP Water questionnaire). L'Oréal encourages suppliers to continuously improve their performance and to adopt ambitious measures to reduce their water consumption, optimise their use of resources and mitigate the impacts and risks associated with their activities. It also requires respect for fundamental human rights linked to access to water, sanitation and hygiene, as stipulated in the Mutual Ethical Commitment Letter for suppliers[1].
- Strategies for optimising water use: L'Oréal encourages suppliers to adopt more water-efficient practices, particularly with regard to farming practices in water-stressed areas where certain biobased ingredients are produced to promote better water resource management.

4.4.3.3 Reducing the water footprint in product use

L'Oréal's aim is to enable everyone to meet their hygiene and beauty needs, even in water-stressed markets. This strategy is being deployed as a priority in water-stressed areas[2] in which L'Oréal markets rinse-off products – namely haircare, hair colour, and face and body care. This scope currently includes 30 key markets around the world.

The Group's efforts in this regard draw on three pillars of innovation:

- innovation in routine: developing "no-rinse products" or products that can be used at longer intervals (e.g., instant root concealer sprays, styling touch-ups and dry shampoo);
- reducing "rinse-off" water quantities: improving formulations for better rinsability, as measured and optimised by an internal methodology (R&I Evaluation Intelligence); and
- deploying technologies to reduce water consumption across the value chain, notably with the L'Oréal Water Saver in hair salons.

For each market identified, the Group measures the effective presence of these water-saving innovations in each of its rinse-off product categories. This approach ensures that, in areas exposed to water stress, consumers have practical, appropriate alternatives for reducing their daily water consumption while maintaining their skincare and haircare routines.

(1) *Eligible suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.*
(2) *Water-stressed markets are defined as L'Oréal country subsidiaries with high projected water resource risks up to 2030. This assessment is based on three categories of risk (physical, regulatory and reputational), classified according to the Water Risk Filter (WRF) scores of the World Wide Fund for Nature (WWF) and data from the Aqueduct Water Risk Atlas of the World Resources Institute (see section 4.14.3).*

Assessing environmental impacts using SPOT

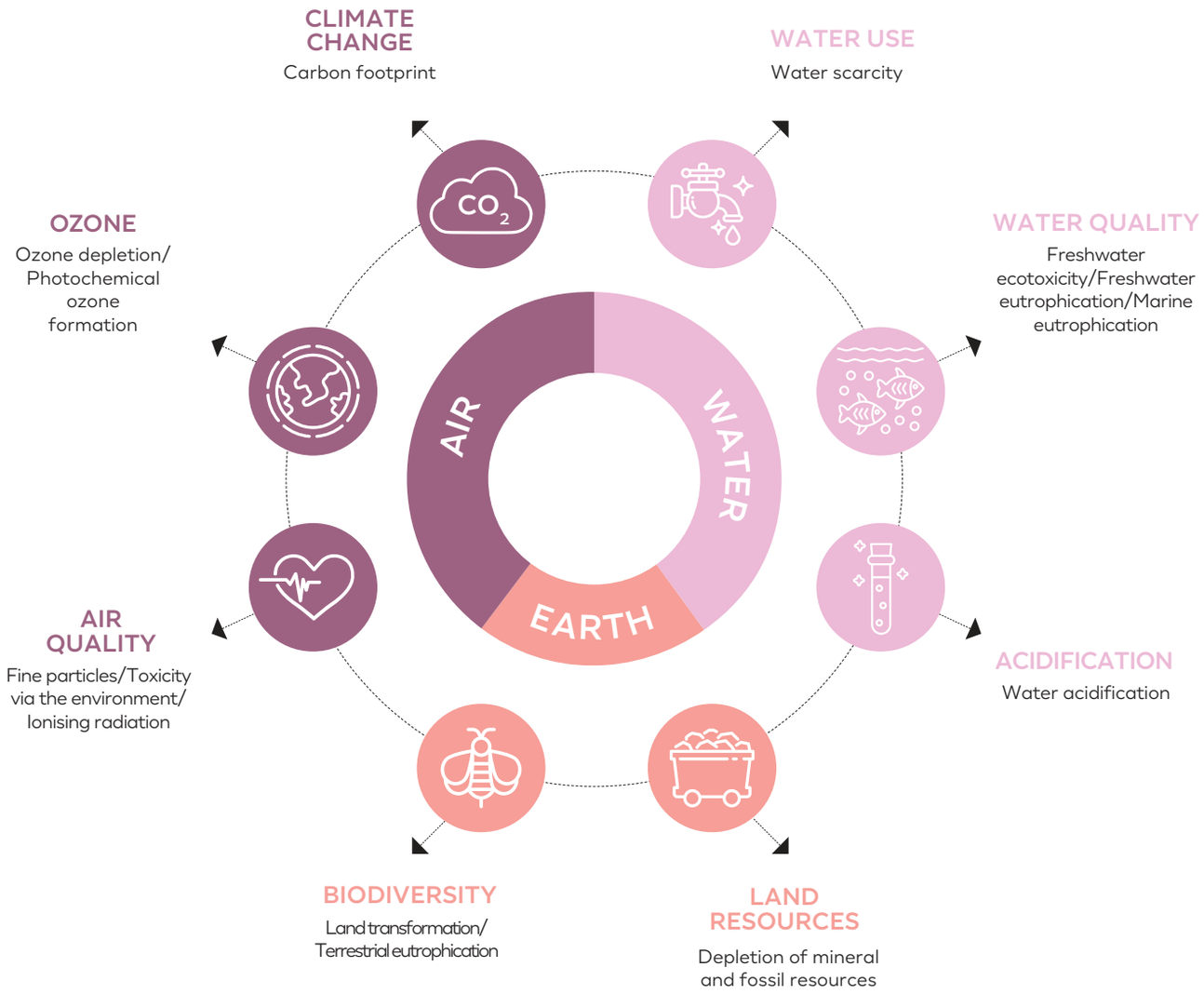
As part of its sustainability drive, L'Oréal has developed the Sustainable Product Optimisation Tool (SPOT), which assesses the environmental footprint of products throughout their life cycles. Based on the European product environmental footprint benchmark, SPOT assesses 14 impact factors at each stage of the life cycle, from ingredients to use and recycling. These categories include the impact on climate change, water quantity and biodiversity.

As part of its continuous improvement approach, the data collected and the calculation method are constantly evolving. The data collected are then standardised according to the average impact of a consumer worldwide, resulting in a single overall environmental footprint for each product.

The SPOT environmental design tool helps L'Oréal teams design products with a lower environmental impact. By comparing a product's footprint with a benchmark, the teams are able to identify areas for improvement in terms of formulas and packaging.

This tool supports L'Oréal's mobilisation in favour of more responsible beauty and is part of a continuous improvement approach aimed at reducing overall environmental impact.

THE 14 IMPACT FACTORS CALCULATED AS PART OF THE SCORING AT EACH STAGE OF A PRODUCT'S LIFE CYCLE [1]



(1) *The methodology is available at www.loreal.com under "For our products" – "Our product environmental and social labelling".*

4.4.4 Outcomes related to water resources

4.4.4.1 L'Oréal for the Future ambitions for water resources

Targets	2025
By 2030, L'Oréal aims to use 100% recycled and reused water for industrial purposes at its factories.	56%
By 2030, L'Oréal aims to offer water-saving products or technologies to enable consumers in water-stressed markets to meet their hygiene and beauty needs.	57%

4.4.4.2 CSRD disclosure requirements relating to water consumption (E3-4)

In cu.m	2024	2025
Total water consumption	972,374	954,075
Total water consumption in areas at water risk, including areas of high water stress[1]	353,639	383,008
Total water recycled and reused	877,222	940,246

(1) Indicator calculated on the Group factory scope. This scope was defined in 2025 as described in the notes on methodology.

In cu.m./millions of euros	2024	2025
Water intensity: total water consumption per net sales on own operations[1]	22	22

(1) Financial results, including the turnover (sales) figures used to calculate this ratio, are set out in detail in section 6.1.

4.5 Biodiversity and ecosystems (E4)

4.5.1 Background

Remaining in tune with the rich diversity of natural ecosystems is essential for L'Oréal. The Group's supply and innovation strategy covers more than 1,500 raw materials sourced from 350 botanical species grown in more than 100 countries.

L'Oréal recognises the urgent need to preserve and restore biodiversity. It therefore structures its activities by applying the conservation hierarchy (Avoid, Minimise, Restore and Rehabilitate, and Offset), with the ambition of transforming the Group-wide systems that support its value chain.

In concrete terms, as part of its L'Oréal for the Future programme, the Group has defined biodiversity ambitions for 2030 which aim to:

- sustainably source at least 90% of biobased materials used in formulas and packaging;
- source over 75% of ingredients from nature[1] or from recycled materials in formulas;
- regenerate more land than the Group's footprint to enhance the health and resilience of priority ecosystems.

(1) Plant or mineral.

4.5.1.1 Material biodiversity-related impacts, risks and opportunities

Each year, L'Oréal analyses the footprint of biobased materials to determine the extent and condition of the ecosystems linked to these materials. In 2024, a risk assessment for 2030 and 2050 was carried out on all biobased materials, including stress tests, analysing six ecosystem services[1]. This analysis was supplemented by a financial assessment of the impacts and risks identified in respect of revenue or possible costs linked to the Group's business model. These analyses were used to prioritise action plans for the 15 most material biobased materials and the associated ecosystems. These models were developed in collaboration with stakeholders.

L'Oréal reinforces these initiatives by drawing on scientific research and by developing rigorous assessment methodologies. The Group actively participates in the work of leading international bodies, such as the Taskforce on Nature-related Financial Disclosures (TNFD), the Science Based Targets for Nature (SBTN) network, CDC Biodiversité's B4B+ Club, as well as the One Planet Business for Biodiversity (OP2B) collective.

	Description	Sub-topics	Policies	Action plans and 2030 objectives
I- MT/LT	Since it uses various botanical species in its formulas, L'Oréal could have an impact on certain ecosystems. For example, the agricultural practices required to grow certain raw materials may put pressure on ecosystem services such as pollination and biomass supply.	**Impacts on the extent and condition of ecosystems** **Impacts and dependencies on ecosystem services** **Biodiversity loss due to land-use change, fresh water-use change and sea-use change**	Sustainable Land Use Policy Sustainable Purchasing Policy Forest policy	Reducing the impact on ecosystems, with the aim of: • sustainably sourcing 90% biobased ingredients • source over 75% of ingredients from nature or from recycled materials; Restoring biodiversity, with the aim of: • regenerating more land than the Group's footprint on priority ecosystems.
R MT/LT	The ecosystem services provided by nature are intrinsically linked to the Group's business model, as many key ingredients such as vegetable oils and plant extracts are sourced directly from ecosystems. The Group models, for example, deteriorated ecosystems (e.g., through deforestation, biodiversity loss or pollution) that could lead to shortages, higher prices and a drop in the quality of ingredients, directly impacting production and therefore the Group's business.			
O ST/MT	Developing innovative solutions[2] to reduce the impact of the beauty industry on biodiversity is a promising investment. These could help reduce the Group's dependence on certain ecosystem services. By responding to growing consumer demand for more responsible products, the large-scale roll-out of these solutions could generate substantial savings. Lastly, diversifying supply sources and working to restore ecosystems may strengthen the resilience of the Group's value chain.	**Biodiversity loss due to direct exploitation**	L'Oréal Fund for Nature Regeneration	Contributing, through the L'Oréal Fund for Nature Regeneration, with the aim of: • restoring one million hectares of degraded ecosystems

IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.
Time horizon: ST = short term; MT = medium term; LT = long term.

4.5.2 Biodiversity policies

As L'Oréal prioritises the use of plant-based ingredients in formulas and packaging, it recognises the crucial role of biodiversity preservation and aims to play its part in supporting it. The Sustainable Land Use Policy, published in April 2025, contains the guiding principles for L'Oréal's approach to land management and nature conservation. The policy is aligned with the principles of the conservation hierarchy (Avoid, Minimise, Restore and Rehabilitate, and Offset) and aims to transform the Group-wide systems on which L'Oréal's value chain depends. It is based on actions seeking to regenerate the health of ecosystems.

(1) *Biomass supply, genetic diversity, pollination, ecosystem self-regulation against plant and forest diseases, soil quality/formation, nutrient cycle.*
(2) *One such example is the project for the responsible sourcing of rice bran to small rice producers in the Isaan region in north-east Thailand, which encourages farmers to diversify their income, improve biodiversity and limit the methane emissions generated by rice fields. Thanks to the determination of volunteer farmers, the project has successfully demonstrated to the region's farming community the benefits of agroforestry and how biodiversity and its protection can improve farmers' livelihoods.*

The Sustainable Land Use and the Forest policies reinforce L'Oréal's objectives in terms of:

- Preventing any further loss of biodiversity: the Group sets strict no-deforestation and no-conversion standards for raw materials at risk. L'Oréal's Forest Policy, updated in April 2025, reaffirms the Group's vision regarding forest stewardship and restoration. It also aims to prevent deforestation and ecosystem conversion, and any violation of human rights along its supply chains of raw materials subject to deforestation risk. This policy is consistent with L'Oréal's Sustainable Land Use Policy, Human Rights policy, Code of Ethics and Sustainable Purchasing Policy (see section 4.9.2.2). To prevent any further loss of biodiversity, the Group conducts traceability campaigns. Source traceability must comply with the policy for raw materials at risk (in particular palm and soy derivatives for cosmetic ingredients, and wood derivatives for packaging). The aim is to ensure a 100%-sustainable and traceable supply of forestry raw materials, while ensuring that the rights of workers and communities are respected. L'Oréal will also ensure that its supplies comply with the European Union Deforestation Regulation, when it enters into force;
- Reducing biodiversity loss: the Group focuses on the selection of biobased ingredients with a low environmental impact. Through its Green Sciences programme (see section 4.5.3.1.2), the Group explores biotechnologies and the circular economy as levers for reducing the environmental footprint of ingredients and encouraging sustainable and regenerative farming practices throughout the supply chain. The Group focuses on regenerative farming to preserve biodiversity and water resources, sequester atmospheric carbon and restore soil quality;
- Ecosystem restoration and regeneration: the Group applies a two-pronged approach to priority ecosystems, aimed at regenerating productive land and catchment basins and conserving natural ecosystems in its value chain. Fundamental principles also include, respect for threatened and endangered species (in line with CITES and IUCN) and compliance with the Nagoya Protocol. Nature-based solutions, such as regenerative farming, forest conservation, reforestation, wetland restoration and agroforestry, are used to address interconnected challenges such as climate change, biodiversity loss and water stress. The Group looks to implement actions to regenerate, restore and conserve productive and non-productive land over an area exceeding its land footprint by 2030. To do so, the Group records the surface area in hectares where active regenerative farming practices are implemented, as well as the surface area resulting from restoration or conservation projects. The surface area allocated is based on the share of project funding provided by the partners. Through the L'Oréal Fund for Nature Regeneration created in 2020 and managed by Mirova, L'Oréal has invested alongside other partners in the Mindanao Forests for People and Sustainable Livelihoods project. The goal of this project is to conserve 460,000 hectares of forest in partnership with the indigenous populations of the Mindanao region, the island from which the Group sources its coconut-derived ingredients;
- Human rights of workers in the value chain and affected communities: the policies incorporate legal requirements for production and processing, including compliance with the human rights provisions included in the European Union Regulation on deforestation and the regulations arising from the Nagoya Protocol on Access and Benefits Sharing. These regulations assert the rights of workers, farmers and smallholders, in accordance with the principles of the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. Another essential pillar is the recognition of the rights of indigenous peoples and local communities, including free, prior and informed consent (FPIC).

To facilitate stakeholder feedback and concerns about the impact of L'Oréal's activities on shared resources and ecosystems, L'Oréal provides access to systems such as Speak Up and the environmental and social grievance management system in the palm and wood derivatives supply chains (see section 4.9.3).

4.5.3 Action plans in place

L'Oréal is taking action to reduce its impact on biodiversity and restore ecosystems back to health. This section details the initiatives launched under this topic, in particular measuring the biodiversity footprint, sustainable sourcing practices and the fight against deforestation.

4.5.3.1 Reducing the impact on ecosystems

4.5.3.1.1 Measuring the footprint related to land cover

Given its role in pollination, air and water purification and soil fertility, to take but a few examples, biodiversity is vital for humanity. The degradation of its ecosystems weakens L'Oréal's own resilience to climate change. L'Oréal is mobilised in support of regenerating, by 2030, more land than the Group's footprint to enhance the health and resilience of priority ecosystems. As part of this, the Group quantifies its annual land-cover footprint (i.e., the amount of land used to produce ingredients and packaging items made from biobased raw materials).

4.5.3.1.2 Avoid biodiversity loss with a "zero deforestation" approach

To combat deforestation, L'Oréal is seeking to implement an ambitious Forest Policy:

- certification: L'Oréal strives to ensure that its sourcing of raw materials subject to deforestation risk is certified by third-party organisations, such as RSPO or FSC, that include robust environmental and social requirements;
- Transparency: L'Oréal remains vigilant about the origin of its raw materials subject to deforestation risk. It investigates the transparency of its upstream value chains in order to verify that these materials are not sourced from deforested areas;

- risk management: an in-depth analysis is conducted of the risks associated with supply areas, taking into account reports from the media, NGOs and other stakeholders, a satellite surveillance of palm supply areas linked to the Group, and a mechanism for identifying and managing grievances;
- supplier engagement: L'Oréal works with its suppliers directly and throughout the chain to raise awareness of their duty of care, promote sustainable sourcing practices and assess performance against sustainable development criteria;
- specific action plans, particularly for sensitive sectors such as palm, soya and wood.

To further transform its value chain, L'Oréal is focusing on two priority areas:

- industry transformation: working with stakeholders such as the CDP and industry coalitions, particularly Action for Sustainable Derivatives (ASD) and TRaceability Alliance for Sustainable CosmEtics (TRASCE); and
- field projects: direct support for projects and suppliers in their sustainable practices, access to certification, such as RSPO and Round Table on Responsible Soy, and conservation and restoration of ecosystems to strengthen the resilience of supply chains, notably supporting small producers[1] in Indonesia and Malaysia.

4.5.3.1.3 Results by commodity

L'Oréal has put in place specific actions for sensitive raw materials:

- palm oil, palm kernel oil and their derivatives: certified sustainable sourcing (RSPO), traceability with a comprehensive value chain map from the palm oil plantation to the mill (through ASD), and the use of tools such as the Sustainable Palm Index to assess suppliers and engage them in adopting better due diligence practices;
- soya bean oil: purchases, particularly in Latin America, from a triple-certified field project (RTRS SG, Biologique, Fair For Life) which supports small soya producers in adopting better social and environmental practices.
- paper and cardboard: all materials used are FSC- or PEFC-certified to guarantee sustainable forest management and end-to-end traceability. Annual investigations map the supply chains back to the forests of origin, enabling enhanced duty diligence action plans and the introduction of a Sustainable Timber Score to assess the performance of suppliers. L'Oréal has been a member of the Forest Stewardship Council (FSC) since 2023;
- plastic: L'Oréal ceased manufacturing finished goods containing PVC in 2018.

4.5.3.1.4 Reduce the impact on terrestrial biodiversity

L'Oréal aims to reduce any negative impact on terrestrial biodiversity resulting from the production of its plant-based ingredients. This ambition is based on:

- innovative alternatives: through the Green Sciences programme (see chart below), the Group is exploring biotechnologies and the circular economy as a way of reducing its environmental footprint;
- sustainably sourced renewable raw materials: L'Oréal has developed its sourcing strategy for biobased ingredients around respect for biodiversity, and promoting traceability and sustainability. The ISO 16128 standard on cosmetics defines ingredients as biobased when more than 50% of their carbon content is of natural origin. Ingredient traceability is made possible by precise knowledge of botanical and geographical origin and agriculture methods. Sustainability is assessed using the SCAN Index, which analyses environmental and social risks. If risks are identified, an action plan is put in place, with an independent third party where necessary, to ensure compliance with the Group's Sustainable Purchasing Policy;
- sustainable forest management: promoting and testing alternative practices to intensive forestry, and forest management that minimises the impact on ecosystems and encourages natural regeneration;

Details of the Green Sciences programme

The Green Sciences programme covers all the scientific fields on which R&I relies to make progress towards achieving L'Oréal's objectives in terms of the preservation of natural resources and biodiversity. The programme is a prerequisite for sustainable innovation. It focuses on developing ingredients/raw materials around four pillars based on recent developments in life and environmental sciences: sustainable agriculture, biotechnology and fermentation, environmentally designed extraction and physical transformation processes, and green chemistry.

Sustainable cultivation involves guiding and implementing agro-ecological farming practices within supply chains. By applying these responsible farming techniques with its supplier partners, L'Oréal wishes to preserve water resources, contribute to soil health and biodiversity preservation, strengthen carbon sequestration while respecting populations and their ecosystems. Green transformation processes, such as biotechnologies, green extraction, and green chemistry, enable the transformation of raw materials to obtain the necessary ingredients for formulations, and offer responsible and sustainable products to consumers, while respecting safety and performance requirements.

(1) *Small producers play an important role in food security and rural economies, and depend on agriculture as their main source of livelihood. Their farming practices are generally more labour-intensive and less extensively mechanised than those of larger producers. They cultivate a relatively small area of land in relation to the range of production unit sizes for the given raw material and region. For L'Oréal, recognising small producers means taking into account sectoral and local specificities, such as relevant regulations or certifications.*

4.5.3.2 Restoring and regenerating biodiversity

As part of the L'Oréal for the Future programme, by 2030, L'Oréal is aiming to regenerate more land than the Group's footprint to enhance the health and resilience of priority ecosystems.

This is measured as the ratio between the number of hectares regenerated and the land-use footprint of the 15 priority biobased raw materials used in the Group's formulas and packaging, as well as all the operating sites. The regeneration actions are described below.

4.5.3.2.1 Implementing regenerative farming practices among suppliers

Regenerative agriculture is an approach to agricultural systems based on rehabilitation and conservation, and is developed in collaboration with local communities. It is based on four key actions:

- protecting and enhancing biodiversity on and around farms;
- supporting suppliers and farmers in implementing regenerative farming practices that restore soil structure and moisture;
- strengthening the resilience of crops and nature, while reducing the use of pesticides and chemical fertilisers; and
- supporting the livelihoods of agricultural communities.

L'Oréal is initiating regenerative agriculture pilot projects within its supply chain. A concrete example of this is an initiative in Indonesian palm plantations, where the Group, partnering with local stakeholders and research centres like CIRAD, is supporting the implementation of eco-friendly agriculture practices. Adapted models are used to restore soil and gradually reduce the use of chemical inputs, increase yields and raise the incomes of local populations, with the main aim of improving the resilience of natural ecosystems.

4.5.3.2.2 Supporting the regeneration of natural ecosystems

L'Oréal uses nature-based solutions in priority landscapes linked to the Group's most significant raw materials and production sites. These actions seek to restore degraded land, such as peat bogs, located close to productive land, and to conserve ecosystems that are still intact. The aim is to reconnect fragmented habitats. This enables plant and animal species to migrate and thrive, which is essential for the genetic diversity and long-term resilience of ecosystems.

The Group adopts a rigorous scientific approach, using precise ecological data to measure the effectiveness of its actions. Specific indicators, such as the capacity of soils to store carbon or their moisture content, make it possible to monitor the actual improvement in the state of the natural environment.

In terms of purchasing, this approach leads the Group to prioritise production areas that actively restore soil health and the water cycle, while aiming to improve the living conditions of local communities.

In addition, the L'Oréal Fund for Nature Regeneration, an environmental impact investment fund, supports projects to restore soil and regenerate mangroves and marine and forest areas. The ambition is to help restore one million hectares of ecosystems by 2030, capture 15 to 20 million tonnes of CO_2 and create hundreds of jobs. Since 2020, more than one hundred projects have been reviewed in the process of building up the investment portfolio. At 31 December 2025, investments totalled €25.3 million, out of a total target of €50 million.

4.5.4 Biodiversity-related outcomes

4.5.4.1 L'Oréal for the Future ambitions for biodiversity

Targets	2025
By 2030, L'Oréal aims to sustainably source at least 90% of biobased materials used in formulas and packaging.	95%
By 2030, L'Oréal aims to source over 75% of ingredients used in its formulas from nature (plants or minerals) or recycled materials.	67%
By 2030, L'Oréal aims to regenerate more land than the Group's footprint to enhance the health and resilience of priority ecosystems.	*Regeneration projects are underway on an area equivalent to 19% of the Group's footprint: this rate reflects its operational deployment without affecting the definitive measurement of the desired ecological impact*[(1)].

(1) The published performance is based on data for 2024, due to the time required to collect and consolidate all data.

4.6 Resource use and circular economy: formulas and packaging (E5)

4.6.1 Background

L'Oréal has integrated the circular economy as a key pillar of its L'Oréal for the Future programme, with the aim of helping to preserve natural resources. L'Oréal is striving to improve its practices throughout the life cycle of its products, from design to end of life. This approach involves the use of renewable raw materials from sustainable sources or manufactured according to the principles of green chemistry or using biotechnology. For its packaging, L'Oréal is developing solutions to reduce the use of materials and encourage recycling.

4.6.1.1 Material circular economy-related impacts, risks and opportunities

	Description	Sub-topics	Policies	Action plans and 2030 objectives:
I- ST/MT	Resource-intensive products and packaging, combined with inadequate waste management practices, could be a threat to the environment. The depletion of renewable and non-renewable resources could lead to shortages and disrupt ecosystems. At the same time, the accumulation of waste and industrial pollution, compounded by inadequate recycling infrastructure, could lead to the contamination of soil, air and water, endangering both biodiversity and human health.	**Resource inflows: formulas and packaging**	Environmental Product Design policy	Reducing packaging intensity with the objective of: • reducing the packaging intensity of products by 20% compared to 2019.
			Packaging policy	Using recycled or biobased materials for packaging, with the objective of: • sourcing 50% of materials used in product packaging from recycled or biobased sources; • reducing the use of virgin plastic for product packaging by 50% in absolute terms compared to 2019; Promoting refillable, reusable and recyclable packaging;
I+ MT/LT	L'Oréal is pursuing circular practices to strengthen its position as a responsible player, promote stricter sustainability standards and drive collaborative innovation (with the recycling industry, start-ups, NGOs and research bodies). By seeking to improve the recyclability of its products and raise consumer awareness, L'Oréal may help change consumer behaviours. In line with this ambition, L'Oréal also supports the development of recycling solutions, generating jobs and promoting more sustainable solutions for the industry.			
R ST/MT	The increasing scarcity of certain resources and constantly changing environmental regulations, such as extended producer responsibility policies, may generate additional costs for L'Oréal, particularly in terms of sourcing, R&I and adapting production processes. L'Oréal must also respond to the growing demand for sustainable and environmentally friendly products. Failure to adapt to this new market reality could damage L'Oréal's brand image, result in a loss of consumer confidence and a drop in sales versus more environmentally advanced competitors.	**Resource outflows: formulas and packaging** **Waste from operations**	R&I policy	Developing collection and recycling channels; Promoting the use of ingredients that are biobased, derived from abundant materials or from circular processes, with the objective of: • sourcing over 75% of ingredients from nature (plants or minerals) or from recycled materials (see section 4.5)
O MT/LT	Circularity is a rich source of opportunity for L'Oréal. It helps strengthen brand image by responding to growing consumer expectations for sustainable products and practices, attracting new customers and building loyalty among existing ones. Adopting circular business models, such as refill recharging systems, opens up new sources of income while reducing environmental impacts. Committing to sustainability facilitates strategic partnerships with key players in the value chain, encouraging collaborative innovation and amplifying the positive impact of L'Oréal's own initiatives.		EHS policy for waste management	Reducing waste generation at source
			Circular Innovation Fund	Driving circularity

○ *IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.*
□ *Time horizon: ST = short term; MT = medium term; LT = long term.*

4.6.2 Circular economy policies

The double materiality assessment highlighted the importance of resources for creating L'Oréal's beauty products, whether ingredients or primary and secondary packaging materials. The Group sources raw materials from suppliers and transforms them into finished cosmetics, which constitute the outputs intended for consumers. This process makes the responsible management of these resources central to the Group's sustainability strategy.

In April 2025, L'Oréal published the Environmental Product Design policy, which sets out the Group's guiding principles in that area. L'Oréal aims to ensure that decisions related to product design are informed by environmental science, using Life Cycle Assessment as the benchmark for product's environment impact assessment. Choices are informed by scientific facts and figures. Beyond minimising the resource use and maximising the circularity of ingredients and packaging, to ensure transparency and build consumers' trust, marketing claims are grounded in evidence-based science. The policy's guiding principles are set out in the specific policies below for each key area of the value chain.

4.6.2.1 Circular Packaging policy

The Environmental Product Design policy applies to the packaging design strategy, overseen by the Sustainable Packaging Department under the responsibility of Operations. This strategy is framed by the "reduce, replace and recycle" principle (the 3Rs):

- reduce: cut packaging intensity, mainly through lightweighting and reuse;
- replace: use alternatives, such as recycled or low-carbon impact materials; and
- recycle: design packaging compatible with recycling circuits.

These commitments have been translated into concrete targets for 2030. With the L'Oréal for the Future programme, the Group aims to:

- reduce the packaging intensity of products by 20% compared to 2019;
- reduce the use of virgin plastic for product packaging by 50% in absolute terms compared to 2019;
- source 50% of all materials used in product packaging either from recycled or biobased sources.

4.6.2.2 Research & Innovation policy to develop formulas with lower environmental footprint ingredients

For formulas, the direct application of circularity principles, such as recovery and recycling of the finished product, is often less important than the packaging. This is why the environmental impact of formulas is mainly assessed at the end of the product's life cycle, with a focus on their interaction with ecosystems, notably aquatic environments. Accordingly, L'Oréal's ambition with regard to formulas focuses on reducing their overall environmental footprint. The Group prioritises ingredient biodegradability and is developing innovative formulas designed with smaller environmental footprints, based in particular on insights from the Green Science programme (see section 4.3.2.3).

4.6.2.3 EHS policy to reduce and recycle waste from operated sites

As part of its EHS policy, L'Oréal is striving to ensure that its sites reduce and recycle waste (see section 4.3.2.1). The sites operated by L'Oréal produce various types of waste, ranging from packaging waste (cardboard, plastic and metal) to waste generated during the manufacturing and packaging processes, including sludge from wastewater treatment plants. In addition to this industrial waste, they also generate waste from office activities and, to a lesser extent, specific waste from laboratory activities. Each site is aiming to recycle or reuse the waste it generates and reduce waste production, within the broader ambition of zero waste to landfill.

4.6.3 Action plans in place

4.6.3.1 Action plans for circular packaging

The Group has four different aspects to its action plan aimed at reducing the environmental impact of its packaging: reducing intensity, using recycled materials, promoting circular formats and developing collection and recycling channels.

4.6.3.1.1 Reducing packaging intensity

L'Oréal is working on cutting the weight and volume of packaging to mitigate its impact. By 2030, it aims to reduce the packaging intensity of products by 20% compared to 2019. This objective specifically covers primary and secondary packaging for products manufactured by the Group.

Every year, new initiatives are launched to optimise the use of materials in existing products by making them lighter. L'Oréal is also speeding up the development of refillable formats, encouraging innovation to offer more refill systems, whereby consumers can reduce the use of resources.

4.6.3.1.2 Using recycled or biobased materials for packaging plastics

L'Oréal aims to transform the composition of its packaging by favouring recycled or biobased materials and gradually eliminating fossil-based virgin plastics. To achieve this, the Group is working with its packaging and recycled plastics suppliers, ensuring that the supply chain complies with its social and environmental standards:

- social audits: suppliers of recycled plastics located in high-risk countries are subject to social audits to verify that they are compliant with Group standards;
- ethical commitment: recycled plastics producers sign a Mutual Ethical Commitment Letter, confirming that they respect shared environmental and social criteria;
- In addition, the Group is also a member of the Ellen MacArthur Foundation's New Plastics Economy, which aims to apply circular economy principles to plastic packaging flows, so that they are reused or recovered rather than thrown away.

L'Oréal is also working to replace some fossil-based virgin plastics with sustainable alternatives, such as composite and biobased materials. Many of the Group's brands now use packaging that contains a significant proportion of recycled materials, including plastic, glass, paper and aluminium.

4.6.3.1.3 Promoting refillable, reusable and recyclable packaging

In order to improve recyclability and the reusable offering, the Group is gradually eliminating elements that interfere with recycling, such as certain opaque materials and metal components in plastics. For example, refills are available on the major ranges of plastic bottles.

These initiatives aim to maximise the use of existing packaging and encourage the adoption of circular economy principles in consumer habits.

4.6.3.1.4 Developing collection and recycling channels

L'Oréal works with its partners (governments, suppliers, distributor customers and consumers) to set up collection and recycling channels, particularly in countries where the relevant infrastructure remains underdeveloped.

The Group supports Extended Producer Responsibility (EPR) initiatives that encourage companies to design more sustainable and recyclable products and packaging, while promoting efficient waste management systems.

Shaping the future of sustainable packaging with SPICE

Since 2017, the Group has used SPOT (see section 4.4.3.3) to measure products' footprints based on their packaging, formulas and production, thereby enabling it to assess their sustainability.

In 2018, in collaboration with the specialist environmental strategy firm Quantis, L'Oréal launched the Sustainable Packaging Initiative for CosmEtics (SPICE) initiative. This project aims to share research and results across the cosmetics industry, with a view to determining common methods for assessing the environmental footprint of packaging. L'Oréal shares its own SPOT packaging methodology through the SPICE initiative.

The www.Open-Spice.com platform is used to monitor research and results, as well as the upcoming work plan. The SPICE initiative has more than 30 international members and promotes the sharing of best practices to boost sustainability in the cosmetics industry.

4.6.3.2 Action plans for formulas containing circular-based ingredients

L'Oréal is accelerating the circularity of its formulas through three major actions:

- transitioning raw materials: the Group is implementing an ambitious transformation plan, replacing petrochemical-based raw materials with natural alternatives (vegetable or mineral) or recycled materials, where it is possible to do so. L'Oréal is actively working to define a framework for ingredients derived from circular processes and is mapping the relevant technologies;
- Green Sciences programme (see chart in section 4.5.3.1.2): the Green Sciences programme is a sustainable innovation programme focusing on developing raw materials using practices that do not harm the soil, water or biodiversity;
- strategic partnerships: L'Oréal is forging alliances with biotech start-ups in France and abroad to speed up the adoption of sustainable and circular solutions in its formulas. The Green Sciences programme covers all the scientific fields on which R&I relies to achieve L'Oréal's objectives in terms of the preservation of natural resources and biodiversity.

4.6.3.3 Action plans to preserve resources and reduce waste at operated sites

4.6.3.3.1 Reducing waste generation at source

L'Oréal seeks to mobilise its entire value chain to reduce waste at source through:

- environmental design of products, packaging and packaging components, aimed at reducing waste and improving recyclability;
- waste mapping: internal tools for analysing waste on operated sites, which are used to push waste reduction action plans;
- optimisation of transport packaging and use of returnable packaging between production facilities and suppliers, to limit supply chain waste;
- continuous process improvement for manufacturing and packing in order to reduce manufacturing waste; and
- managing stock obsolescence to minimise the number of products thrown away, with initiatives including the use of outlets, employee sales and donations to charities.

4.6.3.3.2 Reusing and recycling waste

Driven by the goal of full material recovery from its waste through reuse and recycling, L'Oréal's strategy is organized around the following levers:

- waste mapping to identify material recovery opportunities;
- employee training and awareness raising on the need to sort waste at source;
- resource preservation measures, by seeking out reusable or recyclable alternatives;
- partnerships with waste treatment companies to jointly develop recycling solutions for unmarketable products; and
- industrial sludge management under a Group procedure for determining alternative material recovery options.

The on-site reuse and recycling goal is part of the Group's overall circular economy approach, which promotes local waste treatment to reduce environmental impact and create synergies with other local organisations.

4.6.3.3.3 Achieving the "zero waste to landfill" goal

Since 2017, L'Oréal has been pursuing the ambition of "zero waste to landfill" for all its sites (unless required by regulations). The Group works with specialist firms and local authorities to identify the best waste treatment solutions. In countries where landfill is required by law, or where the type of waste in question must be stored in landfill, the Group strives to reduce the quantities involved to the extent possible.

4.6.3.3.4 Driving circularity

L'Oréal is actively mobilised in support of developing the circular economy through:

- the Circular Innovation Fund (CIF): conscious of the growing pressure on natural resources and the global waste crisis, at the end of 2020 L'Oréal set up a global investment fund dedicated exclusively to the circular economy. It aims to finance companies that are innovating in the areas of recycling, plastic waste management and materials from the bioeconomy. The fundraising was completed at the end of 2023, with €111 million raised and 12 co-investors. As the primary sponsor of the CIF, L'Oréal pledged to invest a total budget of €50 million in this Fund;
- the fight against food waste: L'Oréal's company restaurants donate surplus food to non-profits such as Restos du Cœur and Le Chaînon Manquant, with 6571 meals donated in 2025 and 259 meals sold to Group employees via "too good to go" type platforms, helping to reduce food waste;
- awareness-raising and sustainable practices: L'Oréal promotes environmentally conscious eating practices to its employees in company restaurants, by recovering 100% of food waste and adapting the quantities served. For example, the Paris sites have launched initiatives to reduce the use of plastic and recover cooking oil by transforming it into biofuel, earning external *Mon Restau Responsable* certification.

4.6.4 Resource use and circular economy-related outcomes

4.6.4.1 L'Oréal for the Future ambitions for the circular economy

Targets	2025
By 2030, L'Oréal aims to reduce the use of virgin plastic for product packaging by 50% in absolute terms, compared to 2019	-37%
By 2030, L'Oréal aims to source 50% of all materials used in product packaging either from recycled or biobased sources	44%
By 2030, L'Oréal aims to reduce the packaging intensity of products by 20% compared to 2019	-12%

4.6.4.2 Outcomes related to resource inflows (E5-4)

Key performance indicator	2024	2025
Overall total weight of products and technical and biological materials used during the reporting period – primary and secondary packaging	306,477 tonnes	296,158 tonnes
Overall total weight of products and technical and biological materials used during the reporting period – formulas	1,203,544 tonnes	1,266,967 tonnes
Percentage of total weight of ingredients that are biobased and from sustainable sources	18%	19%
Percentage of total weight of packaging materials that are biobased and from sustainable sources	11%	10%
Weight of recycled packaging components in absolute terms	78,375 tonnes	98,825 tonnes
Weight of recycled packaging components as a percentage	26%	33%

4.6.4.3 Outcomes related to resource outflows (E5-5)

Key performance indicator	2024	2025
Percentage of recyclable content in packaging	53%	59%
Total amount of non-recycled waste	50,462 tonnes	52,726 tonnes
Percentage of non-recycled waste	31%	34%

	2024			2025		
Outcomes *in tonnes*	**Total waste**	**of which hazardous**	**of which non-hazardous**	**Total waste**	**of which hazardous**	**of which non-hazardous**
TOTAL WASTE	**164,938**	**23,373**	**141,565**	**155,655**	**24,863**	**130,793**
Recovered waste:	**156,907**	**18,902**	**138,005**	**149,529**	**21,487**	**128,042**
Waste recovered through preparation for reuse	4,699	1,597	3,102	4,447	1,561	2,886
Waste recovered through recycling	109,777	3,575	106,203	98,482	7,116	91,366
Waste with other recovery operations – energy recovery	42,430	13,731	28,699	46,600	12,810	33,790
Waste directed to disposal:	**8,032**	**4,471**	**3,561**	**6,126**	**3,376**	**2,750**
Waste disposed of by incineration	7,222	4,398	2,825	5,906	3,373	2,533
Waste sent to landfill	810	74	736	221	3	218
Waste disposed of by other disposal operations	-	-	-	-	-	-

4.7 Own workforce (S1)

4.7.1 Background

By putting people at the heart of its organisation, L'Oréal aspires to create an inspiring, innovative and inclusive working environment where all employees can thrive and at the same time contribute to the Group's sustainable growth.

The human relations (HR) policies L'Oréal has been implementing for many years support this ambition, built around two priorities: (i) care for the development of each employee through ongoing training, stimulating career paths and, for some, international opportunities; and (ii) a unique social model that combines competitive social benefits and sharing the fruits of growth.

Against this backdrop, and with a view to meeting the challenges of a world undergoing profound change, which are having an impact on both the organisation of work and attitudes towards it, the Group has for a long time been taking steps to prevent and anticipate the associated risks. It offers employees[1] an attractive, dynamic and secure environment in which to develop.

This section specifically addresses the material issues, policies, action plans and outcomes related to L'Oréal's employees, with a focus on working conditions, well-being and diversity, equity and inclusion, on which the Group's people model is founded.

(1) *This section covers all L'Oréal employees, including non-active employees (in particular those on long-term sick leave, notice of departure, early retirement, extended unpaid leave), as well as interns and apprentices, who are considered according to their status under local law.*

4.7.1.1 Material impacts, risks and opportunities related to own workers

	Description	Sub-topics	Policies	Action plans
WORKING CONDITIONS				
I- ST	L'Oréal recognises the importance of constructive social dialogue for fostering a calm and fulfilling working environment. Insufficient social dialogue could give rise to tensions and affect the workplace environment, leading to a negative impact on employee well-being and the company's performance.	**Social dialogue** **Freedom of association** **Collective bargaining**	Employee Human Rights policy	Respecting social dialogue, freedom of association and collective bargaining
I- ST	L'Oréal recognises that poor working conditions or inadequate wages could have a negative impact on employees' physical and mental well-being, as well as motivation.	**Adequate wages**	Employee Human Rights policy *Share & Care* Code of Ethics	Commitment to adequate wages for all employees
I- ST	L'Oréal recognises that poor working conditions can pose a risk to the health and safety of its employees.	**Health and safety**	EHS policy	Ensuring occupational health and safety
I+ MT /LT	By promoting an inclusive, fair and fulfilling working environment, L'Oréal can have a positive impact on its employees. It strives to improve employee well-being, strengthen their sense of belonging and create a positive, high-performance working environment.		*Share & Care*	Ensuring all eligible employees are covered
EMPLOYEE WELL-BEING AND RETENTION				
I+ MT /LT	By promoting work-life balance and investing in its employees' skills development and employability, L'Oréal can create a fulfilling and stimulating working environment. This approach fosters employee well-being, satisfaction and loyalty while preparing them for the future challenges facing both the Group and society as a whole.	**Work-life balance**	*Share & Care*	Promoting work-life balance
		Training and skills development	HR policy	Training employees, developing their skills and employability
DIVERSITY, EQUITY AND INCLUSION				
I- ST /MT	L'Oréal strives to offer its employees a safe and respectful working environment, where everyone feels protected from all forms of violence and harassment. L'Oréal recognises that a lack of concrete and effective measures to deal with such situations could create a harmful working environment which negatively impacts employees' well-being and mental health (stress, anxiety, depression, and even traumatic disorders), as well as performance and personal fulfilment. Similarly, a lack of diversity, equity and inclusion could lead to risks of inequality and discrimination, including gender pay gaps and barriers to accessibility. This could have an impact on access to employment and employees' career opportunities, professional development, well-being and engagement.	**Diversity** **Gender equality and equal pay for work of equal value**	Diversity, equity and inclusion policy	Promoting diversity, equity and inclusion at all levels of the Company
		Employment and inclusion of people with disabilities	HR policy	Achieve equal pay for work of equal value
I+ ST /MT	By providing an inclusive, fair and fulfilling working environment, L'Oréal can have a positive impact on its employees. Built on strong ethical principles, such a working environment could ensure the physical and psychological safety of all employees, thereby fostering mutual trust and respect. The Group encourages diversity across its teams, which stimulates innovation and creativity. In addition, L'Oréal's policy is to offer equitable career opportunities for all, and prohibits any discrimination related for example to gender, gender identity, sexual orientation, disability, age, political and philosophical opinions, religious beliefs, trade union membership, ethnic, social, cultural or national origins and any other discrimination prohibited under national legislation.	**Measures against violence and harassment in the workplace**	Employee Human Rights policy Code of Ethics	Ensuring respect for human rights in the workplace

- *IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.*
- *Time horizon: ST = short term; MT = medium term; LT = long term.*

4.7.1.2 Group-wide strategy for an attractive, dynamic and safe working environment

Fundamentally committed to workplace innovation, an integral part of its DNA, L'Oréal is continually striving to transform its working methods and management culture. Taking care of employee well-being and employability enhances commitment, which in turn strengthens collective performance. Through a range of ambitious policies, L'Oréal has raised employee social protection to the highest standards (e.g., ILO standards) in more than 60 countries.

Human relations are governed by the Human Relations Director, who reports to the Chief Executive Officer. Human relations governance is responsible for defining an appropriate action plan and ambitions. Effective application of the human relations (HR) policy is monitored regularly through performance indicators, which are audited on an annual basis. The Board of Directors, based on the work of the Human Resources and Remuneration Committee, oversees the implementation of the HR policy, including employee relations, recruitment, diversity, talent management and the remuneration of senior executives.

The HR teams play a key role in transforming working methods and in recruiting and supporting employees throughout their career, with a clear emphasis on training and skills development.

L'Oréal ensures that all of its employees are aware of the Group's rules and principles. All new employees receive a copy of the Code of Ethics and must confirm that they have read it.

Lastly, the Group has set up various channels that employees can use to raise concerns or report breaches of Group policies in complete confidence. These include the reporting line, the Speak Up platform (see section 4.13.2) – a secure, anonymous website with a system on hand around the clock and available in 30 languages (www.lorealspeakup.com), and the network of designated people authorised to receive reports. Employees are informed of the existence of the Speak Up programme, in particular through an e-learning course on ethics and human rights that is available and compulsory for all of the Group's new hires, as well as through awareness-raising initiatives such as the annual Ethics Day. These mechanisms are designed to ensure fair and confidential treatment and protection from retaliation in compliance with national legislation in the countries where the Group operates. Any allegations expressed in good faith are examined in detail and adequate remediation measures are taken, if applicable.

4.7.1.2.1 Share & Care programme: developing social innovation

Created in 2013, Share & Care aims to provide high-quality social protection for employees, preserve their health, encourage their professional and personal development, and create an attractive working environment. L'Oréal firmly believes that sustainable growth and a strong social performance go hand in hand, and has therefore decided to apply its workplace model throughout the Group.

Its ambition is threefold:

- ensuring a common basis of social protection with minimum guarantees in all subsidiaries;
- being an employer of choice in each market, aligning with local best practices where they exceed this common basis; and
- transforming each subsidiary into a “social innovation laboratory” that encourages local initiatives.

The programme is built on four pillars: social protection, health, work-life balance and the working environment, and is regularly updated to keep pace with societal developments and evolving employee needs.



4.7.2 Information on working conditions

4.7.2.1 Policies

4.7.2.1.1 HR policy in the area of social dialogue, freedom of association and collective bargaining

L'Oréal strives to respect its employees' human rights in line with international standards, drawing inspiration from the Universal Declaration of Human Rights, ILO conventions, OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. As a signatory of the United Nations Global Compact since 2003, the Group places these commitments at the heart of its HR policy.

L'Oréal is careful to ensure that social dialogue, freedom of association and the right to collective bargaining are respected across the Group. The Executive Director of Labour Relations and Social Innovation, who reports directly to the Chief Human Relations Officer, oversees this policy by ensuring:

- elections to employee representation bodies are organised without interference;
- workers' representatives have access to work premises and employees, subject to confidentiality and safety; and
- alternative forums for dialogue are available in countries where freedom of association is restricted, since L'Oréal prohibits any discrimination[1] related to union activities.

The Group organises events such as the annual Ethics Day alongside regular town halls to encourage discussion, experience sharing and feedback. In addition, an annual PULSE survey is carried out, collecting feedback from employees on their experience working for the Group so that it can be improved.

L'Oréal ensures that workers' representatives can operate effectively in all of its host countries, even where union rights are limited. The Group maintains dialogue with workers' representative bodies in the majority of its subsidiaries in Europe, Asia, Africa and the Americas.

Since 1996, a collective bargaining agreement has been in place between L'Oréal and the European trade unions. This led to the creation of the European Works Council, which has 30 members representing 26 countries. This body provides a platform for ongoing dialogue with General Management regarding the Group's challenges.

4.7.2.1.2 Living wage policy

L'Oréal guarantees that all employees are paid a minimum wage in accordance with local laws and collective bargaining agreements. It also ensures that salaries are living wages and cover basic needs linked to housing, healthcare, food and education. This commitment was made within the framework of the Employee Human Rights policy in 2020, and reiterated in the Share & Care programme.

4.7.2.1.3 Health and safety policy

L'Oréal's environment, health and safety policy is an integral part of its EHS strategy (see section 4.3.2). L'Oréal aims to develop a culture of safety throughout its value chain, making the health, safety and well-being of employees and suppliers non-negotiable priorities.

Managers and employees all play an instrumental role in devising and implementing action plans to manage risks and continuously improve results. Responsibility for implementing the policy lies with the Group's subsidiaries and sites, with the aim of ensuring that risks are effectively prevented for employees and suppliers. Further information on the policy's governance is presented in section 4.3.2.

4.7.2.2 Action plans

4.7.2.2.1 Respecting social dialogue, freedom of association and collective bargaining

L'Oréal takes care to ensure that employees' rights to social dialogue, freedom of association and collective bargaining are respected. Each year, collective bargaining agreements are signed with workers' representatives. In addition, L'Oréal carries out audits and verifications to help ensure that working conditions respect these fundamental rights. In 2025, 27 industrial sites underwent a human rights audit (including freedom of association at 26 sites) by expert external auditors. In the event of a failure to comply, a remediation plan is put in place and the site is audited again in the following weeks or months by the same specialist independent external auditor.

4.7.2.2.2 Living wages for employees

L'Oréal regularly conducts an in-depth review of its wage policy to ensure that its employees' salaries are living wages. In 2025, for the third year in a row, the Group was certified globally by the NGO Fair Wage Network[2] as a "Living Wage Employer", demonstrating that its employees are paid more than the local living wage defined by the NGO. This commitment includes an annual inflation review and, where necessary, an adjustment to align wages with the local cost of living. In this context, L'Oréal is aiming to have its certification renewed regularly.

4.7.2.2.3 Ensuring occupational health and safety

L'Oréal's vision aims for a zero-accident environment, as the Company firmly believes that all accidents can be avoided. Its goal for 2030 is to have an enlarged Total Incident Rate (eTIR) of less than 0.6 at its operated sites. To achieve this ambitious target, L'Oréal is focusing on the following priorities:

- transparent reporting on accidents, ensuring psychological security: this enables L'Oréal to learn continuously from all incidents and near misses, to monitor injuries and illnesses, and to involve its teams at all levels of the organisation in proactively improving safety;
- regular updates to risk assessments through audits (see section 3.6.5.2) and implementing the most demanding standards and best practices: L'Oréal strives to reduce risks and minimise the potential impact of any incident, focusing particularly on risks with the most serious consequences. Risk analysis is carried out using tools such as the Global Hazard Assessment Procedure (GHAP) and the Safety Hazards Assessment Procedure (SHAP);

(1) *L'Oréal prohibits any discrimination related to gender, gender identity and sexual orientation, disability, age, political and philosophical opinions, religious beliefs, trade union membership, ethnic, social, cultural or national origins and any other discrimination prohibited under national legislation.*

(2) *International NGO which provides the Group with a database on living wages in 200 countries, and assists it with the strategy for implementation by the Operations division as regards strategic suppliers.*

- definition and annual adjustment of specific action plans to keep the rate of recordable work-related accidents below 0.6 by 2030. Aware that even one accident is one too many, the Group has set the ambitious goal of cutting the number of accidents by almost 50% versus the current year. Given the progress made in this area over recent decades, this approach sets the bar very high while preserving transparency and taking further strides towards zero accidents;
- visible involvement of management at all levels (see section 4.3.2) through steering committees and reviews of safety improvement opportunities (SIO), which are a chance for employees to inform their direct managers of situations considered to be at risk so that remedial measures can be taken, or the use of the Measuring Effectively Safety Using Recognition (MESUR) tool, a programme based on systematic and structured meetings between line managers and employees to develop employees' ability to identify risks in the course of their daily activities along with their capacity to act on those risks. The programme is based on regular visits by two managers, one responsible for the sector and the other for the person visited. The site manager is responsible for implementing the MESUR programme, while the EHS manager is responsible for monitoring the programme and certifying the managers making the visits. Managers at all levels and in all departments can carry out MESUR visits. Application of the programme is assessed during L'Oréal's risk culture audits and forms the basis of a continuous improvement cycle;
- targeted programmes to reduce frequent incidents, including, among others, the Life changing Incidents or Fatality Events (LIFE) programme, which targets activities which could lead to a potentially serious accident if not sufficiently under control, Safe@Work-Safe@Home, which aims to export L'Oréal's health and safety culture outside the Group, and Road Safety, which applies a strategy and assessment system that provides a holistic approach to road risks;
- compliance with Group standards and local regulations;
- specific training programmes for managers, EHS managers, operators and employees;
- continuous improvement of Health and Safety management systems, which are permanently updated by an intricate combination of feedback from governance audits, certification audits and IT audits, experience of accidents and near misses, and discussions with EHS teams, all at Group, Region and site level. In 2024, a new EHS culture roadmap was put in place to assess the safety culture at each operated site and research centre against L'Oréal's guidelines and objectives. The roadmap consists of a six-pillar approach covering elements such as employee participation and management involvement in EHS. At the same time, the LIFE programme has been updated to keep pace with changes in the Group's guidelines and management systems. This programme is designed to manage the most material health and safety risks associated with L'Oréal's activities. Lastly, as part of the continuous improvement cycle, the LIM (L'Oréal Incident Management) tool was launched, consolidating reports and lessons learned from accidents and near misses at all Group sites;
- active employee involvement in risk prevention;
- sharing of feedback and best practices between sites; and
- ISO 45001 certification covering 97% of manufacturing facilities, with a recommendation to have all sites certified. Certification demonstrates the ability of the Group's plants to implement a robust Health and Safety management system throughout their operations.

Beyond the numbers, L'Oréal works to maintain a genuine safety-first culture built on proactive risk management, a commitment to excellence and best practice sharing, both inside and outside the Group. In-depth incident analysis using the Root Cause Analysis (RCA) method is a key pillar of this commitment, with a detailed investigation carried out into every accident and (potentially) serious incident. A Safety Awareness Communication (SAC) alert is subsequently shared at Group level to ensure that such incidents do not occur again.

L'Oréal applies stringent control standards tailored to the type of risk at hand, and ensures that the appropriate prevention tools are used to guarantee its employees' safety.

To maintain its high-performance culture, L'Oréal uses an internal Group-wide reporting tool to monitor various metrics. The tool centralises all EHS data, including accidents as well as environmental and quality metrics. The tool is updated each month and the metrics rigorously monitored through an audit programme covering health and safety risk and culture, which is described in section 4.3.2.1.

4.7.3 Information on employee well-being and retention

4.7.3.1 Policies

4.7.3.1.1 Work-life balance policy

L'Oréal places great emphasis on work-life balance through its Share & Care programme (see section 4.7.1.2.1). The aim is to enable all employees to enjoy major life events to the full while fostering a harmonious working environment. To achieve this objective, L'Oréal strives to:

- grant maternity, paternity, adoption and caregiving leave; and
- offer flexible working arrangements to improve work-life balance.

4.7.3.1.2 Training and skills development policy

L'Oréal firmly believes that collective success is driven by individual skills. It therefore offers employees training throughout their careers to help them evolve in a constantly changing environment. This policy, which is one of the components of the human relations policy, pulls two levers:

- encouraging employees to take responsibility for their own training and development; and
- providing a personalised training experience, enabling employees to acquire and strengthen key skills.

The People Development & Learning Department organises an annual series of strategic meetings with head office, regional and local teams to identify priority skills and develop appropriate training programmes, which are then rolled out by human relations teams at the local level.

Actions are deployed to ensure the policy is being implemented satisfactorily and objectives are being achieved. These include two business reviews a year with the dozen largest countries, and a "Must-do dashboard" measuring the percentage of completion of the programmes identified. The policy is communicated to the People Development & Learning team and to the HR Leads in each country (via an initial e-mail giving details on metrics and a second e-mail dealing with budget plans and follow-up).

4.7.3.2 Action plans

4.7.3.2.1 Promoting work-life balance

To help employees achieve a work-life balance, L'Oréal has implemented a number of measures to enable them to balance their career with major events in their personal lives. These measures include:

- at least 14 weeks' maternity/primary parent leave on full salary;
- "Schueller leave" (in France), which extends maternity (or primary parent) leave to 20 weeks, including four additional weeks where the company provides full pay. This leave can be taken in full when the baby is born, or in shorter periods up until the child's third birthday. The same applies to adoption leave;
- at least six weeks' paternity/secondary parent leave on full salary;
- at least one day of paid leave per year for family events (marriage, bereavement, etc.);
- at least three days of paid leave for caregivers;
- option to work remotely for up to two days a week subject to agreement with line management and provided it is compatible with team organisation.

These measures aim to support employees at each major event in their lives, with minimum guarantees in place for maternity, paternity and co-parenting leave, which are valid in all countries where L'Oréal operates. To be eligible for these benefits, employees must have an indefinite-term employment contract or a temporary employment contract with the Group for a term of at least 12 consecutive months.

4.7.3.2.2 Training employees and developing skills

L'Oréal's training activities are built around three main areas:

1. **offering training that is essential for the Group's development:** known as "Job Musts", these training programmes are compulsory for employees taking up new positions. They ensure that all employees are equipped with the same foundations and methods, so that skills are aligned throughout the Group;
2. **equipping employees with the skills of tomorrow:** the aim is to enable employees to adapt to the transformations taking place in society, particularly in areas such as generative artificial intelligence, data and sustainability. These training courses are offered through L'Oréal University, which all employees have access to; and
3. **providing personalised training:** as part of the CONNECT process, employees meet regularly with their manager to set objectives and assess their progress. Supported by centralised ONE LEARNING platform, this personalised approach allows all employees to build a development plan that is tailored to their own needs and aspirations.

In addition to these personalised training programmes, the training teams carefully monitor employee participation in compulsory training courses using specific dashboards and e-mail reminders.

4.7.4 Information on equal treatment and opportunities

4.7.4.1 Policies

4.7.4.1.1 Diversity, equity and inclusion policy

The Group sees diversity as an invaluable asset and a contributor to strong social and economic performance, and strives to create teams that reflect the diversity of its consumers, as well as a fair and inclusive working environment for all its employees.

The Global Chief Diversity, Equity & Inclusion Officer, who reports directly to the Chief Human Relations Officer, draws up the strategy and sets the policy's major objectives. A network of diversity, equity and inclusion leads in countries, functions and divisions ensures that the policy is applied and adapted to local contexts.

The Group monitors the effectiveness of diversity, equity and inclusion initiatives through annual reviews based on specific indicators and the results of internal surveys such as the Pulse Self-ID[1], enabling the measures to be adjusted where necessary.

The diversity, equity and inclusion policy is built around four main themes:

- socio-economic and multicultural diversity: promoting and increasing socio-economic and multicultural diversity in the Group's teams to reflect the diversity of the markets in which it operates, and in doing so, to meet the needs of each consumer;
- disability and physical, mental and social well-being: accelerate the inclusion of people with disabilities, by addressing both visible and invisible disabilities, mental health, chronic illnesses and neurodiversity, with a minimum target for the number of employees with disabilities in all countries;
- age and generations: value and take into consideration people of all ages and generations and encourage dialogue and cooperation among employees of different generations;
- gender equity and LGBTQIA+ inclusion: achieve gender equity across the company, contribute to the establishment of more inclusive environments in favour of the LGBTQIA+ communities worldwide, act against any type of harassment or violence, particularly sexism, sexual harassment and gender-based violence.

Recognition for the Group's diversity, equity and inclusion policy

L'Oréal's concrete commitments to diversity, equity and inclusion have been recognised in several international indices and rankings, including the FTSE Diversity & Inclusion Index 2025 Top 10 companies and the Equileap Women's Equality in the Workplace 2025 Top 100. The Group has also gained recognition for its commitment to the inclusion of people with disabilities, with L'Oréal being recognised as a "Best Place to Work for Disability Inclusion" in several countries in the 2025 Disability Index.

4.7.4.1.2 Equal pay HR policy

L'Oréal carries out a quantitative analysis of gender pay gaps in its aim to achieve equal pay. The Chief Human Relations Officer oversees this analysis, which is shared each year with the Human Resources and Remuneration Committee, the Board of Directors and the HR Directors of the different Regions.

L'Oréal aims to limit unjustified gender pay gaps to within a range of 5% above and below.

As different countries legislate on equal pay for men and women, the Group anticipates and analyses the various requirements in order to determine the most ambitious practices applicable to all countries.

4.7.4.1.3 Human rights policy: no violence or harassment in the workplace

In line with its Human Rights Policy, which is based on the OECD Due Diligence Guidance for Responsible Business Conduct (see section 4.9.2.1) and on the Code of Ethics, L'Oréal is committed to providing its employees with a safe and respectful working environment. To do so, the Group:

- aims to eliminate all forms of violence and harassment in the workplace, including sexual, psychological and physical harassment, as well as discrimination and intimidation;
- undertakes to prevent violence and harassment by raising employee awareness of such issues and creating a corporate culture based on mutual respect; and
- strives to ensure that all complaints of violence and harassment are dealt with diligently, confidentially and impartially (see the Speak Up programme in section 4.13.2.1).

L'Oréal's ultimate aim is to foster a working environment where everyone feels safe, respected and valued. The annual "Pulse" survey, comprising 50 questions, covers various topics of the human rights policy for employees and enables L'Oréal to assess how well this policy is being applied. The Group encourages its employees to report any acts of violence or harassment and undertakes to protect them from any form of retaliation.

(1) *Pulse Self-ID: optional "self-identification" questions included in the Pulse annual employee survey, providing the opportunity for employees to voluntarily share certain aspects of their identity while remaining anonymous.*

4.7.4.2 Action plans

4.7.4.2.1 Turning our differences into opportunities

L'Oréal aims to promote diversity, equity and inclusion at all levels of the company:

Socio-economic and multicultural diversity:

- diversifying sources of recruitment, with the annual objective of recruiting at least 20% of talent under the L'Oréal SeedZ Management Trainee Programme from non-partner schools and universities as part of the L'Oréal for Youth programme;
- raising employees' awareness of socio-economic and multicultural diversity and combating racism, in particular through dedicated online training; and
- encouraging the professional integration of refugees by offering opportunities for mentoring by employees and participating in job fairs for refugees, as well as collaborating with associations, NGOs and various experts.

Disability and physical, mental and social well-being:

- working with specialised partners to recruit people with disabilities, with the objective of employees with disabilities representing 3% of the Group's workforce by 2030 (the objective of reaching 2% of the Group's workforce by 2025 having been achieved) (see section 4.7.5.5);
- supporting employees who have experienced accidents, illness or worsening disability;
- raising employee awareness and providing relevant training to create an inclusive working environment, while encouraging employees to declare any disabilities so that their work stations and working conditions can be appropriately adapted;
- promoting physical and digital accessibility through specific guidelines and training; and
- working with associations, NGOs and experts, as well as the protected and disability-adapted employment sector, to improve the inclusion of people with disabilities.

Age and generations:

- combating age-based stereotypes through awareness-raising and training initiatives;
- creating a fulfilling working environment for all generations, from the moment employees join the Group through to retirement, with the L'Oréal For All Generations programme, whose aim is to promote cross-generational collaboration and enhance employability, and which is being gradually rolled out; and
- raising awareness about menopause.

Gender equity and LGBTQIA+ inclusion:

- achieving gender equity, with notably an annual goal to maintain a proportion of women and men employees that may not be less than 40% in strategic positions[1] (see section 4.7.5.3);
- rolling out the domestic violence policy in all Group entities, as part of the Share & Care programme;
- encouraging external gender equality certification (GEEIS[2] and EDGE[3]); and
- running awareness-raising campaigns on the inclusion of LGBTQIA+ people in the workplace.

Training is key for supporting the Group's diversity, equity and inclusion policy. L'Oréal offers a wide range of in-person and online training courses to all its employees. The modules cover topics such as inclusive leadership, with a number of them embedded in specific training programmes (onboarding, marketing, HR, etc.).

4.7.4.2.2 Equal pay for work of equal value

The Group has rolled out a number of measures to achieve equal pay and reduce pay gaps, including:

- application of a standard method for calculating pay gaps;
- support for local HR teams in analysing pay gaps and implementing corrective action to eliminate them and prevent them from reoccurring.

4.7.4.2.3 Ensuring respect for human rights in the workplace

To verify respect for human rights and combat harassment and discrimination, L'Oréal:

- formally prohibits all forms of violence and harassment. Such behaviour is not tolerated under any circumstances, and may result in disciplinary action;
- educates employees through awareness-raising campaigns and training courses on harassment. Special attention is paid to beauty advisors, who are often more exposed to this type of risk;
- makes sure that clear, accessible and confidential reporting procedures are in place (see section 4.13.2.1);
- ensures that complaints are handled rigorously and confidentially. A specific process ensures that an appropriate response is provided for each situation; and
- takes appropriate disciplinary action against anyone who commits an act of violence or harassment.

(1) Around 300 positions, including Executive Committee members (see section 4.14.3).
(2) Gender Equality European & International Standard.
(3) Equity, Diversity and Gender Equality Certification.

4.7.5 Outcomes

4.7.5.1 Characteristics of the undertaking's employees (S1-6)

To better understand the changes in characteristics of L'Oréal's workforce, it is important to note a change in the method of calculation in 2024 compared to previous years.

L'Oréal previously published information regarding its statutory workforce, which included all active employees, i.e., those with contracts (permanent or temporary, full-time or part-time). Employees on leave (including long-term sick leave, notice of departure, early retirement, extended unpaid leave) were not included for the period under review. Interns and apprentices, in training as part of their schooling, were not included in the calculations. For comparison purposes, the statutory workforce for 2025 is published in note 5.1 to the consolidated financial statements (see section 5.6).

All the indicators below comply with the Corporate Sustainability Reporting Directive (CSRD), which specifies that the workforce reported shall include all people with an employment relationship with L'Oréal, whether active or not. The use of the results may be restricted in order to comply with public order provisions.

L'Oréal has therefore included in the workforce indicator employees on long-term sick leave, early retirement, unpaid leave and interns/apprentices if they are considered to have an employment relationship with the company in their respective countries.

TABLE 1: INFORMATION ON WORKFORCE BY GENDER

Number of employees (workforce) by gender	2024	2025 (1)
Men	30,222	31,343
Women	64,590	65,839
Other	47	94
Not reported	164	307
TOTAL EMPLOYEES	**95,023**	**97,583**

TABLE 2: NUMBER OF EMPLOYEES IN COUNTRIES WHERE THE UNDERTAKING HAS AT LEAST 50 EMPLOYEES REPRESENTING AT LEAST 10% OF ITS TOTAL NUMBER OF EMPLOYEES

Number of employees (workforce) by material country	2024	2025(1)
France	17,777	17,582
United States	13,577	13,862
China	15,746	15,628

TABLE 3: INFORMATION ON EMPLOYEES BY TYPE OF CONTRACT AND BY GENDER

	2024		2025(1)	
Number of employees (workforce)	Permanent staff	Temporary staff	Permanent staff	Temporary staff
Women	50,249	14,341	51,896	13,943
Men	25,819	4,403	26,747	4,596
Other	42	5	90	4
Not reported	155	9	300	7
TOTAL	**76,265**	**18,758**	**79,033**	**18,550**

Number of non-guaranteed hours employees (workforce)	2024	2025(1)
Women	332	664
Men	178	240
Other	0	0
Not reported	0	26
TOTAL	**510**	**930**

(1) The increase in the total number of employees in 2025 compared with 2024 is mainly due to the integration of the Aesop brand.

Key performance indicator	2024	2025
Total number of permanent employees who have left the company	9,862	10,470
Turnover of permanent employees	12.9%	13.5%

4.7.5.2 Collective bargaining coverage and social dialogue (S1-8)

	Collective bargaining coverage	Social dialogue
Coverage rate	Employees in the European Economic Area (EEA) (for countries with more than 50 employees representing over 10% of total employees)	Workplace representation (EEA only) (for countries with more than 50 employees representing over 10% of total employees)
0%-19%		
20%-39%		
40%-59%		
60%-79%		
80%-100%	Total European Economic Area, France	France

4.7.5.3 Gender and age distribution of employees (S1-9)

Key performance indicator	2024	2025
GENDER DISTRIBUTION IN NUMBER AND PERCENTAGE AT TOP MANAGEMENT LEVEL		
Number of men in key strategic positions (including the Executive Committee)	162	167
Number of women in key strategic positions (including the Executive Committee)	154	157
Percentage of women in key strategic positions (including the Executive Committee)	49%	48%
DISTRIBUTION OF EMPLOYEES BY AGE GROUP		
Total employees aged under 30	23,332	23,467
Of which total employees aged under 16	0	0
Total employees aged 16 to 18	6	10
Total employees aged 30 to 50	56,406	58,355
Total employees aged over 50	15,285	15,761

4.7.5.4 Adequate wages (S1-10)

Key performance indicator	2024	2025
Percentage of employees paid an adequate wage	100%	100%

4.7.5.5 Persons with disabilities (S1-12)

Key performance indicator	2024	2025
Percentage of employees with disabilities	2.1%	2.1%

4.7.5.6 Training and skills development (S1-13)

Key performance indicator	2025
Average number of training hours per employee (workforce)	31.6
Average number of training hours per employee by gender	
Women	31.5
Men	32.2
Other	21.8
Not reported	13.9

4.7.5.7 Health and safety metrics

4.7.5.7.1 Health and safety metrics required by ESRS S1-14

Key performance indicator	2024	2025
Percentage of own workforce covered by the company's health and safety management system based on legal requirements or recognised standards or guidelines	100%	100%
Number of fatalities as a result of work-related injuries and work-related ill health	0	0
Number of recordable work-related accidents[1]	285	270
Enlarged Total Incident Rate (eTIR)[1]	1.46	1.37

(1) This metric does not include workdays lost owing to commutes and first aid accidents.

4.7.5.7.2 Other health and safety metrics specific to L'Oréal

Key performance indicator	2024	2025
Lost Time Injury Rate (LTIR)	0.79	0.67

4.7.5.8 Remuneration metrics (S1-16)

Gross pay gap	2024	2025
Gender pay gap, as a percentage of the average pay level of male employees[1] – excluding beauty advisors	2.9%	2.5%
Gender pay gap, as a percentage of the average pay level of male employees[1] – beauty advisors only	-9.2%	-1.6%[2]

(1) Given the high proportion of beauty advisors in the Group's workforce (almost 25%), two pay gap calculations are made: one excluding beauty advisors and one covering beauty advisors only. The beauty advisor population, which is predominantly represented by women (90%), has the lowest pay levels in the organisation. An adjusted pay gap calculation is also carried out to neutralise any structural variables that may explain gender pay gaps (including the beauty advisor role, but also level of responsibility, seniority, and so on). The adjusted pay gap comes out at 1.6%, more favourable to men.

(2) The decrease in the gross pay gap for beauty consultants in 2025 compared with 2024 is attributable to a more favourable geographical mix – with an increase in the workforce in countries where the gap is narrower – as well as the reduction of the gap in several countries with a large number of employees.

Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)[1] by Region:	2024	2025
Europe	179	196
Latin America	67	71
North America	49	45
North Asia	70	80
SAPMENA & SSA	88	82

(1) A pay gap ratio by Region is also published, combining emerging and mature countries with a similar cost of living into homogeneous groups.

4.7.5.9 Incidents, complaints and severe human rights impacts (S1-17)

Key performance indicator	2024	2025
Total number of incidents of discrimination reported, including harassment	34	25
Number of complaints reported through Speak Up in accordance with paragraph 2 of S1[1]	23	27
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above	€0	€0
Number of severe human rights incidents connected to the company's workforce	0	0
Total amount of fines, penalties and compensation for damages for the incidents described above	€0	€0

(1) In particular for working conditions, equal treatment and opportunities for all and other work-related rights, excluding cases already reported in the total number of incidents of discrimination reported, including harassment.

4.8 Privacy and personal data protection (S1/S4)

4.8.1 Background

L'Oréal is committed to privacy and personal data protection, an issue that is all the more crucial in the era of digital transformation and amid increasingly complex regulations globally. This goal is based on the principles of transparency, confidentiality and integrity, inspired by the 1948 Universal Declaration of Human Rights.

In the area of privacy and personal data protection, L'Oréal:

- handles personal data with respect and strives to uphold the trust people place in it;
- uses personal data protection to create value by developing more secure products and services, working with trusted partners and establishing reliable processes;
- develops a global community working on data confidentiality and protection, promoting and sharing this culture throughout the organisation to ensure constant vigilance and a proactive approach.

4.8.1.1 Material impacts, risks and opportunities related to privacy and personal data protection

	Description	Sub-topics	Policies	Action plans
R	L'Oréal holds personal data on consumers and employees, and is responsible for managing this data in accordance with applicable regulations and protecting it from theft or misuse. Personal data poses regulatory risks, for example legal proceedings or regulatory controls as well as a reputational risk related to a loss of stakeholder trust.	**Protection of privacy of own workforce**	Data Privacy at L'Oréal policy for the use of personal data relating to employees and consumers	Informing, training, auditing and continuously monitoring compliance with personal data protection standards when processing consumers' and employees' personal data
ST			Confidentiality policies for employees in all countries	Facilitating the exercise of rights and providing an easily accessible point of contact on all platforms for data protection queries from employees and consumers
		Consumer privacy	Confidentiality policy for consumers	

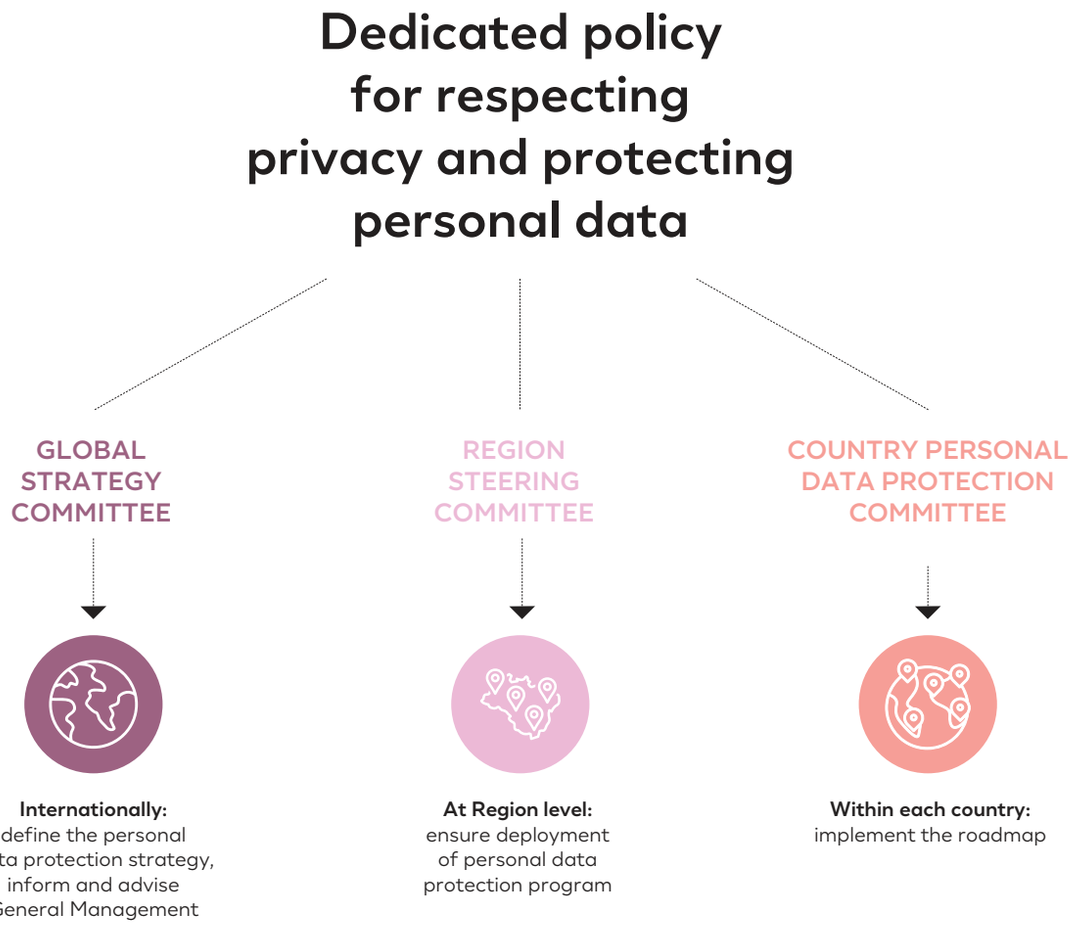
○ *IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.*
□ *Time horizon: ST = short term; MT = medium term; LT = long term.*

4.8.2 Personal data protection policy

L'Oréal strives to comply with the laws and regulations applicable in each country in which it operates. The Group's personal data protection policy is based on six main principles:

- developing a people-centric approach: L'Oréal offers innovative products and services with a personalised experience. This may involve the use of personal data to better meet the needs of consumers. L'Oréal strives to respect each individual, and has a Group-wide data privacy policy which sets out the mechanisms and procedures for responding to users' concerns;
- creating a relationship of trust with employees: L'Oréal handles employees' personal data transparently and in an ethical manner, in accordance with its internal policy, to ensure effective and responsible human resources management. This commitment helps to build a trusting human relations environment;
- demonstrating a commitment to ethics: personal data protection goes far beyond compliance. At L'Oréal, it is also an ethical issue. The Group uses personal data ethically, lawfully and responsibly, and does not collect sensitive information without the consent of the person concerned;
- building lasting trust: L'Oréal firmly believes that trust is essential to building lasting relationships with consumers, employees and shareholders. The Group endeavours to ensure that everyone can maintain control over their personal data;
- involving General Management: supported by dedicated compliance teams, General Management ensures that the personal data protection policy is applied in Group entities; and
- managing risks: L'Oréal recognises that a failure to comply with personal data protection regulations could negatively impact stakeholder trust and harm its reputation. The Group proactively manages these risks in order to prevent any negative impacts.

Implementation of this policy is based on the following governance structure:



L'Oréal has developed a strong, multilayered governance structure to ensure consistent and effective personal data protection around the world. This governance structure plays an important role in implementing the Group's policy and programme:

- the Group Strategy Committee, which includes the Ethics, Risks and Internal Control Department, the Legal and Compliance Department, the Internal Audit Department and the Purchasing, IT, Cybersecurity, Digital and Marketing, Human Relations, Data Governance and Research & Innovation Departments. The Committee meets twice a year or as required to analyse risks, provide strategic recommendations to General Management and define the overall data protection strategy;
- the Steering Committee at Region level, which coordinates the implementation of the programme in the Group's different countries, ensures compliance with local legislation, such as the GDPR in Europe, the CCPA in California, the PIPL in China, and the LGPD in Brazil. The Committee ensures that the programme is implemented consistently and assesses the impact of regulatory developments in each Region; and
- the personal data protection committee at country level, which, under the supervision of the country chief executive officer, brings together all stakeholders involved in personal data processing. The Committee ensures that projects comply with personal data protection programme guidelines and plays a key role in raising awareness of the issue.

These governance bodies are supported by a wider community of personal data protection officers and experts who encourage collaboration, share knowledge and ensure consistent application of personal data protection principles worldwide.

4.8.3 Action plans in place

In order to embed privacy and personal data protection ever more deeply in the Group's culture, L'Oréal is rolling out various initiatives:

- adhering to a common framework: L'Oréal has drawn up the 10 Key Points on Personal Data Protection charter and a Group-wide GDPR-inspired policy – Data Privacy at L'Oréal – which employees in all countries must adhere to;
- maintaining a network of personal data protection professionals: at every level of the organisation (Group, business, Region, Country), a dedicated network coordinates and monitors personal data protection compliance;
- rolling out a global programme: L'Oréal has set up a Group-wide programme to support employees in the application of personal data protection regulations, including tools and user guides that integrate personal data protection into projects by design;
- regularly reviewing procedures: privacy policies and personal data protection procedures are regularly updated to ensure that they comply with local laws and regulations;
- encouraging supplier compliance: L'Oréal requires its suppliers to comply with personal data protection and cybersecurity standards, supported by certifications and maturity assessments;
- providing training on personal data protection: the Group runs training programmes to inform internal teams of their personal data protection responsibilities, holding regular sessions, workshops, online courses and events;
- conducting controls and audits: L'Oréal conducts internal audits to assess compliance with personal data protection laws and internal policies, and tracks action plans using dashboards. These audits are included in its annual audit plan submitted to General Management and the Audit Committee for approval. The audit plan takes into account the findings of earlier audits and local risk assessments by Region managers and Data Privacy experts; and
- setting up an easily accessible point of contact: L'Oréal has set up a dedicated email address that consumers and employees can use to ask questions of Data Privacy Officers regarding the protection of their personal data.

4.9 Human rights in the value chain and affected communities (S2/S3)

4.9.1 Background

This section outlines how L'Oréal manages human rights issues by integrating human rights principles into its practices and making efforts to influence its value chain. L'Oréal's value chain analysis enables the Group to identify potential human rights risks at different levels of its supply chain, including Tier 1 suppliers. These analyses are conducted on the basis of best efforts and depending on the availability of data and the complexity of the supply chain.

In the event of human rights issues or incidents, L'Oréal takes a risk-based approach with regard to the supply chain and involves Tier 1 suppliers in the implementation of action plans, as specified in the Vigilance Plan (see section 3.6.4.1). In line with its Human Rights Policy, the Group strives to:

- take human rights issues into account through policies in its conduct as a responsible business;
- identify and assess the main potential and proven negative impacts on workers in the value chain and on affected communities;
- stop, prevent and mitigate breaches of internationally recognised human rights and fundamental freedoms, using a risk-based approach in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGP) and laws such as the French Duty of Care law. In particular, this means working with L'Oréal's stakeholders, especially those directly affected, to resolve situations of risk or harm. L'Oréal also works with peers and other industries to amplify its impact in the short, medium and long term;
- monitor the implementation and results of action plans;
- communicate transparently on how impacts are dealt with; and
- remedy damage through cooperation with other organisations.

The Group is also preparing for the application of the various aspects of the European Corporate Sustainability Due Diligence Directive, aimed at strengthening the protection of human rights and the environment.

4.9.1.1 Material impacts, risks and opportunities related to respect for human rights in the value chain

	Description	Sub-topics	Policy	Action plans and 2030 objectives
I- ST /MT	A potential lack of respect for human rights in the value chain could have negative impacts – for example, breaching the right to education in the case of child labour, inadequate wages and a lack of job security for workers. L'Oréal may have a potential impact by indirectly contributing to the violation of the human rights of indigenous populations affected by its activities or those of its suppliers. There is a risk that the free, prior and informed consent of indigenous communities is not respected in the supply chain due to potential impacts of deforestation and use of land adjacent to these communities, such as for palm oil and palm oil derivatives. Maintaining or accentuating discrimination or unconscious bias could impact the fundamental right to non-discrimination, and may have negative consequences for morale, motivation and retention of employees in the value chain. This may apply in particular to beauty advisors, retail employees, customer-facing roles in the downstream value chain and more specifically in the stores or point-of-sales outlets distributing the Group's products, workers in the value chain, suppliers' subcontractors, distribution workers and temporary workers in the upstream or downstream value chain and more specifically on Group sites or when performing an activity on behalf of the Group, as well as workers who may be particularly vulnerable to adverse impacts due to their intrinsic characteristics or a specific context, such as trade unionists, migrant workers, home workers, women and young workers[1].	**Child labour** **Forced labour** **Water and sanitation** **Social dialogue** **Freedom of association** **Collective bargaining** **Adequate wages** **Secure employment** **Health and safety at work** **Measures against violence and harassment in the workplace** **Rights of indigenous peoples**	Human Rights Policy Sustainable purchasing policy Mutual Ethical Commitment Letter (MECL) Forest Policy Code of Ethics Living wage commitment	In-house training in sustainable purchasing intended to: • help 100,000 people from disadvantaged communities gain access to employment Supplier support and evaluation intended to: • ensure that all strategic suppliers sign a living wage pledge with a time-bound action plan Contractual commitments Monitoring and complaints Involvement in coalitions and impact studies Objectives that go beyond the value chain: • supporting 10 million people through our brands' social engagement programmes; • enhance the well-being, empowerment and resilience of 5 million women through philanthropic efforts.
I+ ST /MT	By promoting adequate wages at its strategic suppliers, L'Oréal could contribute to improving the quality of life, financial security and well-being of workers and their families. This could also help reduce poverty, improve working conditions and strengthen social dialogue. This high-impact action, focused initially on strategic suppliers, could transform the value chain in a positive way in the long term.			
R ST /MT	Financial risks include the possibility of major disruptions in the value chain, particularly the supply chain, if suppliers fail to respect human rights. Legal proceedings, import bans or the discovery of unethical practices could force L'Oréal to seek new suppliers as a matter of urgency, resulting in additional costs and significant delays. While investing in responsible practices such as the effective implementation of due care or adequate wages may be costly in the near term, it reduces the risk of major and expensive supply chain disruptions in the long term.			

IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.
Time horizon: ST = short term; MT = medium term; LT = long term.
(1) In accordance with the Human Rights Report published in 2024, based on an in-depth study of the Groupe's activities.

4.9.2 Human rights policies

4.9.2.1 Human rights policy in the value chain

L'Oréal's Human Rights Policy, most recently updated in April 2025, underpins its ambition to see human rights respected throughout the value chain, which encompasses a wide range of products, supply countries and types of purchase.

The policy is based on the United Nations Guiding Principles on Business and Human Rights (UNGP) and the due diligence recommendations set out in the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and is built on four core pillars:

- identification of salient risks: L'Oréal continuously identifies and assesses the risks of human rights violations based on the specific geographical, sectoral and operational context of its activities (see section 3.6.4.1). This includes efforts to trace and map value chains, risk monitoring by geographic area, raw material or business, and social audits (see section 3.6.5.2), human rights impact studies, including field studies, feedback through whistleblowing systems and regular engagement with external stakeholders;
- culture of respect: the Group trains its employees, shares best practices and integrates respect for human rights into its values and daily practices;
- stakeholder engagement: L'Oréal engages in active dialogue with its partners, takes their concerns into account and encourages them to set up transparent whistleblowing systems;
- roll-out of transformation action plans: insofar as the workers in the value chain are covered by the Human Rights Policy and their operations by the sustainable purchasing policy, when L'Oréal identifies a human rights violation in its value chain, the Group implements an action plan to put an end to it. In some cases, this may require changing certain practices in the value chain;
- collaboration: the Group works with other companies, NGOs and international organisations to attempt to find sustainable solutions to systemic human rights challenges.

Special attention is paid to conflict zones, in accordance with international standards.

In particular, L'Oréal recognises the rights of indigenous peoples, as defined by the United Nations Declaration on the Rights of Indigenous Peoples. The Mutual Ethical Commitment Letter commits L'Oréal and its suppliers[1] to respecting human rights, including those of indigenous peoples. L'Oréal also supports local communities through projects on the ground related to its value chain. This commitment is pursued through a number of initiatives, including:

- compliance with the principles of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization, in line with the Code of Ethics;
- implementation of due diligence procedures on the ground (notably in line with the Group's Forest Policy) to identify and mitigate environmental and social risks (including for indigenous peoples). These include the dedicated palm and wood alert procedure and Speak Up, which is communicated to all stakeholders, especially workers in the value chain, and used to report violations.

Dedicated governance for human rights

The Chief Corporate Responsibility Officer, a member of the Executive Committee, is responsible for overseeing the respect of Human Rights and Fundamental Freedoms in the Group. This mission has been entrusted to her by L'Oréal's Chief Executive Officer, to whom she reports. Depending on the issues addressed, other teams, such as Human Relations and Operations including Purchasing and R&I, may also be involved.

A network of more than 50 human rights correspondents plays a key role in embedding this culture in every Group entity. In addition, various bodies, including a Human Rights Committee for the supply chain, chaired jointly by the Chief Corporate Responsibility Officer and the Chief Operations Officer, met several times to discuss the implementation of the Human Rights Policy and to inform decision-making. Within the Operations Department, specifically Sustainable Purchasing, the focus on human rights in supply chains was reinforced in 2025 with the creation of a dedicated unit.

4.9.2.2 Sustainable purchasing policy and forest policy

Purchasing is the responsibility of the Chief Operations Officer, who reports directly to the Chief Executive Officer.

L'Oréal wishes to promote sustainable sourcing and demands high social and environmental standards from its value chain. This ambition covers the two key areas of suppliers' environmental and social performance, including sustainable sourcing of raw materials, particularly from forests, in line with its Forest Policy.

(1) *Eligible Suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.*

To this end, L'Oréal promotes diversity, equity and inclusion and sets rigorous ethical standards for its suppliers, covering the protection of human rights and non-discrimination. The Mutual Ethical Commitment Letter is essential to obtaining buy-in from the Group's suppliers[1]. The letter commits suppliers to complying with strict human rights and environmental standards throughout their value chain, including within their own supply chain. Tier 1 suppliers are responsible for monitoring the corresponding measures put in place within their own value chain (see section 3.6).

In particular[1], L'Oréal expects its suppliers to:

- prohibit child labour: in accordance with the United Nations Convention, L'Oréal prohibits child labour and sets the minimum age for employment based on the highest standard among (i) the legal minimum age for recruitment, (ii) the age of compulsory education or (iii) the age of 15;
- ban forced labour: L'Oréal firmly prohibits all forms of forced labour, within the meaning of the ILO indicators, including the confiscation of documents and non-compliant prison labour;
- ensuring social dialogue and freedom of association: suppliers must guarantee workers the right to associate freely and to bargain collectively without fear of reprisal. In situations or countries where the presence of independent trade unions is limited or discouraged, L'Oréal requires that workers be able, if they so wish, to come together independently to discuss work-related issues or express any concerns they may have;
- pay adequate wages: L'Oréal promotes the right to an "adequate" wage, which is essential for improving working conditions and reducing the risk of child and forced labour. As part of the L'Oréal for the Future programme, L'Oréal aims to have 100% of strategic suppliers sign a living wage pledge with a time-bound action plan;
- ensure occupational health and safety: L'Oréal requires its suppliers to identify and prevent risks and guarantee safe and decent conditions, with particular attention paid to vulnerable populations;
- guarantee access to water and sanitation: all workers must be guaranteed access to drinking water and adequate sanitary facilities. This is enshrined in L'Oréal's Mutual Ethical Commitment Letter and is verified during social audits;
- combat violence and harassment: L'Oréal promotes an inclusive and respectful working environment, free from violence and discrimination, with special attention paid to the most vulnerable populations in the value chain.

These measures reflect L'Oréal's ambition to implement sustainable and responsible practices in its value chain.

To ensure that its Tier 1 suppliers comply with the applicable rules, L'Oréal has set up a hierarchy system for risks of failure to comply (described in section 3.6.5.2) and adapts the control method according to the level of risk, which may include third-party audits. Special attention is paid to conflict zones, and the risk hierarchy takes into account the type of activity of subsidiaries and the country, sector and nature of the suppliers' operations.

L'Oréal's Forest Policy helps drive its ambition to ensure responsible sourcing, aiming for sustainable and traceable sourcing. It is aimed at balancing the use of forest resources with respect for human rights and the environment (see section 4.5). With regard to forest areas, L'Oréal strives to create decent working conditions and respect the rights of local communities and indigenous peoples and land rights. The Group recognises the right to self-determination of indigenous peoples and ensures that it obtains their free, prior and informed consent for any activity likely to affect their lands and resources. For each field project involving indigenous peoples and/or local communities, a consultation is carried out at the start of the project to ensure that the action plan is fully aligned with the needs of those peoples and communities. The action plan then involves members of the community directly or indirectly as beneficiaries of the project, for example with training activities in good farming practices. Specific systems for reporting suspicious practices are also sometimes put in place to respond to specific issues relating to the context of the project and to feed into the reporting management mechanism more generally. In the palm oil and wood fibre sector, rigorous monitoring of reports is carried out via the palm and wood alert procedure, which is activated as soon as a potential violation of the policy is identified. In addition to the reports received by stakeholders, L'Oréal proactively identifies alerts, in particular by participating in the Action for Sustainable Derivatives' (ASD) Grievance Taskforce as regards the palm oil sector, which maintains regular dialogue with civil society organisations, including indigenous peoples, to facilitate the reporting of incidents.

Global Inclusive Sourcing programme

By 2030, L'Oréal aims to help 100,000 people[2] from disadvantaged communities gain access to employment. This is the framework within which the Global Inclusive Sourcing programme is deployed.

Launched in 2010, the Global Inclusive Sourcing programme harnesses the Group's purchasing power to promote social inclusion. The programme is fully aligned with the Group's Sustainable Sourcing policy, promoting diversity and inclusion within its supplier network. L'Oréal allocates a portion of its overall purchasing volume to suppliers who provide employment to people from socio-economically vulnerable communities and to suppliers recognised as diverse (for example, businesses which have traditionally faced challenges accessing large corporations). Consistent with the four pillars of the Group's Diversity, Equity and Inclusion policy (see section 4.7.4.1), this programme supports employment and inclusion:

- small producers as part of projects set up based on fair trade principles;

(1) The Group does not have a specific policy to promote long-term employment stability and sustainability for workers in the value chain.
(2) The baseline year is 2020.

- companies employing people from socio-economically disadvantaged communities: for example, people with disabilities, senior citizens, the long-term unemployed, women in vulnerable situations, refugees, asylum seekers, etc. Local authority benchmarks are also considered where relevant;
- companies that have traditionally faced challenges in gaining access to major international corporations: in particular, companies whose ownership and/or management is certified as being majority-owned by traditionally under-represented groups, such as "women-owned companies" based on WeConnect standards; or social companies focused on social integration, or companies located in vulnerable areas, identified at national level.

4.9.3 Action plans in place

The Group applies its Sustainable Purchasing Policy via several main categories of measures:

- in-house training in responsible purchasing: L'Oréal regularly trains its buyers in the challenges of responsible purchasing, with a module dedicated to human rights, for example. This informs buyers of the vulnerability of certain groups such as indigenous peoples in terms of human rights. Training is compulsory for all onboarding buyers;
- supplier support and assessment: L'Oréal works closely with its direct suppliers to promote responsible social and environmental practices, particularly on matters surrounding human rights and adequate wages (see section 4.9.2.2). The Group prioritises transparency and uses various tools and processes to assess its suppliers. Suppliers located in countries identified as high risk by Verisk Maplecroft are subject to a compulsory social audit before being listed as suppliers at L'Oréal (see section 3.6.5.2). In early 2025, L'Oréal joined the Supplier Ethical Data Exchange (SEDEX) initiative, a global collaborative platform for managing and sharing ethical, social and environmental supply chain data. Membership of this platform helps reinforce L'Oréal's oversight and supports the continuous improvement of working conditions and environmental impact among suppliers, notably by relying on the Sedex Members Ethical Trade Audit (SMETA) methodology. SMETA, recognised for its high ethical standards, facilitates in-depth assessment of social risks such as forced labour and freedom of association. The Group also conducts human rights impact assessments in at-risk regions and sectors, as well as field projects;
- roll-out of the Living Wage programme, aimed at committing strategic suppliers to the principle of an adequate wage, in line with the recommendations of experts (International Labour Organisation and IDH Sustainable Trade Initiative) and with the support of partners (Fair Wage Network and Wage Indicator Foundation). L'Oréal shares content (definitions, methodology, testimonials, etc.) on the Living Wage programme with its strategic suppliers via a platform. This content is also presented in a series of webinars. Suppliers are encouraged to sign a pledge and to work towards an adequate wage for their employees;
- contractual commitments: L'Oréal requires its suppliers[1] to sign the Mutual Ethical Commitment Letter, which notably informs them about reports submitted via the Speak Up platform;
- monitoring and complaints: L'Oréal has set up channels for reporting potential human rights violations. These include dialogue with stakeholders, the Speak Up platform (a secure, anonymous website that can be accessed by all stakeholders, with a system on hand around the clock and available in 30 languages, and performance monitored via indicators; see section 4.13.2) and the palm and wood fibre sector alert procedure[2] that is available and communicated to all stakeholders, including workers in the value chain (see section 4.9.2.2). The oversight process is designed to ensure strict confidentiality, fair treatment, protection against reprisals and compliance with national legislation in the countries where the Group operates. If a violation of the human rights of workers in the value chain or affected communities is identified, the actions required depend on the specific context and are determined in light of an impact assessment and any information collected during discussions with stakeholders. The Group immediately engages in dialogue with its suppliers and implements a set of immediate measures aimed, if necessary, at identifying the precise source of the incident and rolling out action plans with the suppliers concerned. These action plans are aimed at implementing concrete, corrective measures in the short, medium and long term. To promote systemic change that helps resolve the root causes of certain violations and strengthens oversight systems across a given value chain, the Group may call on a range of key players, from NGOs to public authorities, local civil society organisations and companies in the beauty and perfume industry, etc.;
- involvement in coalitions and impact studies: L'Oréal is a member of coalitions such as the Consumer Goods Forum's Human Rights Coalition for Action as a means to boost its positive impact and its transformative potential. For example, in response to a human rights risk identified in the rose sector in Turkey, L'Oréal joined the Harvesting the Future initiative launched by the Fair Labor Association, aimed at improving working conditions and respect for human rights in various agricultural sectors, focusing on empowering seasonal workers and their families. Running up to end-2026, the project brings together various stakeholders, including the Turkish government, local civil society organisations, processors, growers and companies in the beauty and perfume industry, in order to support and strengthen the introduction of systems for monitoring human rights in their supply chains.

(1) *Eligible suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.*
(2) *Thanks to the procedure, supply chain grievances can be identified, assessed and monitored on an ongoing basis and, where necessary, a remedial action plan put in place.*

Beyond the value chain: the Group's social commitments

L'Oréal for the Future's strategic ambitions strengthen the Company's resilience in the face of these material impacts, risks and opportunities and guide its direction. At the same time, the Group incorporates fundamental objectives which, although not directly linked to the results of the double materiality assessment in the strict sense of the CSRD, embody a deep conviction and the *raison d'être* of the Group, thus making an essential contribution to its overall performance and its creation of sustainable value beyond its direct value chain. By 2030, L'Oréal is aiming to:

- **support 10 million people through our brands' social engagement programmes**[1]**.** In order to achieve this aim, each of the Group's brands develops and finances specific initiatives that resonate with their intrinsic values and speak directly to their audiences. These initiatives may take a variety of forms – including awareness-raising campaigns on major societal issues and strategic partnerships with foundations and associations to finance high-impact projects, enabling each brand to make a unique contribution to the well-being of its communities.
- **contribute to enhancing the well-being, empowerment and resilience of 5 million women through philanthropic efforts.** This ambition is a cornerstone of L'Oréal's social engagement. Through entities such as The L'Oréal Fund for Women and other philanthropic initiatives, the Group actively supports a variety of programmes aimed at strengthening the education of women and girls, combating violence against women, and facilitating access to science and technology. These initiatives are part of an approach designed to create a lasting impact and positively transform the lives of women in highly vulnerable situations around the world.

4.9.4 Human rights-related outcomes

4.9.4.1 L'Oréal for the Future ambitions for human rights

Targets	2025
By 2030, L'Oréal aims to have 100% of strategic suppliers sign a living wage pledge with a time-bound action plan.	25%
By 2030, L'Oréal aims to help 100,000 people from disadvantaged communities gain access to employment.[1]	109,674

(1) Over the period 2020-2030.

4.9.4.2 L'Oréal for the Future ambitions beyond the value chain

Targets	2025
By 2030, L'Oréal aims to support 10 million people through its brands' social engagement programmes.[1]	5,280,784
By 2030, L'Oréal aims to enhance the well-being, empowerment and resilience of 5 million women through philanthropic efforts.[1]	1,853,091

(1) Over the period 2025-2030.

4.10 Product safety (S4)

4.10.1 Background

L'Oréal aims to offer beauty that combines quality, effectiveness, safety and responsibility. A product use safety assessment ensures the health and well-being of the Group's consumers.

(1) These commitments cover a wide range of initiatives, including actions with a social impact as well as environmental commitments, thus contributing to a global approach to sustainable development.

4.10.1.1 Material impacts, risks and opportunities related to product safety

	Description	Sub-topics	Policy	Action plans
I- ST	While L'Oréal has a positive product safety record on the whole and product recalls on cosmetics are uncommon throughout the industry, bringing non-compliant products to market could negatively impact consumer health. Although serious incidents are rare, the use of unsafe products could lead to adverse effects ranging from mild reactions to more serious health problems.	**Personal safety of consumers**	Quality and safety policy	Application of ISO standards Continuous quality control

IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.
Time horizon: ST = short term; MT = medium term; LT = long term.

4.10.2 Quality and safety policy

Personal safety of consumers is an absolute priority for L'Oréal. Assessing safety is central to any new product development process and a prerequisite before any new product can be brought to market. The Group's quality and safety policy is built around four key principles:

- meeting consumer expectations;
- complying with legal obligations and safety requirements;
- maintaining and regularly reviewing assessment standards; and
- ensuring product quality and conformity across the supply chain.

Under the responsibility of the Deputy Chief Executive Officer in charge of Research, Innovation and Technology, the Worldwide Safety Evaluation Department focuses on evaluating the human and environmental safety of raw materials and finished products. It establishes the toxicological profile of ingredients, analyses the risk to consumer health from their use in relevant cosmetic products and finally verifies the tolerance of the formulas before they are marketed, ensuring that they are completely safe for consumers. These safety standards are applied consistently worldwide to ensure the same level of quality across the globe.

The Worldwide Safety Evaluation Department also anticipates regulatory changes by assessing the environmental profiles of raw materials. The ingredients in the Group's catalogue are being reviewed in anticipation of future regulations. At the same time, new substances with unfavourable environmental profiles are excluded from the catalogue.

In addition, an international cosmeto-vigilance network is in place to monitor any adverse effects that arise once a product is on the market and, if necessary, to take the appropriate corrective measures. Staffed by health experts at Group, R&I and science department levels in 100 or so countries, this network is an integrated surveillance system which collects, records, evaluates and processes spontaneous reports of adverse health events observed in relation to products on the market. Reports can be submitted by external stakeholders, particularly consumers and healthcare professionals and authorities. By analysing this health data using scientific methods, L'Oréal is able to:

- confirm that the products marketed are appropriately tolerated;
- if necessary, propose appropriate corrective measures, such as improving tolerance through reformulation, removing or substituting certain ingredients;
- identify certain misuses;
- improve labelling to ensure better use of products (e.g., recommendations for use).

This market surveillance system also meets the regulatory requirements in force in certain countries through dialogue with the competent authorities.

In response to concerns expressed in civil society regarding certain substances and their effects on health and the environment, L'Oréal has adopted a three-pronged approach:

- continuous monitoring of new scientific data;
- close cooperation with the relevant authorities; and
- strict precautions, with ingredients being substituted in the event of a proven or strongly suspected risk.

To give comments or warnings about products, consumers can contact L'Oréal's consumer service team in various ways (mainly by phone, social media or e-mail). The address of each brand's consumer service team is displayed on the products. Contacts are managed at country level based on multi-divisional governance and segmentation by brand. Every contact is treated with care: the consumer service team records the reason for the contact request and seeks to resolve the problem using a decision tree. The team is required to keep the consumer informed of the progress of their case. This information is passed on to the brand managers in the Group's divisions through Voix du Consommateur consumer feedback reports. Requests to analyse certain products are forwarded to the quality coordinator and then to the internal unit concerned. The consumer systematically receives a response from the consumer service team summarising the exchange and the next steps.

4.10.3 Action plan in place

L'Oréal has implemented an ambitious action plan to ensure that its production is safe, based on strict standards and thorough monitoring. Quality requirements cover formula, packaging and process design, as well as compliance during production and distribution. All production facilities are ISO 9001 certified and apply ISO 22716 compliant Good Manufacturing Practices.

These standards also apply to subcontractors under a specific quality charter. Regular and rigorous audits are conducted to improve the Group's visibility over production safety throughout the value chain.

4.11 Transparent labelling and shift towards responsible consumption (S4)

4.11.1 Background

The Group aims to leverage the power of its brands to encourage consumers to adopt a more responsible approach to consumption. Through the development of an industry-wide system for displaying the environmental impact of products, L'Oréal seeks to provide consumers with transparent information on products' environmental performance to help them make informed choices.

4.11.1.1 Material impacts, risks and opportunities related to responsible labelling and consumption

	Description	Sub-topics	Policy	Action plan
I- ST	A lack of transparent and comprehensible information on the impact of products, combined with the risks of greenwashing and limited consumer understanding, could lead to poor choices and the selection of products with greater negative environmental impacts. This lack of transparency could also slow down L'Oréal's internal development of more sustainable products, since it would be hard for consumers to identify and prioritise genuinely eco-friendly options. False claims may also mislead consumers, leading to inappropriate product choices. Lack of advice on how to use products may lead to overuse, wasted water and inappropriate waste disposal.	**Access to high-quality information for consumers**	Research & Innovation and packaging policy EcoBeautyScore Association	Deploying EcoBeautyScore, an industry-wide system for displaying the environmental impact of products
I+ ST/LT	In terms of positive impacts, transparent labelling and simplified choices help consumers make more responsible choices, which benefits both L'Oréal's brand portfolio and the beauty industry as a whole.			
R ST	L'Oréal is exposed to significant financial and reputational risks in the event of a lack of labelling transparency. Misleading labelling practices may lead to prosecution and fines, while an overall lack of transparency could undermine consumer and stakeholder confidence, impacting L'Oréal's sales, attractiveness and overall reputation.			
O MT/LT	The focus on displaying environmental impacts in a transparent and harmonised way represents a real opportunity for L'Oréal. For example, transparent and consistent labelling could lead to a levelling up of practices across the industry, thereby reducing the costs associated with compliance. Open communication about products may reinforce consumer confidence, driving greater loyalty, higher sales and a clear competitive advantage.			

- *IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.*
- *Time horizon: ST = short term; MT = medium term; LT = long term.*

4.11.2 Labelling and responsible consumption policy

L'Oréal's ambition is to accelerate the transformation of the beauty industry by guiding all consumers towards more sustainable products and thereby generate a preference for products with a low environmental impact.

L'Oréal meets consumer expectations in terms of sustainability while anticipating changes in the regulatory landscape. The Group uses scientific approaches to support its environmental communications and aims to ensure greater transparency in its information by adapting to future requirements.

This development is based on two key areas:

- encouraging responsible consumption by offering greater transparency to facilitate consumer choices;
- encouraging environmental product design by reducing the consumption of resources, such as water, and offering a more circular product range with a smaller environmental footprint, based on product life cycle analyses.

This strategy is being headed up by the Corporate Social Responsibility team, which has been tasked with participating in EcoBeautyScore and rolling out this transparent, common labelling system for the beauty industry across the Group's brands.

4.11.3 Action plan in place

In 2021, L'Oréal joined forces with key players in the cosmetics industry to co-found the EcoBeautyScore Consortium, with the shared aim of creating a harmonised environmental labelling system. EcoBeautyScore has members from more than 70 businesses and cosmetics industry stakeholders, representing more than 50% of the global market.

The EcoBeautyScore system aims to provide consumers with a clear, transparent and comparable assessment of cosmetic products' environmental impact. A public consultation carried out in June 2024 highlighted the Association's significant progress, which is structured around four fundamental pillars:

- developing a shared method for scientifically measuring the environmental impact of products throughout their life cycle, in line with European Commission recommendations;
- creating a shared database on the environmental impact of ingredients and raw materials used in formulas and packaging, as well as during product use;
- developing a joint scoring tool to provide a standardised assessment of products' environmental footprint;
- introducing a harmonised scoring system to provide accurate information for consumers about cosmetic products' environmental footprint.

In 2025, the EcoBeautyScore methodology and platform were independently reviewed and verified by E&H, the consultancy arm of the Ecocert group, ensuring compliance with the principles of the European Commission's Product Environmental Footprint (PEF) methodology and ISO 14020/14025 standards. L'Oréal subsequently initiated the digital deployment of EcoBeautyScore on the face care products of the Group's flagship brands, L'Oréal Paris and Garnier, in France and Germany. In line with the EcoBeautyScore's rigorous methodology, all published scores are verified by an independent third party. In 2026, the Group intends to generalise EcoBeautyScore and incorporate new eligible product categories for the entire European market. This strategic expansion is fully in line with L'Oréal's goal of providing transparent and accessible environmental information to consumers.

4.12 Responsible beauty marketing and advertising (S4)

4.12.1 Background

As the world's fourth-largest advertiser, L'Oréal strives to be a catalyst for positive change through marketing and publicity. Creating the beauty that moves the world also means meeting the expectations of more militant consumers, for whom sustainability is a priority, and building trust. It also means transforming representations of beauty by celebrating the full spectrum of desires and aspirations.

L'Oréal wishes to offer innovative routines and promote diversity and inclusion, and strictly respects the codes and charters that guide it in this domain. With this focus on responsibility and transparency, L'Oréal's marketing and advertising campaigns are aimed at encouraging the entire beauty industry to adopt more honest, inclusive and committed practices.

4.12.1.1 Material impacts, risks and opportunities related to responsible marketing and advertising

	Description	Sub-topics	Policy	Action plans
I- ST /MT	L'Oréal's influence on the world of marketing and advertising carries with it an element of social responsibility. Failing to effectively break down stereotypes in its advertising campaigns could contribute to spreading unrealistic and exclusionary beauty standards. This could give rise to self-esteem and mental health problems among certain populations, particularly if they are exposed to messaging of this kind on social media, and could also breach the right to non-discrimination.	**Responsible marketing practices**	Responsible advertising and marketing communications policy	Emphasise responsible content Respect human rights and diversity, equity and inclusion Roll out a child-conscious responsible marketing approach Respect data confidentiality and ethics Using generative artificial intelligence responsibly Promote sustainability
I+ MT /LT	On the other hand, L'Oréal's commitment to responsible marketing practices represents a potential opportunity to make a positive impact in terms of inclusion. The shift towards campaigns that value diversity and represent the whole spectrum of beauty, as well as promoting a positive view of ageing, could contribute to a more inclusive and responsible industry. The Group's commitment to authenticity and to not using artificially generated or retouched images could have a positive impact on consumers' self-esteem and mental health.			

IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.
Time horizon: ST = short term; MT = medium term; LT = long term.

4.12.2 Responsible marketing and advertising policy

L'Oréal strives to act as a responsible company by adopting marketing and advertising practices that comply with laws and regulations in all markets. This ambition is reflected in the Group's responsible advertising and marketing policy, anchored by the Group's Code of Ethics, Human Rights Policy (see section 4.9.2), diversity, equity and inclusion policy (see section 4.7.4.1.1) and Influencer and Content Creator Values Charter.

L'Oréal applies the Consolidated ICC Code of Advertising and Marketing Communication Practice and Cosmetics Europe's Guiding Principles on responsible advertising and marketing communication. The Group also shares best practices with its peers and is a member of several initiatives, including the WFA Planet Pledge, the Global DEI Charter for Change, Ad Net Zero and the Unstereotype Alliance.

L'Oréal's responsible advertising and marketing policy is underpinned by collaborative governance. The Digital & Marketing team oversees the development of the policy, in line with best ethical, social and environmental practices. It is rolled out worldwide and applied consistently by the Divisions and brands. Strategy is overseen by members of the Executive Committee, which ensures that the policy evolves appropriately.

4.12.3 Action plans in place

L'Oréal has put several measures in place to make its marketing and advertising ever more responsible:

To emphasise responsible content, L'Oréal:

- ensures that its advertising is sincere, true, non-misleading and decent, with the minimal use of visual retouching techniques restricted to correct technical issues only;
- ensures that its claims are based on solid, verifiable data;
- applies a vigilant policy to the purchase of advertising space to exclude inappropriate environments (hateful or discriminatory content, etc.);
- undertakes not to denigrate competitors or categories of products;
- ensures that influencers fully disclose their commercial links with L'Oréal to their audience; and
- refrains from using content that mimics protected works or people without permission.

To respect human rights and diversity, equity and inclusion, L'Oréal:

- embeds diversity and inclusion into its advertising, taking into account aspects such as gender, age, socio-economic background, skin colour, body shape, sexual orientation and religion;
- respects human dignity and avoids presenting degrading stereotypes or disrespecting minority communities or those historically excluded or marginalised;
- encourages a fair representation of beauty, by minimising recourse to visual retouching techniques; and
- offers accessible advertising, including subtitles, coded subtitles and transcriptions.

As part of its responsible marketing approach to children, L'Oréal:

- does not target children under the age of 16, except for hygiene, dermatological and sun protection products;
- takes care not to suggest that the use of a product would give a child a social or physical advantage over other children; and
- refrains from partnering with influencers below the legal age to sign a contract, in line with local laws.

To respect data confidentiality and ethics, L'Oréal:

- ensures transparency on how data will be used, and does not use misleading methods; and
- retains personal data for a limited period, allowing users the option to amend or delete their personal data at any time.

To use generative artificial intelligence responsibly, L'Oréal:

- does not use AI-generated human-like models to promote product benefits; and
- complies with legislation on intellectual property and privacy of AI-related data.

To promote sustainability, L'Oréal:

- markets refillable and sustainable products in its advertising, while promoting a more environmentally friendly lifestyle;
- ensures that consumer interest in the environment, or limited knowledge of environmental issues, is not unfairly exploited without full transparency; and
- measures and seeks to reduce the carbon footprint of its advertising, in line with its decarbonisation ambitions as validated by the SBTi.

4.13 Responsible leadership and ethical practices (G1)

4.13.1 Background

Underpinned by the demanding principles set out in its Code of Ethics, L'Oréal has built a solid governance framework that guides each of its employees, managers, senior executives, directors and corporate officers. Beyond simply complying with the laws and regulations in the countries where it operates, L'Oréal strives to apply exemplary ethical standards throughout the world.

Through Speak Up, the Group encourages open and transparent dialogue, where everyone can report any behaviour that runs counter to L'Oréal's values. This ethical framework strengthens L'Oréal's reputation and inspires trust among stakeholders.

4.13.1.1 Material impacts, risks and opportunities related to business conduct

	Description	Sub-topics	Policies	Action plans
R	Responsible and ethical practices, including protection of whistleblowers, fair relationships with suppliers and compliance, are crucial for L'Oréal. Failure to respect these commitments could give rise to financial risks for the company, legal sanctions or damage to its reputation, a deterioration in relationships with suppliers, or a loss of trust among stakeholders.	**Corporate culture** **Protection of whistleblowers**	Ethics policy	Reinforce ethics through compulsory training, a whistleblowing system, internal controls and regular audits
ST /MT		**Management of relationships with suppliers**	Sustainable purchasing policy	Optimise supplier management through transparent communication, ongoing dialogue, compliance with payment deadlines, audits and ongoing support

○ *IRO: I- = negative impact; I+ = positive impact; R = risk; O: opportunity.*
□ *Time horizon: ST = short term; MT = medium term; LT = long term.*

4.13.2 Responsible business conduct policies

True to its Sense of Purpose – "Create the beauty that moves the world" (see section 1.1.1) – and its stringent ethical principles, L'Oréal has developed a strong corporate culture. The Code of Ethics, presented below, formalises these principles and provides a framework for all the Group's activities to develop responsible business conduct.

4.13.2.1 Ethics policy

L'Oréal's development and reputation are underpinned by the essential ethical principles of integrity, respect, courage and transparency. Its ethics policy relies on two main pillars:

- The Code of Ethics, which applies to all employees, members of the Executive Committee and Management Committees and the Group's Directors and corporate officers, guiding them in identifying sensitive situations and appropriate behaviour, through clear rules and concrete examples. Compliance with these principles is taken into account in the assessment of each employee's performance, particularly managers. An ethical dimension is integrated into decision-making through regular dialogue with stakeholders and internal working groups, which reinforces the Group's policies. The Code of Ethics sets out L'Oréal's commitments as a company, an employer and a figure of responsibility.
- Speak Up: introduced in 2008, this internal whistleblowing system can be used by employees and external stakeholders to report concerns or breaches of Group rules in complete confidence, particularly in the areas of human rights, safety, corruption and the environment. Reports can be submitted via a secure, anonymous website, with around-the-clock access and available in 30 languages (www.lorealspeakup.com), or through the network of authorised persons, and are forwarded to the Chief Ethics, Risk and Internal Control Officer. L'Oréal protects whistleblowers, ensures that information remains confidential, and undertakes to conduct an independent and impartial investigation into each report, followed by remediation if necessary.

Governance of the Group's ethical principles is described in the Vigilance Plan in section 3.2.1.

4.13.2.2 Policy for responsible relationships with suppliers

L'Oréal places great store in an ethical and efficient value chain, putting sustainable and mutually beneficial relationships with its suppliers at the heart of its priorities. This policy is formalised in The Way We Work With Our Suppliers, which guides the actions of the Group and its employees. L'Oréal looks to:

- select its suppliers rigorously and fairly, using open and transparent competitive bidding based on objective criteria for assessing areas such as quality, price, innovation and performance in terms of social and environmental responsibility (see section 4.4.2.2 for further details on the supplier selection scorecard);
- nurture a climate of trust and collaboration, by encouraging regular communication, guaranteeing that information exchanged is kept confidential and prohibiting all forms of corruption or favouritism. Suppliers[1] sign the Mutual Ethical Commitment Letter, which sets out requirements in terms of respect for human rights, decent working conditions, environmental protection and business integrity; and
- see that financial commitments are met by paying all suppliers on time, regardless of the category of supplier and according to the agreed terms, pursuant to local legislation and the Group's contractual commitments.

4.13.3 Action plans in place

4.13.3.1 Implementation of the ethics policy

To support the implementation of its ethical principles, L'Oréal's action plan is built on four pillars:

- Raising awareness and training: L'Oréal has made training a central part of its strategy, with a comprehensive programme of compulsory online training for all employees, covering key issues such as ethics, human rights, anti-corruption, competition law, personal data protection and IT security. These training courses target around 60,000 people who are exposed to such risks, with specific modules for the populations at greatest risk. A dedicated training programme for managers is also underway. Each year, L'Oréal organises an Ethics Day to raise awareness and engage in open dialogue with all employees.
- Encouraging the reporting of unethical behaviour: through Speak Up, L'Oréal enables whistleblowers to confidentially report any concerns via a secure website (www.lorealspeakup.com). Employees are informed of the existence of the Speak Up programme, in particular through an e-learning course on ethics and human rights that is available and compulsory for all of the Group's new hires, as well as through awareness-raising initiatives such as Ethics Day. Whistleblowers are protected from retaliation and the reports are subject to thorough review, followed by an impartial internal investigation.
- Monitoring and preventing risks: L'Oréal takes a proactive approach to identifying and managing the risks associated with its operations. Rigorous internal control processes ensure compliance with the law and the Group's ethical standards.
- Auditing and ensuring compliance: the internal audit system ensures compliance with laws, regulations and Group policies, identifying weaknesses and determining any remedial measures to be taken.

(1) *Eligible suppliers represent 100% of the value of purchases for the manufacture of finished products and 90% of the value of other types of purchases.*

4.13.3.2 Action plan for managing relationships with suppliers

L'Oréal implements concrete measures to guarantee the effectiveness of its supplier relationship management policy, based on the following priorities:

- transparent and accessible communication: the guide on The Way We Work With Our Suppliers is readily available to all purchasers, along with tools and training to help them understand and apply the Group's principles;
- ongoing dialogue: L'Oréal encourages regular and open discussions with its suppliers through frequent meetings and dedicated communication platforms to strengthen collaboration;
- monitoring payment times: to ensure that contractual payment terms are respected, L'Oréal has updated its internal tools and purchasing terms and conditions, while closely monitoring "pay on time" payment performance indicators. The Group strives to find amicable solutions to any financial difficulties encountered by its suppliers;
- audits and assessments: L'Oréal assesses its suppliers' compliance with social and environmental requirements through self-assessment questionnaires, risk analyses and audits carried out by independent third parties, as required; and
- support and progress: in addition to monitoring, L'Oréal supports its suppliers in improving their practices. It encourages a collaborative approach with resources and training to help suppliers achieve the required standards.

4.13.4 Outcomes related to payment practices (G1-6)

Key performance indicator	2024	2025
Actual time to pay	45 days	46
Percentage of payments complying with standard payment terms	90%	91%
Number of legal proceedings currently outstanding for late payments	4	2

4.14 Methodological notes

4.14.1 Scope of consolidation[1]

As a general rule, the reporting scope of the Sustainability Report is based on that of the financial statements, subject to specific exceptions described below:

(i) newly acquired companies are included in the reporting scope as soon as they have been consolidated;

(ii) companies accounted for by the equity method are not included in the reporting scope;

(iii) exceptionally, small entities may be excluded from the aforementioned reporting scope if, taken together, they do not represent more than 5% of the Group's sales or total employees. Specific exclusions are described in following section.

L'Oréal reports sustainability data at Group level for all entities over which it has operational control, for applicable ESRS (E1 and E2).

Gradual consolidation of newly acquired companies

Until an entity has been fully integrated into L'Oréal's IT systems, consolidation of its data is done manually and can therefore take longer. For these entities, if the rules on estimates cannot be applied and the cost of reporting is deemed unreasonable in relation to the size of the company, the entity may ask to be exempted from non-financial reporting. This exemption may be granted on a case-by-case basis and be renewed annually. The table below provides details on the exclusion of four entities. The entities concerned by exemptions vary according to the metric categories. Action plans are implemented to ensure data availability and reliability.

Company (region)	Acquisition date	% employees	% units sold
Zhejiang Yesskin (China)	November 2024	0.1%	-
Dr G (South Korea, China)	May 2025	0.2%	0.4%
Color Wow (United States, United Kingdom)	September 2025	0.2%	0.1%
Medik8 (United Kingdom)	September 2025	0.4%	0.4%

(1) L'Oréal's consolidated sustainability report is published in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022.

Change in scope (exits)

Entities or sites sold or closed during the financial year are reported in full up to the date they exit the scope.

Estimates and exclusions

The list of subsidiaries that do not report certain metrics and for which estimates are made, may differ depending on the nature of the metrics in question. The scope of coverage varies according to the category of metric.

Details of data coverage are given in the tables for each topic.

Uncertainties and limitations

Sustainability information has been prepared in connection with the application of Article L. 233-28-4 of the French Commercial Code (*Code de commerce*). The Group made estimates and used certain assumptions that may impact the sustainability information presented. These estimates and assumptions mainly concern the measurement of amounts relating to the value chain (Scope 3). The estimates used by L'Oréal are based on the information available at the date of preparation of the Sustainability Report as detailed in the methodological notes. The following information could not be estimated:

Substances of concern (E2-5): the absence of sector-specific recommendations on data regarding substances of concern related to L'Oréal's activities makes it difficult to publish information comparable with the Company's peers. L'Oréal will work on gathering this information with a view to publishing it in the future, within the limits of that required by law.

Investments associated with the Scope 3 climate transition plan (E1-3): the Group's climate and environmental ambitions are embedded into its strategic plan and its budget plans by each Group entity. This integrated approach means that material investments associated with the climate transition plan cannot be published in isolation, especially as L'Oréal's low eligibility for the Taxonomy Regulation does not reflect the scale of the Group's transformation in terms of climate and environmental issues. L'Oréal will work on estimating these investments with a view to publishing them in the future.

Targets

The absence of a quantified target in the "Outcomes" part of a sub-section of this report indicates that L'Oréal does not define any such target for this topic. It reserves the right to do so at a later date.

4.14.2 Coverage of CSRD metrics

ESRS	Section	CSRD scope		2025 coverage	Exclusions and clarifications
		Scope covered	Type of coverage		
E1-5 – Energy	4.2.5.2	L'Oréal Groupe operated sites[1]	Surface area of sites operated by L'Oréal Groupe	99%	**Exclusion:** Dr G, Color Wow, Medik8 **Estimates:** stores for which L'Oréal does not have a directly-held electricity subscription and administrative and research sites with fewer than 50 employees
E2-5 – Pollution (COD, NMVOC)	4.3.4.1 4.3.4.2	Manufacturing facilities	Units produced	99.9%	**Exclusion:** Medik8 **Estimates for NMVOC:** manufacturing facilities using small quantities of solvent are extrapolated on the basis of facilities monitoring pollution measurements (estimated at 8%)
E2-4 – Pollution (Microplastics) **E2-5 – Pollution (SVHC)**	4.7.4	Ingredients of finished products (including testers, samples and trial sizes) manufactured or subcontracted	Units produced	97%	**Exclusions**: • Manufacturing facility: Kenya • Subcontracting: Pakistan, Argentina, Australia, Korea • Dr G, Color Wow, Medik8 **Included manually:** manufacturing facilities in India
E3-4 – Water	4.4.4.1	L'Oréal Groupe operated sites[1]	Surface area of sites operated by L'Oréal Groupe	99%	**Exclusion:** Dr G, Color Wow, Medik8 (administrative sites) **Estimates:** stores and administrative and research sites with fewer than 50 employees
E3-4 – Water *Water-saving products*	4.5.4.1	Group subsidiaries and brands	Units billed	99%	**Exclusion:** Dr G, Color Wow, Medik8
E4 – *Biodiversity* *Nature*	4.5.4.1	Ingredients of finished products (including testers, samples and trial sizes) manufactured or subcontracted	Units produced	97%	**Exclusions:** • Manufacturing facility: Kenya • Subcontracting: Pakistan, Argentina, Korea, Australia • Dr G, Color Wow, Medik8 **Included manually:** manufacturing facilities in India
E5-4 – Resource inflows (packaging)	4.6.4.1	Primary and secondary packaging for finished products (including testers, samples and trial sizes) manufactured or subcontracted	Units produced	98%	**Exclusions:** • Manufacturing facility: Kenya • Subcontracting: Pakistan, Argentina • Production flows not managed by L'Oréal manufacturing facilities (specific packaging for Travel Retail and additional packaging manufactured locally by subsidiaries) • Aēsop, 3CE, Dr G, Color Wow, Medik8 **Included manually:** manufacturing facilities in India
E5-4 – Resource inflows (packaging intensity)		Primary and secondary packaging of finished products (including testers, samples and trial sizes) manufactured or subcontracted and ingredients of finished products (including testers, samples and trial sizes) manufactured or subcontracted	Units produced	91%	**Exclusions:** • Manufacturing facility: India, Kenya • Subcontracting: Pakistan, Argentina • Production flows not managed by L'Oréal manufacturing facilities (specific packaging for Travel Retail and additional packaging manufactured locally by subsidiaries) • Aēsop, 3CE, Dr G, Color Wow, Medik8

ESRS	Section	CSRD scope		2025 coverage	Exclusions and clarifications
		Scope covered	Type of coverage		
E5-4 – Resource inflows (ingredients)	4.6.4.1	Ingredients of finished products (including testers, samples and trial sizes) manufactured or subcontracted	Units produced	97%	**Exclusions:** • Manufacturing facility: Kenya • Subcontracting: Pakistan, Argentina, Korea, Australia • Dr G, Color Wow, Medik8 **Included manually:** manufacturing facilities in India
E5-5 – Resource outflows (waste)	4.6.4.2	L'Oréal Groupe operated sites(1)	Surface area of sites operated by L'Oréal Groupe	99.9%	**Exclusion:** Dr G, Color Wow, Medik8 **Estimates:** stores and administrative and research sites with fewer than 50 employees **NB:** includes all L'Oréal goods destroyed by suppliers, subcontractors or warehouses/3PLs at the site's request and expense
E5-5 – Resource outflows (packaging)	4.6.4.2	Primary and secondary packaging for finished products (including testers, samples and trial sizes) manufactured or subcontracted	Units produced	98%	**Exclusions:** • Manufacturing facility: Kenya • Subcontracting: Pakistan, Argentina • Production flows not managed by L'Oréal manufacturing facilities (specific packaging for Travel Retail and additional packaging manufactured locally by subsidiaries) • Aēsop, 3CE, Dr G, Color Wow, Medik8 **Included manually:** manufacturing facilities in India
S1-6 – Characteristics of the undertaking's employees	4.8.5.1	Own workforce	Statutory employees	98%	**Exclusions:** Aēsop (non-consolidated entities), Yesskin, Dr G, Color Wow, Medik8 **Included on a proportionate basis:** Luxury of Retail, Centre Thermal de La Roche Posay, Real Campus by L'Oréal (hairstyling and entrepreneurship school)
S1-8 – Collective bargaining coverage and social dialogue	4.8.5.2	Own workforce	Statutory employees in the European Economic Area	99%	
S1-9 – Diversity	4.8.5.3	Own workforce	Statutory employees	98%	
S1-10 – Adequate wages	4.8.5.4	Own workforce	Statutory employees	98%	
S1-12 – Persons with disabilities	4.8.5.5	Own workforce	Statutory employees	98%	
S1-14 – Health and safety	4.8.5.6	L'Oréal Groupe operated sites(1), including sales teams for mobile staff and stores for in-store beauty advisors managed by L'Oréal (employees and non-employees treated as part of the workforce)	Statutory employees	98%	**Exclusions:** Aēsop (non-consolidated entities), Yesskin, Dr G, Color Wow, Medik8
S1-16 – Remuneration	4.8.5.7	Own workforce	Statutory employees	98%	**Exclusions:** Aēsop (non-consolidated entities), Yesskin, Dr G, Color Wow, Medik8, Luxury of Retail, Centre Thermal de La Roche Posay, Real Campus by L'Oréal (hairstyling and entrepreneurship school)
S1-17 – Human rights	4.8.5.8	Employees and non-employees in the workforce	-	99%	Color Wow, Medik8
G1-6 – Payment practices	4.13.2.2	Payments outside the Group	-	99%	**Exclusions:** Aēsop (non-consolidated entities), Dr G, Color Wow, Medik8

(1) Operated sites: operated sites correspond to all Group sites, irrespective of their purpose, except for sites typically with fewer than 50 employees. This includes stores for which L'Oréal has a directly-held electricity subscription. Sub-contracted distribution centres are not considered to be operated by the Group or under its operational control.

4.14.3 Data collection and details of methods used

ESRS E1 – Climate change

L'Oréal for the Future climate objectives (see section 4.2.5.1)

The L'Oréal for the Future objective of achieving 100% renewable energy is calculated on the basis of its operated sites and stores at which L'Oréal directly holds an electricity subscription, excluding estimates for stores and administrative sites with fewer than 50 employees.

The base year (2019) for the climate targets was determined in accordance with the recommendations of the SBTi. This choice corresponds both to the year in which the L'Oréal for the Future programme was launched and to the last fully representative year of activity before the Covid-19 pandemic.

E1-6 – Outcome of the greenhouse gas emissions assessment

Methodological notes

The methodology used is that of the GHG Protocol.

Scope 1 & 2

Activity data Scopes 1 & 2: Scopes 1 & 2 activity data (KWH) comes mainly from the *GRAAL* tool, managed by the Operations Department.

Emissions from the vehicle fleet are based on fuel consumption; where this is not available, emissions can be estimated on the basis of mileage.

For stores, energy consumption is partly collected and partly estimated as follows:

- an annual collection of energy consumption is carried out for stores with electricity subscriptions;
- for other stores: surface areas are taken from the property database (Portfolio); and known consumption for stores for which L'Oréal has a directly-held electricity subscription is used.

Emission factors (EF) for Scope 1 are taken from the databases of the French Environment and Energy Management Agency (ADEME) for fossil fuels (natural gas, fuel oil, etc.), as well as from the Sixth Assessment Report of the IPCC (IPCC AR6), the International Energy Agency (IEA) and the UK's Department for Environment, Food and Rural Affairs (DEFRA). They are updated by the Operations Department in *GRAAL* or in the stores and vehicle fleet calculation tools.

Emission factors (EF) for Scope 2

Market-based method: EFs for the electricity, heat, steam and cooling networks are based on data from utility companies, the IEA, DEFRA and ADEME, and are input manually for each site in the GRAAL internal reporting platform or in the store and vehicle fleet calculation tools.

Location-based method: the location-based EF for electricity is a national EF, based on the country's electricity mix as published by the IEA. Exceptions may be granted for regional or sub-national EFs. They must be published by a competent authority (e.g., the total output emission rates published by eGRID in the US).

Level of uncertainty: for Scopes 1 & 2, the level of uncertainty at Group level is approximately 1% for manufacturing facilities and distribution centres, and 5% for administrative sites and research centres.

Scope 3

This is the sum of the categories relevant to L'Oréal identified by the GHG Protocol and detailed in the GHG Protocol's Corporate Value Chain (Scope 3) accounting and reporting standard.

In 2025, 84% of Scope 3 emissions are calculated on the basis of primary data.

For Scope 3, the level of uncertainty is greater given the volume of data required, such as the EFs used to calculate the CO_2eq emissions of raw materials and packaging over their entire lifecycle, the distances travelled for transportation, the EFs used to calculate emissions linked to business travel, and so on.

The overall carbon impact of the Group's business activities is an essential measurement. In light of its ambitions for combating climate change, L'Oréal strives each year to improve the reliability of these data. The level of uncertainty of the Group's Scope 3 emissions is estimated at between 20% and 30%.

Scope 3 categories	Scopes, calculation methods and tools
1. Products and services purchased	Carbon emissions related to the extraction and production of all materials used for the products manufactured by the Group, and their promotion at points of sale. These emissions include the extraction of materials, their transport to suppliers, and their processing before delivery to L'Oréal production sites. The calculation is based on tonnages of packaging and raw materials, emission factors from Ecoinvent, and specific life cycle assessments (LCA). The carbon emissions for this category also include carbon emissions related to: • services purchased by L'Oréal, for which monetary emission factors are issued by the ADEME Carbon Base; • emissions linked to point-of-sale advertising and accessories (POS), including all stages of the life cycle for which the emission factors are derived from specific LCAs using the in-house EcoDesignCloud tool; • data centres (operated) and clouds (private and public), based on internal data from the Group's IT system, as well as monetary data; • the extraction and production of materials used for the supply chain and the operated sites; • materials used to manufacture the products of partner brands sold via the SalonCentric network in the United States.
2. Capital goods	Carbon emissions related to the manufacture of capital goods acquired or leased by L'Oréal (property, industrial equipment, packaging moulds, IT equipment, leased car fleet). The emission factors used are derived from: ▪ the ADEME Carbon Base: in $kgCO_2eq/€k$ for investments in industrial equipment, in $kgCO_2eq/sq.m.$ for property acquisitions, and in $kgCO_2eq/tonne$ for the manufacture of cars for the leased vehicle fleet; ▪ the EcoInvet database: in $kgCO_2eq/tonne$ for the manufacture of packaging moulds; ▪ the Resilio DB database for ICT (Information and Communication Technology) equipment.
3. Fuel- or energy-related activities (not included in Scopes 1 & 2 emissions)	Carbon emissions related to the extraction, production and transportation of the fuel and energy purchased by L'Oréal and its subcontractors. It also includes losses through electricity distribution. Electricity-related emissions are calculated using the country-specific emission factor (source: IEA). By taking line losses into account, it is possible to calculate emissions related to the total electricity produced: these are estimated using country-specific loss factors (source: World Bank). Upstream energy emissions related to L'Oréal's vehicle fleet are also included in this category, calculated using the emission factor database created by the United Kingdom's Department for Energy Security and Net Zero (DESNZ) and its Department for Business, Energy & Industrial Strategy (DBEIS, formerly DEFRA).
4. Upstream transportation and distribution	CO_2 emissions generated by the transport of products purchased and shipped. This includes the transport flows of finished products (products in L'Oréal factories or subcontracted) and promotional items from the production sites to delivery at the customer's first delivery site. Verified data from the Department for Transport is used. This category also includes emissions resulting from the transport of purchased items (raw materials and packaging components) between suppliers and L'Oréal manufacturing facilities. The emissions calculation uses the amount spent for each category of item and for each mode of transport. This expenditure is then multiplied by the corresponding emission factor ($kgCO_2eq/€k$) from the ADEME Carbon Base.
5. Waste generated by sites	This category covers emissions related to the processing by third parties of production waste and wastewater from facilities operated or owned by L'Oréal. Emissions are calculated using a specific emission factor associated with the material (plastic, metal, glass, etc.) and the treatment process (source: ecoinvent). For wastewater, the rates at which our sites are connected to municipal wastewater treatment plants (WWTPs) are taken into account, as are the greenhouse gas emissions from the deterioration of wastewater and the emissions related to the energy used by wastewater treatment plants.
6. Business travel	This category covers carbon emissions from business travel for all Group employees. These emissions take into account the different modes of transport used (plane, train, car, taxi, etc.). The calculation is based on data collected by travel agencies (mileage, country, mode of transport) and on employees' expense accounts. The emission factors used depend on the mode of transport ($kgCO_2eq/passenger\ km$) and are taken from the UK DESNZ and DBEIS databases, as well as from the ADEME Carbon Base where monetary. *Optional emissions: emissions linked to hotel reservations are calculated but not published, as they are considered optional under the GHG Protocol.*

Scope 3 categories	Scopes, calculation methods and tools
7. Employee commuting	This category includes carbon emissions related to employee commuting from home to the workplace. Emissions are calculated for each country based on the number of employees and statistics from national transport bodies (car, bus, train, underground, bicycle, motorbike, etc.). The emission factors used depend on the mode of transport and the Region (Europe, North America, South America, Asia, Africa) and are taken from the ADEME Carbon Base and the ecoinvent database. *Optional emissions: emissions linked to energy consumption for remote employees are calculated but not published, as they are considered optional under the GHG Protocol.*
8. Upstream leased assets	Not applicable: L'Oréal does not operate any assets that are owned by other entities.
9. Downstream transportation and distribution	This category includes carbon emissions related to transport and distribution of distributor customers (internal estimation method based on a study conducted by the Department of Transport). *Optional emissions: emissions linked to customer travel to the point of sale are calculated but not published, as they are considered optional under the GHG Protocol.*
10. Processing of sold products	Not applicable: production is used directly by the end customer. There is no transformation of intermediate products.
11. Use of sold products	This category includes carbon emissions related to the use of L'Oréal products by consumers. The direct use phase corresponds to emissions related to the use of aerosols (mainly hairsprays and deodorants containing propellant gas). The total quantity of propellant gas in the products L'Oréal sells is multiplied by the associated emission factors (source: IPCC). This category also includes emissions linked to the use of appliances sold (such as the SteamPod straightener), for which the emission factors are derived from specific LCAs carried out by the Augmented beauty team. *Optional emissions: the indirect use phase corresponds to emissions due to the hot water used to rinse off certain products, such as for example shampoos, shower gels and hair dyes. For each type of product that uses water, the quantity of hot water required to rinse it off is defined (source: Afnor French standards agency and L'Oréal publications). Then, for each country where the products are sold, the residential water heating mix and the associated emission factors (source: IEA, ADEME Carbon Base) are used to estimate the amount of CO_2 generated per litre of water used. These emissions are calculated but not published, as they are considered optional under the GHG Protocol.*
12. End-of-life treatment of sold products	Carbon emissions linked to this category correspond to the processing of sold products after use, wastewater treated in water treatment plants and packaging disposal. The primary data are collected from internal databases (raw materials and packaging materials), for which the carbon emissions relating to their end-of-life treatment are then calculated. For packaging, the calculation includes emissions due to the different types of treatment as well as transport linked to collection. The calculation uses internal data from the SPOT tool to estimate the percentage of materials used in packaging that are treated, as well as emission factors from the ecoinvent database by type of material and process. The calculation of carbon emissions for effluents is based on the chemical oxygen demand (COD) of the different products and on statistics regarding treatment in the different countries.
13. Downstream leased assets	Not applicable: L'Oréal does not operate any assets that are owned by other entities.
14. Franchises	Not applicable: as L'Oréal's model of franchised stores is very limited, emissions related to the energy used by these stores are not taken into account.
15. Investing activities	This category includes carbon emissions relating to L'Oréal's investments in 2025, accounted for via the share of L'Oréal's investments in the company or companies in question. The companies concerned are Sanofi, which is equity-accounted, and companies in which L'Oréal invests through the BOLD (Business Opportunities for L'Oréal Development) venture capital fund.

Site-related environmental indicators

The Operations Department is responsible for the environmental metrics for Group sites. Environmental metrics are reported monthly by each entity in the L'Oréal GRAAL consolidation reporting tool, which is available in each country where a L'Oréal subsidiary is located.

E1-5 – Energy

GRAAL output data are reprocessed and supplemented centrally to comply with the CSRD through:

- higher heating value converted to lower heating value (source: ADEME);
- data collection to identify stores with power contracts and their annual consumption;
- estimated electricity consumption for stores for which L'Oréal does not have a directly-held electricity subscription: surface areas are taken from the property database (Portfolio); and known consumption for stores for which L'Oréal has a directly-held power supply agreement is used;
- estimated electricity and gas consumption for L'Oréal's sites with fewer than 50 employees: surface areas are taken from the property database (Portfolio); and known consumption for administrative sites with more than 50 employees is used.

For energy estimates, L'Oréal assumes that 100% of this estimated energy is non-renewable.

E2-5 – Pollution of air and of water

NMVOC: manufacturing facilities using 90% of materials considered to be solvents and materials subject to restrictive legislation have drawn up a Solvent Management Plan (SMP) for 2025, based on consumption figures in 2024. For sites that have not drawn up an SMP in 2025, purchases of raw materials containing solvents are multiplied by the average emission factor of sites with an SMP.

COD: data are taken directly from the GRAAL reporting tool.

E3-4 – Water consumption

Total water consumption indicators are calculated based on monthly meter readings at each L'Oréal site, with the data consolidated using the GRAAL system.

The “recycled water” figure refers to water that has been treated and reintroduced into the company's water system for industrial or domestic use. “Reused water” refers to water that has already been initially used and is reused for another purpose, such as discharges from purified water treatment for product formulation that are then used in industrial processes.

Total water withdrawal in cu.m in "water-stressed areas" is calculated for plants only. Sampling is deferred for plants with a DASH V2 score > 2.6, based on Water Risk Filter indicators (WRF Suite version). The WRF, developed by DEG (Deutsche Investitions- und Entwicklungsgesellschaft mbH) and WWF, enables companies to identify and mitigate their water risks. The DASH V2 score combines the most relevant WRF indicators for the sites (resource depletion, blue water scarcity, reference water stress, drought risk). The >2.6 threshold means medium to high water stress and is a CDP recommendation for criticality, on a scale of 1 to 5. Two additional factories have been included in this scope following this change of method compared to 2024.

E5-5 – Resource outflows (waste)

The GRAAL internal reporting tool is completed each year by three elements:

1. an annual calculation based on cumulative figures to the end of September, in compliance with CSRD requirements: breakdown of waste treatment between hazardous and non-hazardous waste for the Group's manufacturing facilities on a cumulative basis to the end of September. The data collected on this sample (which represents 59% of the Group's waste) are then extrapolated as follows: the breakdown between hazardous and non-hazardous waste for each type of treatment process is applied to the total amount of waste generated annually by the Group;
2. an annual inventory of all L'Oréal products (finished products, semi-finished products, promotional material) destroyed externally by subcontractors at the request and expense of the sites (Affaires Marchés) in each country;
3. an extrapolation of data relating to site surface areas, for stores and administrative sites with fewer than 50 employees, versus known data for the administrative sites covered by the GRAAL reporting tool.

Product-related environmental metrics

The sustainability team reporting to the Packaging and Development Operations Department is responsible for packaging metrics.

The Research and Innovation (R&I) team is responsible for metrics concerning ingredients and raw materials.

E2-4 – Microplastics

L'Oréal assesses the microplastics in the raw materials contained in its formulas produced in accordance with the definition of the restriction on intentionally added microplastics (Annex XVII of the REACH Regulation). Calculations are performed using the raw material specification systems and the quantities used in production to manufacture the formulas. The quantities of raw materials identified as microplastics are added together and correspond to the percentage compared to the total amount of ingredients, which can be found in section 4.6.4.1.

E2-5 – Substances of very high concern

Substances of very high concern are identified in accordance with the REACH Regulation, based on the candidate list of substances drawn up by the European Chemicals Agency (ECHA). The same substance may be classified in several risk classes, which explains why the total quantity of substances of very high concern may be less than the sum of each class. The calculations are made using specification systems for formulas and production quantities. Formulas are broken down by substance to identify quantities of potential substances of very high concern. The reported figures correspond to the percentage of SVHC compared to the total amount of ingredients, which can be found in section 4.6.4.1.

E3 – Water-saving products

The purpose of this metric is to assess L’Oréal’s water-saving solutions in water-stressed markets. It specifically tracks the number and percentage of these markets where L'Oréal has marketed at least one unit of a product or technology designed to save water, for each of the relevant rinse-off product categories distributed in these markets: haircare, hair colour, facial cleansers and bath and shower products. Sales data by product category and details of water-saving products or technologies are taken from financial reporting of the Group.

"Water-saving products and technologies" are L'Oréal innovations designed to reduce water consumption during use. This category includes :

- no-rinse products: formulations that do not require water for removal;
- rinse-off products with improved rinsing: these products use less water than traditional formulations. This performance is rigorously validated by rinsability studies (internal or external) and a comparison with rinsing standards defined by recognised official publications for each type of product;
- products that make it possible to space out water use, thereby helping to save water overall;

- specific water-saving technologies: innovative devices or systems designed to reduce water use.

Water-stressed markets are defined as L'Oréal country subsidiaries with high projected water resource risks up to 2030. This assessment is based on three categories of risk (physical, regulatory and reputational), classified according to the WRF (Water Risk Filter) scores of the World Wide Fund for Nature (WWF), themselves based on data from the Aqueduct Water Risk Atlas of the World Resources Institute.

The WRF indicators are assessed on a scale of 1 to 5. WWF considers scores above 3.4 to be high risk, but recommends that a cautious approach be taken when carrying out assessments, also paying attention to so-called medium risk when the score is 3 or above. L'Oréal has adopted a prudent approach that is relevant to its sector, taking into account the greater materiality of physical risk. A market is therefore considered to be under water stress if it meets at least one of the following criteria: physical risk (BPH) ≥ 3; regulatory risk (BRG) > 3.4: Reputational risk (BRP) > 3.4.

E4 – Ecosystem biodiversity

The metric associated with the land regeneration objective is calculated as follows:

- denominator: the footprint in hectares related to the land cover of 15 priority raw materials (i.e., the surface area used to produce ingredients and packaging items) and the land footprint of the Group's industrial sites;
- numerator: the number of hectares regenerated through biodiversity conservation projects and regenerative farming and sustainable purchasing projects, as well as the number of hectares linked to biodiversity programmes developed in the catchment basins in which the Group's production sites are located.

To assess the Group's agricultural footprint, the volume of ingredients purchased is broken down by country of origin and conversion factors are applied. L'Oréal takes into account the entire footprint of the crop, even if only a portion of it is used.

The published performance is based on data for 2024, due to the time required to collect and consolidate all data.

E5-4 – Outcomes related to resource inflows

The calculations for packaging are based on the packaging and production item specification systems, while the calculations for raw materials are based on the formula specification system. The formulas are broken down into raw materials.

Social metrics

S1 – Own workforce

The Human Relations Department is responsible for indicators and metrics relating to social topics. Most of the data are collected using the "Country reporting" intranet, available in each country where a L'Oréal "subsidiary" is located. This system is input by HR systems (SAP SuccessFactors for employees, All Players for strategic roles and Rembox for monitoring remuneration metrics).

S1-6 – Own workforce

Employee numbers are published in a month-end workforce at 31 December. The scope of this section extends to all L'Oréal employees, including non-active employees (in particular those on long-term sick leave, notice of departure, early retirement, extended unpaid leave), as well as interns and apprentices, who are considered according to their status under local law.

Employee turnover is calculated as the ratio between the number of permanent employees leaving the company during the year (resignations, retirements, mutual agreements, isolated redundancies or redundancy plans, deaths) and the average number of employees over the year (the number of employees at the beginning of the year plus the number at the end of the year), divided by two.

S1-8 – Collective bargaining coverage and social dialogue

L'Oréal publishes the metrics concerned for member countries of the European Economic Area in accordance with the transitional provisions.

S1-9 – Diversity metrics

As an indication, strategic positions are mainly those held by the participants in the Business Review meeting, namely: (i) the positions of members of the Executive Committee including the position of Chief Executive Officer, (ii) the positions of Directors with a direct management link to the Chief Executive Officer, (iii) the positions of Region General Managers, (iv) the positions of Region Division General Managers, (v) the positions of country or cluster General Managers, (vi) the positions of International Brand Directors, (vii) the positions of members of the Management Committees of Divisions, Regions, Corporate Research & Innovation and Functional Departments with a direct management link to the relevant member of the Executive Committee, (viii) the positions of Division General Managers for the United States, China and France markets, (ix) the positions of IT Directors who are members of Region Management Committees, (x) the positions of other members of the Management Committee, of a member of the Executive Committee with the approval of the Chief Executive Officer.

S1-12 – Persons with disabilities

Disability data are based on individual reporting and therefore depend on local legislation and cultures. Some countries do not yet report people with disabilities, as the cultural environment may prevent people from declaring their disability.

S1-13 Training hours

Data on training hours is captured in the SAP SuccessFactors LMS (Learning Management System). When calculating the number of hours of training per employee, employees (CSRD scope) present on 31 December of the year are taken into account.

S1-14 – Health and safety metrics

The Operations Department is responsible for the EHS metrics for Group sites. These are reported monthly by each entity in the GRAAL consolidated reporting tool for safety data, which is available in each country where a L'Oréal subsidiary operates. Health and safety reporting includes manufacturing facilities, internal distribution centres, research centres, administrative sites with more than 50 employees, and all stores and sales teams.

This reporting system allows all data on work-related accidents within the Group to be collected for L'Oréal employees and temporary workers. Data on work-related accidents are categorised, from fatal accidents (also including deaths due to occupational illness) to first aid. L'Oréal includes all accidents, from fatalities to accidents requiring medical treatment (excluding commuting accidents and first response care) in its frequency and severity rate for accidents at work (eTIR) and in its total number of accidents under the CSRD.

The ISO 45001 certifications covering 94% of manufacturing facilities and the corpus of rules (EHS manual and all associated procedures) applicable to the Group's chief executive officers ensure that 100% of employees are covered by the health and safety management system based on legal requirements and/or recognised standards or guidelines.

S1-16 – Remuneration metrics

Gender pay gap

The components of remuneration taken into account are the annualised base salary at 31 December, as well as the variable remuneration received during a given year (bonuses, commission and profit sharing) and any long-term incentive (LTI) plans awarded during that year, as calculated at fair value. One-off bonuses, fixed remuneration, shift premiums, car allocations and overtime are not included. For expatriate employees, L'Oréal takes into account the "home country benchmark salary" and the "home country benchmark bonus", not the remuneration in the host country.

Foreign currencies are converted into euros using the exchange rate at 31 December as set by the Group.

The contracts taken into account in the calculations include apprentices and interns if they are defined as employees under standards applicable to the country. Persons on maternity, parental and long-term sick leave are not included in the calculation.

Due to the high proportion of beauty advisors in the Group's workforce (almost 25%), L'Oréal reports pay gaps for two scopes: one excluding beauty advisors and one covering beauty advisors only. The beauty advisor population, 90% of whom are women, has the lowest pay levels in the Group.

Remuneration ratio

The components of remuneration taken into account are the annualised base salary at 31 December, as well as the variable remuneration received during a given year (bonuses, commission and profit sharing) and any long-term incentive (LTI) plans awarded during that year, as calculated at fair value. One-off bonuses, fixed remuneration, shift premiums, car allocations and overtime are not included. For expatriate employees, L'Oréal takes into account the "home country benchmark salary" and the "home country benchmark bonus", not the remuneration in the host country.

Foreign currencies are converted into euros using the exchange rate at 31 December as set by the Group.

Expatriates are associated with their home region rather than their host region.

A pay gap ratio by Region is also published, combining emerging and mature countries with a similar cost of living into homogeneous groups.

S1-17 – Incidents, complaints and severe human rights impacts

The Ethics, Risks and Internal Control Department is responsible for social metrics relating to (i) reported incidents and complaints of discrimination, including harassment, and (ii) severe human rights incidents connected to the Company's workforce. It works with the Legal and Compliance Department to identify the fines, penalties and compensation for damages as a result of these incidents and complaints.

Number of incidents/complaints: calculations are based on proven reports identified using established procedures (in particular the Speak Up whistleblowing platform).

Fines, penalties and compensation for damages as a result of incidents: L'Oréal includes fines, penalties and compensation for damages levied by a judicial or administrative authority. Any damages awarded as part of individual settlements are not taken into account insofar as they are strictly confidential and relate to disputed allegations (a dispute must exist for a settlement to be reached).

Other metrics

S2/S3 – Human rights in the value chain and affected communities

Adequate wages

L'Oréal defines a list of strategic suppliers representing 80% of Direct Purchasing expenditure and 50% of Indirect Purchasing expenditure. Each year, a survey is sent to enquire whether they pay their employees a living wage, in line with expert recommendations (International Labour Organization and IDH Sustainable Trade Initiative). If this is not the case, the supplier may undertake to follow a time-bound action plan. The percentage published is based on these responses.

Inclusive Sourcing and the Beauty for a Better Life programme

The objective of helping an additional 100,000 people from disadvantaged communities gain access to employment is calculated as the sum of:

- the difference between the number of beneficiaries of Inclusive Sourcing projects in the reporting year and the number of beneficiaries in 2020;
- the number of graduates from the Beauty for a Better Life programme between 2020 and the reporting year. This international programme offers excellent vocational training in the beauty professions, free of charge to women in economically or socially vulnerable situations.

Metrics published in the Introduction to Chapter 4

Brand Societal Engagement Programs

L'Oréal aims to support 10 million people through its brands' social engagement programmes over the period 2025-2030.

The number of beneficiaries of L'Oréal brands' social engagement programmes and the supporting documents are reported by each entity concerned using an internal tool, based on information certified by NGOs and Partners.

Corporate philanthropy programme helping to improve the well-being, empowerment and resilience of 5 million women

L'Oréal aims to enhance the well-being, empowerment and resilience of 5 million women through philanthropic efforts over the period 2025-2030.

The number of women and girls benefiting from the programme is reported by the L'Oréal Fund for Women, based on certificates of authenticity from NGOs and Partners.

GOV-1 – The role of the administrative, management and supervisory bodies

Gender equality ratio: this ratio is calculated based on the list of members of the Board of Directors, excluding Directors representing the employees.

4.15 CSRD Annexes

4.15.1 Incorporation of information by reference (ESRS 2 – BP 2 – 16)

Disclosure requirement or data point	Incorporation by reference	Cross-reference	Incorporated into
ESRS 2/GOV-5 36	Description of risk management and internal controls in relation to sustainability reporting	3.4 Preparation and processing of sustainability information	4.1.3
ESRS 2/SBM-1/40 a iii	Workforce by geographical area	Note 5 in section 5.6 Notes to the consolidated financial statements	4.7.5.1
ESRS 2/SBM-1/40 e	Information on the creation of value for stakeholders	1.3.2 Value chain	4.1.3.3
ESRS 2/SBM-1/42	Description of the business model and value chain	1.3.1 Business model 1.3.2 Value chain	4.1
E1/GOV-3	Description of the sustainability criteria (including climate criteria) used to assess the performance of members of governance bodies	2.4.1.2.1 Remuneration policy applicable to the executive corporate officer 2.4.2.2.2 Annual variable remuneration 2.4.2.2.3 Granting of performance shares	4.1.1
E2-1/14	Description of risk management as part of the policy related to pollution	3.6.4.2 Risks and Applicable Rules to prevent serious adverse impacts on Safety and Health in the workplace and the Environment	4.3.3.2
S1-14/90	Risk assessments via occupational health and safety audits	3.6.5.2 Monitoring compliance with the Vigilance Plan	4.7.2.2.3
S2-4/32d	Monitoring and assessment of the impact of actions on workers' rights (by managing the outcomes of social audits)	3.6.5.2 Monitoring compliance with the Vigilance Plan	4.9.2.1
S2-4/34a	Assessment of key suppliers' social risk management system maturity	3.6.4.1 Risks and Applicable Rules for the prevention of serious violations of Human Rights and Fundamental Freedoms	4.9.2.1
S2-4/36	Transparency on human rights incidents in the value chain	3.6.4.1 Risks and Applicable Rules for the prevention of serious violations of Human Rights and Fundamental Freedoms	4.9.1
G1/GOV-1	Governance of ethical principles	3.2.1 Organisation, environment, controls and surveillance	4.13.2.1

4.15.2 Statement on due diligence (GOV-4)

Core elements of due diligence	Sections in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	4.1.1 Corporate governance: the cornerstone of the Group's transformation
b) Engaging with affected stakeholders in all key steps of the due diligence	4.1.3.2 Importance of continuous stakeholder dialogue
c) Identifying and assessing adverse impacts	4.1.3.1 The Group's double materiality assessment methodology
d) Taking actions to address those adverse impacts	4.1.3.3 Findings of the material topics For each material negative impact, the remediation measures are explained in the second section (policy) and the third section (action plans) of the topic in question.
e) Tracking the effectiveness of these efforts and communicating	4.1.3.3 Findings of the material topics The monitoring of the effectiveness of these efforts is explained in the second section (policy), third section (action plans) and fourth section (quantitative results) of this report.

4.15.3 Disclosure Requirements in ESRS covered by the sustainability statement (ESRS 2 IRO-2 56)

ESRS	Disclosure Requirements	Reference in L'Oréal's sustainability statement
ESRS 2 **General disclosures**	BP-1: General basis for preparation of the sustainability statements	4.14.1. Scope of consolidation
	BP-2: Disclosures in relation to specific circumstances	4.14 Methodological notes
	GOV-1: The role of the administrative, management and supervisory bodies	4.1.1. The composition and diversity of the undertaking's administrative, management and supervisory bodies
	GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	4.1.1. The composition and diversity of the undertaking's administrative, management and supervisory bodies
	GOV-3: Integration of sustainability-related performance in incentive schemes	2.4.1.2.1. Diagram showing the balance between the different components of the target annual remuneration
	GOV-4: Statement on due diligence	4.15.2 Statement on due diligence
	GOV-5: Risk management and internal controls over sustainability reporting	3.4. Preparation and processing of sustainability information
	SBM-1: Strategy, business model and value chain	1.3.1 A value-creating model 1.3.2 Value chain
	SBM-2: Interests and views of stakeholders	4.1.3.2 Importance of continuous stakeholder dialogue
	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	4.1.3.3. Findings of the material topics
	IRO-1: Description of the process to identify and assess material impacts, risks and opportunities	4.1.3.1 Methodology
	IRO-2: Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	4.15.4 List of data points in cross-cutting and topical standards derived from other EU legislation in application of ESRS 2, Appendix B
ESRS E1 **Climate change**	ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes	2.4.1.2.1. Diagram showing the balance between the different components of the target annual remuneration
	ESRS 2 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities	4.2.1 Background
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	4.2.1.1 Material climate-related impacts, risks and opportunities
	E1-1: Transition plan for climate change mitigation	4.2.3 Climate transition plan
	E1-2: Policies related to climate change mitigation and adaptation	4.2.3 Climate transition plan 4.2.4 Climate adaptation plan

ESRS	Disclosure Requirements	Reference in L'Oréal's sustainability statement
	E1-3: Actions and resources in relation to climate change policies	4.2.3 Climate transition plan
		4.2.4 Climate adaptation plan
	E1-4: Targets related to climate change mitigation and adaptation	4.2.5 Climate outcomes
	E1-5: Energy consumption and mix	4.2.5.2 Outcomes for energy consumption and energy mix (E1-5)
	E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions	4.2.5.3 Outcome of the greenhouse gas emissions assessment (E1-6)
	E1-7: GHG removal and mitigation projects financed through carbon credits	4.2.5.4 GHG removals and GHG mitigation projects financed through carbon credits (E1-7)
	E1-8: Internal carbon pricing	Not material for L'Oréal
	E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phased
ESRS E2 Pollution	ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities related to pollution	4.3.1 Background
	E2-1: Pollution-related policies	4.3.2 Pollution-related policies
	E2-2: Actions and resources related to pollution	4.3.3 Action plans in place
	E2-3: Targets related to pollution	4.3.2.1.4 Treating industrial effluent
	E2-4: Pollution of air, water and soil	4.3.4 Pollution-related outcomes
	E2-5: Substances of concern and substances of very high concern	4.3.4 Pollution-related outcomes
	E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities	Phased
ESRS E3 Water resources	ESRS 2 – IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	4.4.1 Background
	E3-1: Policies related to water and marine resources	4.4.2 Water policies
	E3-2: Actions and resources related to water and marine resources	4.4.3 Action plans in place
	E3-3: Targets related to water and marine resources	4.4.4.1 L'Oréal for the Future ambitions for water resources
	E3-4: Water consumption	4.4.4.2 CSRD disclosure requirements relating to water consumption (E3-4)
	E3-5: Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phased
ESRS E4 Biodiversity and ecosystems	ESRS 2 IRO-1: Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	4.5.1.1 Material biodiversity-related impacts, risks and opportunities
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	4.5.1.1 Material biodiversity-related impacts, risks and opportunities
	E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model	N/A
	E4-2: Policies related to biodiversity and ecosystems	4.5.2 Biodiversity policies
	E4-3: Actions and resources related to biodiversity and ecosystems	4.5.3 Action plans in place
	E4-4: Targets related to biodiversity and ecosystems	4.5.4.1 L'Oréal for the Future ambitions for biodiversity
	E4-5: Impact metrics related to change in biodiversity and ecosystems	N/A
	E4-6: Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	Phased

ESRS	Disclosure Requirements	Reference in L'Oréal's sustainability statement
ESRS E5 **Resource use and circular economy**	ESRS 2 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	4.1.3.1 The Group's double materiality assessment methodology
	E5-1: Policies related to resource use and circular economy	4.6.2 Circular economy policies
	E5-2: Actions and resources related to resource use and circular economy	4.6.3 Action plans in place
	E5-3: Targets related to resource use and circular economy	4.6.4.1 L'Oréal for the Future ambitions for the circular economy
	E5-4: Resource inflows	4.6.4.2 Outcomes related to resource inflows (E5-4)
	E5-5: Resource outflows	4.6.4.3 Outcomes related to resource outflows (E5-5)
	E5-6: Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phased
ESRS S1 **Own workforce**	ESRS 2 SBM-2: Interests and views of stakeholders	4.1.3.2 Importance of continuous stakeholder dialogue
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	4.1.3.1 The Group's double materiality assessment methodology
	S1-1: Policies related to own workforce	4.7.2.1 Policies 4.7.3.1 Policies 4.7.4.1 Policies 4.8.2 Personal data protection policy
	S1-2: Processes for engaging with own workers and workers' representatives about impacts	4.7.2.1.1 HR policy in the area of social dialogue, freedom of association and collective bargaining
	S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	4.7.4.1.3 Human rights policy: no violence or harassment in the workplace
	S1-4: Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches	4.7.2.2 Action plans 4.7.3.2 Action plans 4.7.4.2 Action plans 4.8.3 Action plans in place
	S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.7.2.2.3 Ensuring occupational health and safety 4.7.4.2.1 Turning our differences into opportunities
	S1-6: Characteristics of the undertaking's employees	4.7.5.1 Characteristics of the undertaking's employees (S1-6)
	S1-7: Characteristics of non-employee workers in the undertaking's own workforce	Phased
	S1-8: Collective bargaining coverage and social dialogue	4.7.5.2 Collective bargaining coverage and social dialogue (S1-8)
	S1-9: Diversity metrics	4.7.5.3 Diversity metrics (S1-9)
	S1-10: Adequate wages	4.7.5.4 Adequate wages (S1-10)
	S1-11: Social protection	Not material for L'Oréal
	S1-12: Persons with disabilities	4.7.5.5 Persons with disabilities (S1-12)
	S1-13: Training and skills development metrics	4.7.5.6 Training and skills development (S1-13)
	S1-14: Health and safety metrics	4.7.5.7.1 Health and safety metrics required by ESRS S1-14
	S1-15: Work-life balance metrics	Phased
	S1-16: Remuneration metrics (pay gap and total remuneration)	4.7.5.8 Remuneration metrics (S1-16)
	S1-17: Incidents, complaints and severe human rights impacts	4.7.5.9 Incidents, complaints and severe human rights impacts (S1-17)

ESRS	Disclosure Requirements	Reference in L'Oréal's sustainability statement
ESRS S2 **Workers in the value chain**	ESRS 2 SBM-2: Interests and views of stakeholders	4.1.3.2 Importance of continuous stakeholder dialogue
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	4.9.1.1 Material impacts, risks and opportunities related to respect for human rights in the value chain
	S2-1: Policies related to value chain workers	4.9.2 Human rights policies
	S2-2: Processes for engaging with value chain workers about impacts	4.9.3 Action plans in place
	S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns	4.9.3 Action plans in place
	S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	4.9.3 Action plans in place
	S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.9.4.1 L'Oréal for the Future ambitions for human rights 4.9.4.2 L'Oréal for the Future ambitions beyond the value chain
ESRS S3 **Affected communities**	ESRS 2 SBM-2: Interests and views of stakeholders	4.1.3.2 Importance of continuous stakeholder dialogue
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	4.9.1 Background
	S3-1: Policies related to affected communities	4.9.2 Human rights policies
	S3-2: Processes for engaging with affected communities about impacts	4.9.3 Action plans in place
	S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns	4.9.3 Action plans in place
	S3-4: Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	4.9.3 Action plans in place
	S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	4.9.4.1 L'Oréal for the Future ambitions for human rights 4.9.4.2 L'Oréal for the Future ambitions beyond the value chain
ESRS S4 **Consumers and end-users**	ESRS 2 SBM-2: Interests and views of stakeholders	4.1.3.2 Importance of continuous stakeholder dialogue
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	4.8.1.1 Material impacts, risks and opportunities related to privacy and personal data protection 4.10.1.1 Material impacts, risks and opportunities related to product safety 4.11.1.1 Material impacts, risks and opportunities related to responsible labelling and consumption 4.12.1.1 Material impacts, risks and opportunities related to responsible marketing and advertising
	S4-1: Policies related to consumers and end-users	4.8.2 Personal data protection policy 4.10.2 Quality and safety policy 4.11.2 Labelling and responsible consumption policy 4.12.2 Responsible marketing and advertising policy

ESRS	Disclosure Requirements	Reference in L'Oréal's sustainability statement
	S4-2: Processes for engaging with consumers and end-users about impacts	4.8.3 Action plans in place 4.10.3 Action plan in place 4.11.3 Action plans in place 4.12.3 Action plans in place
	S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	4.8.3 Action plans in place 4.10.3 Action plan in place 4.11.3 Action plans in place 4.12.3 Action plans in place
	S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	4.8.2 Personal data protection policy 4.10.2 Quality and safety policy 4.11.2 Labelling and responsible consumption policy 4.12.2 Responsible marketing and advertising policy
	S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	*L'Oréal has not set a quantitative target for this topic*
ESRS G1 **Business conduct**	ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities	4.13.1 Background
	G1-1: Business conduct policies and corporate culture	4.13.2 Responsible business conduct policies
	G1-2: Management of relationships with suppliers	4.13.2.2 Policy for responsible relationships with suppliers
	G1-3: Prevention and detection of corruption and bribery	Not material for L'Oréal
	G1-4: Confirmed incidents of corruption or bribery	Not material for L'Oréal
	G1-5: Political influence and lobbying activities	Not material for L'Oréal
	G1-6: Payment practices	4.13.4 Outcomes related to payment practices (G1-6)

4.15.4 List of datapoints in cross-cutting and topical standards that derive from other EU legislation (ESRS 2 Appendix B)

Disclosure Requirement	Data point	Disclosure	Legislative reference	Section
ESRS 2				
GOV-1	21 (d)	Board's gender diversity	SFDR, Benchmark Regulation reference[1]	4.1.1
GOV-1	21 (e)	Percentage of independent Board members	Benchmark Regulation reference	4.1.1
GOV-4	30	Statement on due diligence	SFDR	4.15.2
SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	SFDR, Pillar 3	Not material for L'Oréal
SBM-1	40 (d) ii	Involvement in activities related to chemical production	SFDR	Not material for L'Oréal
SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	SFDR, Benchmark Regulation reference	Not material for L'Oréal
SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco	Benchmark Regulation reference	Not material for L'Oréal
CLIMATE CHANGE (E1)				
E1-1	14	Transition plan to reach climate neutrality by 2050	EU Climate Law reference	4.2.3
E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks	Pillar 3, Benchmark Regulation reference	Not material for L'Oréal
E1-4	34	GHG emission reduction targets	SFDR, Pillar 3, Benchmark Regulation reference	4.2.3.1
E1-5	37	Energy consumption and mix	SFDR	4.2.5.2
E1-5	38	Energy consumption from fossil sources disaggregated by sources	SFDR	4.2.5.2
E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	4.2.5.2
E1-6	44	Gross Scopes 1, 2 & 3 and Total GHG emissions	SFDR, Pillar 3, Benchmark Regulation reference	4.2.5.3
E1-6	53-55	Gross GHG emissions intensity	SFDR, Pillar 3, Benchmark Regulation reference	4.2.5.3
E1-7	56	GHG removals and carbon credits	EU Climate Law reference	Not material for L'Oréal
E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark Regulation reference	Phased
E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	Pillar 3	Phased
E1-9	66 (c)	Location of significant assets at material physical risk	Pillar 3	Phased
E1-9	67 (c)	Breakdown of the carrying value of real estate assets by energy-efficiency classes	Pillar 3	Phased
E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	Benchmark Regulation reference	Phased
POLLUTION (E2)				
E2-4	28	Quantity of material pollutants from Annex II of the E-PRTR regulation	SFDR	4.3.4

Disclosure Requirement	Data point	Disclosure	Legislative reference	Section
WATER RESOURCES (E3)				
E3-1	9	Water and marine resources	SFDR	4.4.1.1
E3-1	13	Dedicated policy	SFDR	4.4.2
E3-1	14	Sustainable oceans and seas	SFDR	Not material for L'Oréal
E3-4	28 (c)	Total water recycled and reused	SFDR	4.4.4.2
E3-4	29	Total water consumption in cu.m per net sales on own operations	SFDR	4.4.4.2
BIODIVERSITY (E4)				
ESRS 2 – IRO 1 – E4	16 (a) i	List of material sites in own operations: activities negatively affecting biodiversity	SFDR	Not material for L'Oréal
ESRS 2 – IRO 1 – E4	16 (b)	Identification of material negative impacts with regards to land degradation, desertification or soil sealing	SFDR	Not material for L'Oréal
ESRS 2 – IRO 1 – E4	16 (c)	Operations that affect threatened species	SFDR	Not material for L'Oréal
E4	24 (b)	Sustainable land/agriculture practices or policies	SFDR	4.5.2/4.9.2.2
E4	24 (c)	Sustainable oceans/seas practices or policies	SFDR	Not material for L'Oréal
E4	24 (d)	Policies to address deforestation	SFDR	4.5.2/4.9.2.2
RESOURCE USE AND CIRCULAR ECONOMY (E5)				
E5-5	37 (d)	Non-recycled waste	SFDR	4.6.4.2
E5-5	39	Hazardous waste	SFDR	4.6.4.2
E5-5	39	Radioactive waste	SFDR	Not material for L'Oréal
OWN WORKFORCE (S1)				
ESRS 2 – SBM3 – S1	14 (f)	Risk of incidents of forced labour	SFDR	Not material for L'Oréal
ESRS 2 – SBM3 – S1	14 (g)	Risk of incidents of child labour	SFDR	Not material for L'Oréal
S1-1	20	Human rights policy commitments	SFDR	4.7.2.1.1/ 4.7.4.1.3
S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	Benchmark Regulation reference	4.7.2.1.1
S1-1	22	Processes and measures for preventing trafficking in human beings	SFDR	Not material for L'Oréal
S1-1	23	Workplace accident prevention policy or management system	SFDR	4.7.2.1.3/ 4.7.2.2.3
S1-3	32 (c)	Availability of a grievance/complaints handling mechanism	SFDR	4.7.1.2/4.13.2
S1-14	88 b-c	Number of fatalities and number and rate of work-related accidents	SFDR, Benchmark Regulation reference	4.7.5.7.1
S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	SFDR	4.7.5.7.1
S1-16	97 (a)	Unadjusted gender pay gap	SFDR, Benchmark Regulation reference	4.7.5.8
S1-16	97 (b)	Excessive CEO pay ratio	SFDR	4.7.5.8
S1-17	103 (a)	Incidents of discrimination	SFDR	4.7.5.9
S1-17	104	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, Benchmark Regulation reference	4.7.5.9

Disclosure Requirement	Data point	Disclosure	Legislative reference	Section
WORKERS IN THE VALUE CHAIN (S2)				
ESRS 2 – SBM3 – S2	11	Significant risk of child labour or forced labour in the value chain	SFDR	4.1.3.2/4.9.1.1
S2-1	17	Human rights policy commitments	SFDR	4.9.2.1
S2-1	17	Policies related to value chain workers	SFDR	4.9.2.1
S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, Benchmark Regulation reference	4.9.2.1
S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	Benchmark Regulation reference	4.9.2.1
S2-4	36	Human rights issues and incidents connected to the upstream and downstream value chain	SFDR	3.6.4.1
AFFECTED COMMUNITIES (S3)				
S3-1	16	Human rights policy commitments	SFDR	4.9.2.1
S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles and/or OECD guidelines	SFDR, Benchmark Regulation reference	4.9.2.1
S3-4	36	Human rights issues and incidents	SFDR	N/A
CONSUMERS AND END-USERS (S4)				
S4-1	16	Policies related to consumers and end-users	SFDR	4.8.2/ 4.10.2/ 4.11.2/ 4.12.2
S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR, Benchmark Regulation reference	N/A
S4-4	35	Human rights issues and incidents	SFDR	N/A
BUSINESS CONDUCT (G1)				
G1-1	10	United Nations Convention against Corruption	SFDR	Not material for L'Oréal
G1-1	10 (d)	Protection of whistleblowers	SFDR	4.13.2.1/ 4.13.3.1
G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR, Benchmark Regulation reference	Not material for L'Oréal
G1-4	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	Not material for L'Oréal

(1) Delegated Regulation (EU) 2020/1816, Annex II.

4.16 Issuance of a sustainability-linked bond

The Sustainability-Linked Bond (SLB) issued by the Group on 29 March 2022 fell due in 2025. This fixed-rate issue, which has a maturity of four years and three months and amounts to €1,250 million, is accompanied by a coupon of 0.875% per year. It is aligned with the Group's Sustainability-Linked Financing Framework, which covers all financial instruments with characteristics that are linked to the sustainability objectives.

The bond was established with reference to the 2020 SLB Principles as defined by the International Capital Market Association. The Group's Sustainability-Linked Financing Framework was independently assessed by Sustainalytics, an organisation that evaluates the sustainability of listed companies, which noted contributions to three of the United Nations Sustainable Development Goals.

Performance objectives	At 31 Dec. 2025		Status
KPI 1a: All L'Oréal operated sites will achieve 100% renewable energy (formerly known as "carbon neutral") by 31 December 2025[1]		96%	Not achieved
KPI 1b: Greenhouse gas emissions (Scopes 1, 2 & 3) on a "cradle-to-shelf" scope will be reduced by 14% per product sold by 2025 compared to the 2021 base year[2]	published -5%	comparable -10%	Not achieved
KPI 2: By 2025, 50% of the Group's plastic packaging will be recycled or biobased[3]		50%	Achieved

(1) Sites operated by the Group, excluding site safety and security equipment. A site must meet the following criteria: Direct CO_2 (Scope 1) = 0, with the specific exception of the gas used for catering, the fuel oil used for sprinkler tests, the fuel oil (or diesel) used temporarily by backup units, fossil energy consumed during maintenance of on-site renewable facilities and cooling gas leaks if they are lower than 130 tonnes CO_2eq/year; and indirect market-based CO_2 (Scope 2) = 0.

(2) Excludes Aēsop brand products.

(3) This indicator covers primary, secondary and tertiary packaging. The performance of 50.14% has been rounded down to 50%.

Notes on methodology

- KPI 1a: at 31 December 2025, L'Oréal confirmed that it had achieved the objective of its L'Oréal for the Future sustainability programme, with 100% of the sites operated by the Group (factories, distribution centres, research centres and administrative sites), as well as all free-standing stores, now using renewable energy. However, KPI 1a associated with the SLB bond issue includes an additional methodological requirement on Scopes 1 and 2. For a site to secure the "Achieved" classification under the terms of the Prospectus Regulation, fugitive emissions from refrigerant gases must not exceed a strict technical threshold of 130 tCO_2e per year per site. Although the transition to renewable energies was completed for the entire scope in 2025, six sites recorded fugitive emissions in excess of this threshold of 130 tCO_2e. As a result, and in line with the strict contractual methodology, KPI 1a is not considered to have been achieved for the 2025 financial year. This situation illustrates the Group's high standards in terms of the criteria adopted, which combine a full energy transition (100% renewable energies achieved this year) with measured residual technical emissions. The Group continues to carry out preventive maintenance and to replace its air conditioning and industrial refrigeration systems with refrigerant gases that have a lower carbon impact.
- KPI 1b published data: the Group has reduced its greenhouse gas emissions intensity by 5% compared with the baseline published in the terms and conditions of the prospectus.
- For reference: KPI 1b comparable data: by way of comparison, the Group reported a 10.0% reduction in the intensity of its greenhouse gas emissions per product sold, relative to the restated 2021 baseline. This comparable figure was calculated based on detailed inventory data for 2019. 2019 is the official baseline for the Group's decarbonisation goals and represents the most robust and granular source of data allowing a consistent and comparable analysis of performance over the long term. This methodological adjustment ensures that the SLB measure is in line with the Group's climate reporting standards. This reduction was driven by the implementation of concrete decarbonisation measures, in particular product environmental design (selection of raw materials with less impact, more circular packaging), the widespread use of renewable energies at our sites and the increased use of logistics solutions with lower carbon emissions. Despite this genuine progress towards net zero, the Group missed its 14% reduction target. This is mainly due to changes in the product mix and the pace at which reduction levers were put in place by certain suppliers and logistics service providers.
- KPI 2: the objective to source 50% of all plastics used in product packaging either from recycled or biobased sources has been achieved, with a consolidated percentage of 50.14% at 31 December 2025. It should be noted that this KPI focuses exclusively on plastic materials and includes all primary, secondary and tertiary packaging (transport equipment). It should be noted that this methodology differs from that of the "L'Oréal for the Future" programme, whose overall targets for packaging do not include tertiary packaging but cover all materials (plastics, glass, cardboard, etc.) used in primary and secondary packaging.

4.17 Glossary of acronyms and initialisms used in the Sustainability Report

ACA: Conditional grants of shares (ACAs)

ASD: Action for Sustainable Derivatives (sustainable palm oil initiative)

BAC: Biobased, derived from abundant materials or from circular processes

B4B+: Business for Positive Biodiversity

BRGM: Bureau de recherches géologiques et minières (French geological and mining research bureau)

CAFFCI: China Association of Fragrance Flavour and Cosmetic Industries

CapEx: Capital expenditure

CDP: Carbon Disclosure Project, a non-profit organisation that provides an environmental reporting framework for the private and public sectors

CEMS: Community of European Management Schools and International Companies

CFC: Chlorofluorocarbons

CHERIE: Checklist for the harmonisation of fire and explosion risk assessments

CIF: Circular Innovation Fund

CIRAIG: International reference centre for the life cycle of products, processes and services

NMVOC: Non-Methane Volatile Organic Compounds

CPGS: Corporate Procurement Guideline for Suppliers

CRHR: Human Resources and Remuneration Committee

CSRD: Corporate Sustainability Reporting Directive

CSDDD: Corporate Sustainability Due Diligence Directive

CTPA: Cosmetic, Toiletry & Perfumery Association

COD: Chemical Oxygen Demand

DNSH: Do No Significant Harm

EEA: European Economic Area

EDGE: Economic Dividends for Gender Equality

EHS: Environment, Health and Safety

E-PRTR: European Pollutant Release and Transfer Register

ERGO: EndocRine Guideline Optimisation

ESG: Environmental, Social and Governance

ESRS: European Sustainability Reporting Standards

EF: Emission factors

FEATS: French Endocrine-related Adverse effects Testing Strategy

FEBEA: Fédération des Entreprises de la Beauté (French federation of beauty companies)

FINFLUENCERS: financial influencers, financial content creators

FLA: Fair Labor Association

FPIC: Free, Prior and Informed Consent

FSC: Forest Stewardship Council

GEEIS: Gender Equality European International Standard

GHG: Greenhouse gases

GHAP: Global Hazard Analysis Process

IPCC: Intergovernmental Panel on Climate Change

GRAAL: Global Reporting And Analysis for L'Oréal (internal reporting tool)

GW: Goodwill

HESI: Health and Environmental Sciences Institute

HDI: The Sustainable Trade Initiative

IFRS 16: International Financial Reporting Standard 16, Leases

IP Proterra: Proterra International Procurement Program

INRAE: French National Research Institute for Agriculture, Food and the Environment

IUCN: International Union for Conservation of Nature

LGPD: Brazilian general law on the protection of personal data

LIM: L'Oréal Incident Management

LIFE: Life-changing Incidents or Fatality Events

MECL: Mutual Ethical Commitment Letter

MESUR: French synonym for manage efficiently using recognition and realignment

MSA.ha: Mean Species Abundance per hectare (a measure of biodiversity loss)

NACE: Statistical classification of economic activities in the European Community

OECD: Organisation for Economic Co-operation and Development

ILO: International Labour Organization

NGO: Non-Governmental Organisation

OP2B: One Planet Business for Biodiversity

OpEx: Operating expenditure

OPTICIP: OPTImisation Cleaning In Place (method for cleaning industrial equipment)

PEFC: Programme for the Endorsement of Forest Certification schemes

PESTEL: Political, Economic, Social, Technological, Environmental, and Legal (analysis of macro-environmental factors)

SMP: Solvent Management Plan

PIPL: Personal Information Protection Law (China)

POS advertising: Point-of-sale advertising

POS1: Point-of-sale advertising of other liquid-based products (e.g., samples, testers or trial sizes)

POS2: Point-of-sale advertising of other liquid-free products (e.g., displays or posters)

PSF: Platform for Sustainable Finance

PSM: Process Safety Management

R&I: Research and Innovation

RCP: Representative Concentration Pathways (scenarios for changes in greenhouse gas concentrations)

EPR: Extended Producer Responsibility

GDPR: General Data Protection Regulation

HR: Human Relations

RSPO: Roundtable on Sustainable Palm Oil

RTRS: Round Table on Responsible Soy Association

SA 8000: Social Accountability 8000 (international standard for social responsibility)

SAC: Safety Awareness Communication

SBTi: Science Based Targets initiative (for reducing emissions)

SCAN index: Sustainability Consortium Assessment index

SFDR: Sustainable Finance Disclosure Regulation

SHAP: Site Hazard Analysis Process

SIO: Safety Improvement Opportunity

SOC: Substances Of Concern

SPOT: Sustainable Product Optimisation Tool

STAR*:* Species Threat Abatement and Recovery (biodiversity metric)

SVHC: Substances of Very High Concern

TCFD: Task Force on Climate-related Financial Disclosures

LTIR: Lost Time Injury Rate (for accidents)

eTIR*:* Enlarged Total Incident Rate (number of accidents with and without lost time for L'Oréal employees and temporary workers, per million hours worked)

TNFD: Taskforce on Nature-related Financial Disclosures

UNGP: United Nations Guiding Principles on business and human rights

VIE: French international business internship

WFA: World Federation of Advertisers

WPS: Worldwide Profit Sharing

4.18 Statutory Auditors' report on the Sustainability Report

This is a free translation into English of the report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2025

To the Annual General Meeting of L'Oréal,

This report is issued in our capacity as statutory auditors of L'Oréal. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2025 and included in section 4 of the universal registration document (hereafter the "Sustainability Report").

Our procedures, which relate to this information, have been performed in an evolving context characterized by uncertainties regarding the interpretation of the laws and regulations, and the development of established practices.

Pursuant to Article L. 233-28-4 of the French Commercial Code, L'Oréal is required to include the above-mentioned information in a separate section of its management report.

This information enables an understanding of the impact of the activity of the Group on sustainability matters, as well as the way in which these matters influence the development of the business of the Group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L. 821-54 paragraph II of the aforementioned Code, our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the requirements set out in the sustainability reporting standards adopted by the European Commission pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by L'Oréal to determine the information reported, including, where applicable, the obligation to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code;
- compliance of the sustainability information included in the Sustainability Report with the provisions of Article L. 233-28-4 of the French Commercial Code, including the ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on *Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852*.

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided byL'Oréal in the management report, we have included an emphasis of matter(s) paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

This engagement does not provide guarantee regarding the viability or the quality of the management of L'Oréal, in particular it does not provide an assessment of the relevance of the choices made by L'Oréal in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

Furthermore, as forward-looking information is inherently uncertain, actual future outcomes may differ, sometimes significantly, from the forward-looking information presented in the management report.

Our engagement does, however, allow us to express conclusions regarding the Entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement

might make.

Sustainability information and the information required under Article 8 of Regulation (EU) 2020/852 may be subject to inherent uncertainty arising from the state of scientific knowledge and from the quality of the external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates applied in preparing it and presented in the management report.

Compliance with the requirements set out in the ESRS of the process implemented by L'Oréal to determine the information reported, including the obligation to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by L'Oréal, including the obligation to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code, has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities that led to the publication of sustainability information in the Sustainability Report;
- the information provided on this process also complies with the ESRS.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by L'Oréal with the ESRS.

Elements that received particular attention

Information relating to the way L'Oréal is updating its double materiality assessment ("DMA") is mentioned in section 4.1.3 "Double materiality assessment: mapping impacts, risks and opportunities" of the Sustainability Report.

We have, through interviews with Management and with those individuals we considered appropriate, and by inspecting the available documentation, obtained an understanding of:

- the analyses carried out by L'Oréal, in particular the assessment of internal and external factors considered to justify the absence of a revision of the DMA process.
- Based on our professional judgment, our procedures consisted primarily of:
- exercising professional scepticism regarding the approach taken by L'Oréal to identify the internal and external factors to be considered during its DMA process;
- assessing the appropriateness of the internal and external factors considered by L'Oréal with regard to our knowledge of L'Oréal;
- assessing the appropriateness of the description given in section 4.1.3.1 "Methodology" of the Sustainability Report.

Compliance of the sustainability information included in the Sustainability Report with the provisions of Article L. 233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in the Sustainability Report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by L'Oréal for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, this information does not contain any material errors, omissions, inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions, inconsistencies regarding the compliance of the sustainability information included in the Sustainability Report with the provisions of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Elements that received particular attention

Information provided in application of environmental standard ESRS E1

The information published in respect of climate change (ESRS E1) is mentioned in section 4.2 of the Sustainability Report.

We present hereafter the elements that have been the subject of particular attention on our part concerning the compliance of this information with the ESRS.

On the basis of interviews conducted with the climate, sustainability and finance departments, we have assessed whether the description of the policies, actions and targets implemented by L'Oréal covers the following areas: climate change mitigation and adaptation.

With regard to the information presented by L'Oréal concerning its greenhouse gas emissions inventory:

- we obtained an understanding of the greenhouse gas inventory protocol used by L'Oréal and assessed its application methods, for a selection of emission categories and sites, for scopes 1 and 2;
- with regard to scope 3 emissions, we assessed:
  - the justification for the inclusion and exclusion of the various categories, and the transparency of the information provided in this respect;
  - the information collecting process.
- we assessed the appropriateness of the emission factors used and the calculation of the related conversions, as well as the calculation and extrapolation assumptions made for the estimates used by L'Oréal;
- for directly measurable data, such as energy consumption linked to scopes 1 and 2 emissions, we reconciled, on the basis of tests, the underlying data used to calculate greenhouse gas emissions with the supporting documents.

With regard to the verification procedures relating to the climate change mitigation transition plan, our work mainly consisted in assessing whether the information published provides an appropriate description of the structuring assumptions underlying this plan, it being specified that we are not required to express a conclusion on the appropriateness or the level of ambition of the objectives of this transition plan.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by L'Oréal to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions, inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions, inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We have determined that there are no such elements to include in our report.

Paris-La Défense, March 9, 2026

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG Audit
David Dupont-Noel	Catherine Saire	Céline Eydieu-Boutté

4.19 Statutory Auditors' report on the Sustainability Linked bond

This is a translation into English of one of the statutory auditors' report on the ESG key performance indicators presented in section 4.16 of the Universal registration Document for the year ended December 31, 2025 of the Company issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law, the professional guidance issued by the French Institute of statutory auditors (Compagnie Nationale des Commissaires aux Comptes "CNCC") applicable to such engagement and International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

Limited assurance report[1] from one of the Statutory Auditors on the ESG key performance indicators presented in section 4.16 of the Universal registration document for the year ended December 31, 2025

To the President of the Board of L'Oréal,

In our capacity as Statutory Auditor of L'Oréal (hereinafter the "Company"), appointed as External Verifier under the Bond Prospectus entered into between the Company and the Bondholders, relating to the issue, on 29 March 2022, of Sustainability-Linked Bonds in an aggregate principal amount of €1,250,000,000, bearing interest at a rate of 0.875% per annum and maturing on 29 June 2026 (hereinafter the "SLB"), we have undertaken a limited assurance engagement on the ESG key performance indicators, together with the related explanatory notes, for the year ended December 31, 2025 (hereinafter the "ESG KPIs"), presented in Section 4.16 of the Universal registration document (hereinafter the "URD") and prepared in accordance with the Sustainability-Linked Financing Framework.

A summary of these ESG KPIs, extracted from Section 4.16 of the URD, is set out below:

Performance objectives	At 31/12/2025	Statuts
KPI 1a: All L'Oréal operated sites will achieve 100% renewable energy (formerly known as "carbon neutral") by 31 December 2025 (1)	96%	Not achieved
KPI 1b: Greenhouse gas emissions (Scopes 1, 2 & 3) on a "cradle-to-shelf" scope will be reduced by 14% per product sold by 2025 compared to the 2021 base year (2)	-5%	Not achieved
KPI 2: By 2025, 50% of the Group's plastic packaging will be recycled or biobased (3)	50%	Achieved

(1) Sites operated by the Group, excluding site safety and security equipment. A site must meet the following criteria: Direct CO_2 (Scope 1) = 0, with the specific exception of the gas used for catering, the fuel oil used for sprinkler tests, the fuel oil (or diesel) used temporarily by backup units, fossil energy consumed during maintenance of on-site renewable facilities and cooling gas leaks if they are lower than 130 metric tonnes CO_2eq/year; and indirect market-based CO_2 (Scope 2) = 0.

(2) Excludes Aēsop brand products.

(3) This indicator covers primary, secondary and tertiary packaging. The performance of 50.14% has been rounded down to 50%.

Our assurance does not extend to information in respect of earlier periods or to any other information not included in the ESG KPIs.

Our Limited Assurance Conclusion

Based on the procedures we have performed, as described in the section "*Summary of the work we performed as the basis for our assurance conclusion*", and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's ESG KPIs, including in particular the statement as to whether or not the Sustainability Performance Targets have been achieved, as presented in the "Status" column of the table in Section 4.16 of the URD, for the year ended December 31, 2025, have not been prepared, in all material respects, in accordance with the Sustainability-Linked Financing Framework.

We do not express an assurance conclusion on information in respect of earlier periods not covered in the ESG KPIs or on any other information not included in the ESG KPIs.

Understanding how the Company has Prepared the ESG KPIs

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the ESG KPIs allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the ESG KPIs need to be read and understood taking into account the Sustainability-Linked Financing Framework used by the Company to prepare the ESG KPIs.

(1) This report also includes the information required for the purposes of the SPT Verification Assurance Certificate as defined in the Bond Prospectus issued by the Company.

Inherent Limitations in Preparing the ESG KPIs

The ESG KPIs may be subject to inherent uncertainty because of the state of scientific and economic knowledge and the quality of external data used.

In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Moreover, some information is sensitive to the choice of methodology and the assumptions and/or estimates used for its preparation and presented in the Sustainability-Linked Financing Framework.

Company's Responsibilities

Management of the Company is responsible for:

- Selecting or establishing the Sustainability-Linked Financing Framework and the appropriate procedures for preparing the ESG KPIs;
- Preparing the ESG KPIs in accordance with the SLB, which is the Framework used;
- Designing, implementing, and maintaining internal control over information relevant to the preparation of the ESG KPIs that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the ESG KPIs are prepared, in all material respects, in accordance with the Sustainability-Linked Financing Framework ;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of the Company.

As we are engaged to form an independent conclusion on the ESG KPIs as prepared by management, we are not permitted to be involved in the preparation of the ESG KPIs as doing so may compromise our independence.

We have no responsibility for:

- Assessing the relevance, robustness and reliability of the ESG KPIs, the rationale and level of ambition of the proposed Sustainability Performance Targets, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy and/or policies outlined to achieve them, based on scenario analyses, where relevant;
- Challenging the assumptions of the Company's management and, in particular, we give no interpretation on the SLB;
- Commenting on the consequences of any potential non-compliance with the conditions set out in the SLB;
- Assessing the forward-looking information and the ability of the Company to reach the Sustainability Performance Targets set out in the SLB agreement.

Our work, undertaken in the context of this limited assurance report on the ESG KPIs presented in Section 4.16 of the Company's URD, should not be taken to supplant any inquiries or procedures that Financial Institutions parties to the SLB would undertake in the context of the SLB and we make no representations regarding the sufficiency of the procedures we performed for their purposes.

Professional Standards Applied

We performed our limited assurance engagement in accordance with the professional guidance issued by the French Institute of statutory auditors (*Compagnie Nationale des Commissaires aux Comptes "CNCC"*) applicable to such engagement and International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the French Code of Ethics for statutory auditors (*Code de Déontologie*) as well as the provisions set forth in Article L.821-28 of the French Commercial Code (*Code de Commerce*) and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

In addition, our firm applies International Standard on Quality Management 1 and accordingly we have implemented a quality management system including documented policies and procedures regarding compliance with legal and regulatory requirements, ethical requirements, professional standards and French professional guidance.

Our work was carried out by an independent and multidisciplinary team with experience in sustainability reporting and assurance.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We planned and performed our work to address the areas where we have identified that a material misstatement of the ESG KPIs is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the ESG KPIs, we:

- Obtained an understanding of the circumstances in which the SLB is issued;
- Obtained an understanding of the signed issuance contract, any amendments thereto, the Sustainability-Linked Financing Framework (in particular the list of key performance indicators, the methodology used to determine the indicators, the scope retained to calculate the key performance indicators, etc.) and the characteristics of the SLB;
- Obtained an understanding of the SLB pre-issuance Second Party Opinion;
- Assessed the consistency of the key performance indicators and calculation methods with the information published in the Sustainability Report;
- Assessed the suitability of the criteria used by the Company to prepare the ESG KPIs regarding the calculation methods, i.e. the Sustainability-Linked Financing Framework, with regard to their relevance, completeness, reliability, neutrality and understandability, taking into account, where applicable, best industry practice;
- Obtained an understanding of the Company's internal control relevant to the preparation of the ESG KPIs, however we did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Assessed whether the Company's methods for developing estimates are appropriate and, where applicable, assessed the relevance of changes in methods and assumptions, and whether they have been consistently applied, however our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates;
- Performed analytical procedures that may, in particular, enable us to identify unusual fluctuations, and request explanations from management concerning the unusual items identified;
- For each ESG KPIs:
  - Assessed the compliance of the calculation methods applied with those described in the Sustainability-Linked Financing Framework;
  - Verified the arithmetical accuracy of the calculations used to establish the ESG KPIs;
  - Verified, on a sample basis and using other selection methods, the consistency of the underlying data with the supporting documentation;
- Inquired from management about the existence of any events subsequent to the closing date that could have an impact on the ESG KPIs, which is subject to the verification, or the presentation of this information in Section 4.16 of the Company's URD.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement carried out in accordance with the professional standards of the *Compagnie Nationale des Commissaires aux Comptes "CNCC"* and International Standard on Assurance Engagements 3000 (Revised). Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Paris La-Défense, March 17, 2026

Deloitte & Associés

David Dupont-Noel
Partner Audit

Catherine Saire
Partner Sustainability

2025 Consolidated Financial Statements AFR

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AFR *This information is an integral part of the Annual Financial Report.*
CSRD *Sections containing information from the Sustainability Report.*

L'Oréal S.A. is a French company, with its head office in France. It acts as a holding company and provides strategic coordination, particularly for brands, as well as R&I and Tech coordination for the L'Oréal Groupe throughout the world. At the same time, it performed a sales activity until this activity was subsidiarised on 1 July 2023 to the companies L'Oréal France and L'Oréal International Distribution, as approved by the Annual General Meeting of 21 April 2023 in its 19th and 20th resolutions.

The subsidiaries operate the Group's business activities in the countries or region(s) in which they are located, on the domestic or the export markets. To do so, they define the development strategy specific to their market(s), make the most suitable choices in terms of consumer targets and distribution channels, and manufacture, directly or indirectly, and market the brands they decide to sell on their market(s).

Almost all of the subsidiaries are owned by L'Oréal S.A. which has a holding or control percentage equal or close to 100%.

The financial statements set out in this chapter present the results of the L'Oréal Groupe as a whole, including all subsidiaries.

The Statutory Auditors' report on the consolidated financial statements can be found at the end of this chapter.

5.1 Compared Consolidated Income Statements

€ millions	Notes	2025	2024	2023
Net sales	**3.1**	**44,052.0**	**43,486.8**	**41,182.5**
Cost of sales		(11,313.4)	(11,227.0)	(10,767.0)
Gross profit		**32,738.6**	**32,259.8**	**30,415.5**
Research & Innovation expenses		(1,380.6)	(1,354.7)	(1,288.9)
Advertising and promotion expenses		(14,177.8)	(14,008.9)	(13,356.6)
Selling, general and administrative expenses		(8,288.3)	(8,208.7)	(7,626.7)
Operating profit	**3.1**	**8,891.9**	**8,687.5**	**8,143.3**
Other income and expenses	4	(505.4)	(437.7)	(449.9)
Operational profit		**8,386.5**	**8,249.8**	**7,693.4**
Finance costs on gross debt		(365.8)	(373.4)	(226.7)
Finance income on cash and cash equivalents		167.7	148.7	162.1
Finance costs on net debt		**(198.1)**	**(224.7)**	**(64.6)**
Other financial income and expenses	9.4	(38.0)	(39.8)	(51.5)
Dividends received		351.9	447.6	423.6
Profit before tax and associates		**8,502.2**	**8,432.9**	**8,001.0**
Income tax	6	(2,363.1)	(2,015.1)	(1,810.6)
Share of profit in associates		(5.5)	(1.3)	0.2
Net profit		**6,133.7**	**6,416.5**	**6,190.5**
Attributable to:				
• owners of the Company		6,127.2	6,408.7	6,184.0
• non-controlling interests		6.5	7.8	6.5
Earnings per share attributable to owners of the Company *(euros)*	11.4	11.48	11.99	11.55
Diluted earnings per share attributable to owners of the Company *(euros)*	11.4	11.44	11.95	11.52
Earnings per share attributable to owners of the Company, excluding non-recurring items (euros)	11.4	12.75	12.70	12.11
Diluted earnings per share attributable to owners of the Company, excluding non-recurring items (euros)	11.4	12.71	12.66	12.08

5.2 Consolidated Statement of Comprehensive Income

€ millions	Notes	2025	2024	2023
Consolidated net profit for the period		**6,133.7**	**6,416.5**	**6,190.5**
Cash flow hedges		116.9	(77.1)	(137.3)
Cumulative translation adjustments		(985.3)	260.6	(425.8)
Income tax on items that may be reclassified to profit or loss[1]		(12.4)	4.1	22.7
Items that may be reclassified to profit or loss		**(880.9)**	**187.7**	**(540.3)**
Financial assets at fair value through other comprehensive income	9.3	848.4	1,144.9	(76.3)
Actuarial gains and losses	11.3	104.4	154.2	(119.3)
Income tax on items that may not be reclassified to profit or loss[1]		(58.6)	(72.5)	28.9
Items that may not be reclassified to profit or loss		**894.2**	**1,226.6**	**(166.7)**
Other comprehensive income		**13.3**	**1,414.3**	**(707.0)**
CONSOLIDATED COMPREHENSIVE INCOME		**6,147.0**	**7,830.8**	**5,483.6**
Attributable to:				
• owners of the Company		6,141.5	7,823.2	5,477.7
• non-controlling interests		5.4	7.5	5.9

(1) The tax effect is as follows:

€ millions	2025	2024	2023
Cash flow hedges	(12.4)	4.1	22.7
Items that may be reclassified to profit or loss	**(12.4)**	**4.1**	**22.7**
Financial assets at fair value through other comprehensive income	(29.3)	(33.3)	(1.3)
Actuarial gains and losses	(29.3)	(39.2)	30.2
Items that may not be reclassified to profit or loss	**(58.6)**	**(72.5)**	**28.9**
TOTAL	**(71.1)**	**(68.3)**	**51.6**

5.3 Compared Consolidated Balance Sheets

Assets

€ millions	Notes	31.12.2025	31.12.2024	31.12.2023
Non-current assets		**39,622.7**	**39,879.9**	**35,529.7**
Goodwill	7.1	14,469.7	13,382.0	13,102.6
Other intangible assets	7.2	5,072.0	4,594.8	4,287.1
Right-of-use assets	3.2	1,663.2	1,763.2	1,692.4
Property, plant and equipment	3.2	4,211.9	4,202.0	3,867.7
Non-current financial assets	9.3	12,867.3	14,838.1	11,631.6
Investments accounted for under the equity method	8	376.0	126.4	27.0
Deferred tax assets	6.3	962.7	973.3	921.2
Current assets		**22,198.5**	**16,473.5**	**16,325.4**
Inventories	3.3	4,543.3	4,630.1	4,482.4
Trade accounts receivable	3.3	5,500.3	5,601.8	5,092.7
Other current assets	3.3	2,063.8	1,955.3	2,270.6
Current tax assets		226.0	234.1	191.6
Cash and cash equivalents	9.2	9,865.0	4,052.3	4,288.1
TOTAL		**61,821.2**	**56,353.4**	**51,855.1**

Equity & liabilities

€ millions	Notes	31.12.2025	31.12.2024	31.12.2023
Equity	**11**	**35,003.8**	**33,137.8**	**29,081.6**
Share capital		106.8	106.9	106.9
Additional paid-in capital		3,509.8	3,444.3	3,370.2
Other reserves		18,166.5	16,144.8	13,799.1
Other comprehensive income		7,043.0	7,028.6	5,614.2
Net profit attributable to owners of the Company		6,127.2	6,408.7	6,184.0
Equity attributable to owners of the Company		**34,953.2**	**33,133.3**	**29,074.3**
Non-controlling interests		50.6	4.5	7.3
Non-current liabilities		**11,450.9**	**8,579.6**	**7,873.8**
Provisions for employee retirement obligations and related benefits	5.4	684.0	668.9	562.0
Provisions for liabilities and charges	12.1	84.5	76.8	68.8
Non-current tax liabilities	6	236.6	224.3	255.7
Deferred tax liabilities	6.3	1,013.2	964.5	846.6
Non-current borrowings and debt	9.1	8,069.7	5,187.1	4,746.7
Non-current lease debt	9.1	1,362.9	1,458.0	1,394.2
Current liabilities		**15,366.5**	**14,636.0**	**14,899.7**
Trade accounts payable		6,727.7	6,468.5	6,347.0
Provisions for liabilities and charges	12.1	1,117.7	1,093.1	977.2
Other current liabilities	3.4	4,782.9	4,949.6	4,816.1
Income tax		254.8	275.1	208.1
Current borrowings and debt	9.1	2,048.9	1,381.3	2,091.5
Current lease debt	9.1	434.5	468.6	459.8
TOTAL		**61,821.2**	**56,353.4**	**51,855.1**

5.4 Consolidated Statements of Changes in Equity

€ millions	Common shares outstanding	Capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury shares	Equity attributable to owners of the Company	Non-controlling interests	Total equity
AS OF 31.12.2022	535,186,562	107.0	3,368.7	17,382.2	6,320.6	—	27,178.5	8.0	27,186.5
Consolidated net profit for the period				6,184.0			6,184.0	6.5	6,190.5
Cash flow hedges					(113.9)		(113.9)	(0.6)	(114.5)
Cumulative translation adjustments					(425.9)		(425.9)	0.1	(425.8)
Other comprehensive income that may be reclassified to profit and loss					**(539.7)**		**(539.8)**	**(0.6)**	**(540.3)**
Financial assets at fair value through other comprehensive income					(77.5)		(77.5)		(77.5)
Actuarial gains and losses					(89.2)		(89.2)		(89.2)
Other comprehensive income that may not be reclassified to profit and loss					**(166.7)**		**(166.7)**	**—**	**(166.7)**
CONSOLIDATED COMPREHENSIVE INCOME				6,184.0	(706.5)		5,477.6	5.9	5,483.6
Capital increase	810,545	0.2	1.5	—			1.7		1.7
Cancellation of Treasury shares		(0.3)		(503.2)		503.3	(0.2)		(0.2)
Dividends paid (not paid on Treasury shares)				(3,248.4)			(3,248.4)	(6.2)	(3,254.6)
Share-based payment				168.5			168.5		168.5
Net changes in Treasury shares	(1,271,632)					(503.3)	(503.3)		(503.3)
Changes in the scope of consolidation							—		—
Other movements[1]				(0.1)			(0.1)	(0.4)	(0.6)
AS OF 31.12.2023	534,725,475	106.9	3,370.2	19,983.1	5,614.2	—	29,074.3	7.3	29,081.6
Consolidated net profit for the period				6,408.7			6,408.7	7.8	6,416.5
Cash flow hedges					(72.5)		(72.5)	(0.4)	(72.9)
Cumulative translation adjustments					260.4		260.4	0.2	260.6
Other comprehensive income that may be reclassified to profit and loss					**187.9**		**187.9**	**(0.2)**	**187.7**
Financial assets at fair value through other comprehensive income					1,111.6		1,111.6		1,111.6
Actuarial gains and losses					115.0		115.0		115.0
Other comprehensive income that may not be reclassified to profit and loss					**1,226.6**		**1,226.6**	**—**	**1,226.6**
CONSOLIDATED COMPREHENSIVE INCOME				6,408.7	1,414.5		7,823.2	7.5	7,830.8
Capital increase	895,103	0.0	69.8				69.9		69.9
Cancellation of Treasury shares		(0.1)		(497.4)		497.5	—		—
Dividends paid (not paid on Treasury shares)				(3,565.1)			(3,565.1)	(7.1)	(3,572.1)
Share-based payment				239.1			239.1		239.1
Net changes in Treasury shares	(1,308,557)					(497.5)	(497.5)		(497.5)
Changes in the scope of consolidation							—		—
Other movements			4.3	(14.9)			(10.6)	(3.2)	(13.8)
AS OF 31.12.2024	534,312,021	106.9	3,444.3	22,553.5	7,028.6	—	33,133.3	4.5	33,137.8

€ millions	Common shares outstanding	Capital	Additional paid-in capital	Retained earnings and net profit	Other comprehensive income	Treasury shares	Equity attributable to owners of the Company	Non-controlling interests	Total equity
AS OF 31.12.2024	534,312,021	106.9	3,444.3	22,553.5	7,028.6	—	33,133.3	4.5	33,137.8
Consolidated net profit for the period				6,127.2			6,127.2	6.5	6,133.7
Cash flow hedges					104.0		104.0	0.4	104.4
Cumulative translation adjustments					(983.9)		(983.9)	(1.4)	(985.3)
Other comprehensive income that may be reclassified to profit and loss					**(879.9)**		**(879.9)**	**(1.0)**	**(880.9)**
Financial assets at fair value through other comprehensive income					819.1		819.1		819.1
Actuarial gains and losses					75.1		75.1		75.1
Other comprehensive income that may not be reclassified to profit and loss					**894.2**		**894.2**	**—**	**894.2**
CONSOLIDATED COMPREHENSIVE INCOME				6,127.2	14.3		6,141.5	5.4	6,147.0
Capital increase	827,643	0.2	65.5	(0.1)			65.5		65.5
Cancellation of Treasury shares		(0.3)		(501.2)		501.5	—		—
Dividends paid (not paid on Treasury shares)				(3,774.6)			(3,774.6)	(7.0)	(3,781.6)
Share-based payment				248.3			248.3		248.3
Net changes in Treasury shares	(1,356,636)					(501.5)	(501.5)		(501.5)
Changes in the scope of consolidation							—	46.1	46.1
Other movements [1]				(359.3)			(359.3)	1.5	(357.8)
AS OF 31.12.2025	**533,783,028**	**106.8**	**3,509.8**	**24,293.7**	**7,043.0**	**—**	**34,953.2**	**50.6**	**35,003.8**

(1) Corresponds essentially to the commitment to buy back the minority shareholders of Medik8 for €325 million. (see note 2.1.1).

5.5 Compared Consolidated Statements of Cash Flows

€ millions	Notes	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit attributable to owners of the Company		6,127.2	6,408.7	6,184.0
Non-controlling interests		6.5	7.8	6.5
Elimination of expenses and income with no impact on cash flows:				
• depreciation, provisions and non-current tax liabilities [1]		1,817.4	1,855.3	1,715.0
• changes in deferred taxes	6.1	68.2	(37.4)	(95.3)
• share-based payment (including free shares)	5.5	248.3	239.1	168.5
• capital gains and losses on disposals of assets		37.8	15.2	6.9
Other non-cash transactions		17.4	21.1	14.1
Share of profit in associates net of dividends received		6.7	2.9	(0.2)
Gross cash flow		**8,329.5**	**8,512.6**	**7,999.5**
Changes in working capital[1]	3.5	327.4	(226.6)	(394.9)
Net cash provided by operating activities (A)		**8,656.9**	**8,286.0**	**7,604.6**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property, plant and equipment and intangible assets		(1,495.3)	(1,641.7)	(1,488.7)
Disposals of property, plant and equipment and intangible assets		5.7	13.6	12.8
Changes in other financial assets (including investments in non-consolidated companies)	2.3.1	2,509.0	(1,927.0)	(170.7)
Effect of changes in the scope of consolidation	2.2	(2,426.6)	(148.9)	(2,497.2)
Net cash from investing activities (B)		**(1,407.1)**	**(3,703.9)**	**(4,143.7)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid		(3,917.0)	(3,614.9)	(3,425.6)
Capital increase of the parent company		65.6	69.9	1.5
Disposal/(acquisition) of Treasury shares		(501.5)	(497.5)	(503.3)
Purchase of non-controlling interests		(16.3)	(13.9)	—
Issuance (repayment) of short-term loans		(609.7)	(1,775.9)	(823.7)
Issuance of long-term borrowings		4,057.3	1,529.4	3,567.1
Repayment of long-term borrowings		(22.6)	(7.9)	—
Repayment of lease debt		(453.6)	(474.3)	(430.6)
Net cash from financing activities (C)		**(1,397.8)**	**(4,785.1)**	**(1,614.6)**
Net effect of changes in exchange rates (D)		(39.2)	(32.8)	(175.9)
Change in cash and cash equivalents (A+B+C+D)		**5,812.8**	**(235.8)**	**1,670.4**
Cash and cash equivalents at beginning of the year (E)		**4,052.3**	**4,288.1**	**2,617.7**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)[2]	**9.2**	**9,865.0**	**4,052.3**	**4,288.1**

(1) Following the outcome in 2023 of the dispute with the French Competition Authority, the reversal of the provision and the reversal of the debt for the same amount of €189.5 million were presented in operations without impact on cash flow.

(2) Including:

En millions d'euros	2025	2024	2023
Income tax paid	(2,390.0)	(2,024.4)	(1,995.7)
Interest paid (excluding interest on lease debts)	(299.9)	(323.1)	(184.9)
Dividends received from non consolidated companies	351.9	447.6	423.6
Cash outflow relating to leases	(581.2)	(611.7)	(539.2)
of which paid interests on lease debts	(58.4)	(58.9)	(43.8)

5.6 Notes to the Consolidated Financial Statements

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Note 1 Accounting principles

The consolidated financial statements of L'Oréal and its subsidiaries ("the Group") published for 2025, have been prepared in accordance with *International Financial Reporting Standards* (IFRS), as adopted in the European Union as of 31 December 2025.

On 12 February 2026, the Board of Directors closed the consolidated financial statements at 31 December 2025. The financial statements will not become final until they have been approved by the Annual General Meeting of shareholders to be held on 24 April 2026.

The Group did not anticipate any standards or interpretations not mandatorily applicable in 2025.

In April 2024, the IASB published IFRS 18 *Presentation and Disclosure in Financial Statements*, applicable from 1 January 2027 and adopted by the European Union on 13 February 2026. The Group is currently analysing the impacts of the standard.

1.1 Use of estimates

The preparation of the consolidated financial statements in accordance with international accounting standards requires that the Group make a certain number of estimates and assumptions that may affect the value of the Group's assets, liabilities, equity and net profit (loss).

These estimates and assumptions mainly relate to the estimated amounts deducted from net sales, the measurement of goodwill and other intangible assets, operating lease terms, provisions, non-current tax liabilities, pension obligations and share-based payments. Estimates used by the Group in relation to these different areas are made based on information available when the accounts are prepared and are described in detail in each specific associated note.

1.2 Scope and methods of consolidation

All companies included in the scope of consolidation have a financial year ending 31 December or close their accounts on that date.

All companies directly or indirectly controlled by the parent company L'Oréal have been fully consolidated.

Group companies that are jointly controlled with a limited number of other shareholders under a contractual agreement are consolidated under the equity method in accordance with IFRS 11.

Associates over which the Group has a significant influence have been accounted for by the equity method.

1.3 Translation of the accounts of foreign subsidiaries

The assets and liabilities of foreign subsidiaries are translated at closing exchange rates. Income statement items are translated at average exchange rates for the year.

The resulting translation difference attributable to the Group is entered directly under equity under the item *Cumulative translation adjustments*, while the translation difference attributable to non-controlling interests is recognised under the *Non-controlling interests* item.

1.4 Valuation of goodwill in foreign currencies

Goodwill generated on foreign companies is considered to form part of the assets and liabilities of the foreign company, and is therefore expressed in the entity's functional currency and translated using the closing exchange rates in effect at the closing date. Goodwill recorded before 1 January 2004 continues to be recorded in euros.

Note 2 Main events of the period

2.1 Changes in the scope of consolidation

2.1.1 Year 2025

Takeovers

L'Oréal Groupe announced on 23 December 2024 the signing of an agreement with Swiss retail group Migros for the acquisition of its subsidiary **Gowoonsesang Cosmetics Co., Ltd.,** including Dr.G, the Korean skincare brand founded by dermatologist Dr. Gun Young Ahn in 2003 and based in Seoul. Dr.G joins L'Oréal Groupe's Consumer Products Division (CPD) to address the growing success of K-Beauty worldwide and expand its offering with effective, science-based, yet accessible skincare.

In 2024, the brand's sales amounted to €128.4 million.

The acquisition was finalised on 25 March 2025 and has been fully consolidated since that date.

L'Oréal Groupe announced on 9 June 2025 the signing of an agreement to acquire a 77.4% majority stake in the British skincare brand **Medik8.**

As part of the transaction, Inflexion, a leading European mid-market private equity firm, will remain a minority shareholder. The Founder will continue to serve on the board, with the current management committee also remaining in place.

This acquisition further strengthens L'Oréal's Luxe portfolio, adding a premium science-backed skincare brand with a proven track record of success, with strong potential for global growth.

In 2024, Medik8's sales amounted to £66,1 million.

This acquisition was finalized on 10 September 2025 and is fully consolidated.

As part of the agreement, L'Oréal has also secured rights to buyout in full the minority shareholders valued at €325.3 million at the end of 2025 and exercisable in 2029. This liability is recorded as long-term financial debt (see note 9.1.1).

L'Oréal Groupe announced on 30 June 2025 the signing of an agreement to acquire Color Wow, one of the world's fastest growing and most innovative professional haircare brands.

Founded in 2013 by Gail Federici, **Color Wow,** based in the US and UK, offers a unique range of products that have gained a loyal and devoted following amongst stylists, media and consumers alike. Color Wow is a renowned prestige brand in the US haircare market, and is experiencing rapid growth, thanks in part to advocacy and its highly engaged online community. Still true to its professional origins, the brand is now omnichannel, and is already distributed in salons, selective distribution and e-commerce platforms.

This acquisition further strengthens L'Oréal's Professional products portfolio, with a proven track record of success and strong potential for global growth.

In 2024, Color Wow's sales amounted to $270.4 million.

The acquisition was finalised on 9 September 2025 and has been fully consolidated since that date.

The provisional allocation of the purchase prices led to the recognition of goodwill amounting to €1,761.4 million in respect of these acquisitions and is presented as follows:

€ million	**Fair value at the date of acquisition**	
Net assets at 100%[1]	698.4	Note 7.2
Net assets attributable to minority shareholders	-45.2	
Goodwill on the Group's shares	1,761.4	Note 7.1
ACQUISITION PRICE	**2,414.6**	

(1) The acquired assets consist mainly of brands and other intangible assets recognized within the framework of the purchase price allocation.

The impact of these acquisitions on revenue and operating profit for the full year 2025 is €547.0 million and €124.5 million.

Equity-accounted investment

During the first semester of 2025, L'Oréal has acquired a stake in the **SkinSpirit** network of aesthetic clinics in the United States with 38.37% of the voting rights and 36.13% of the interests (note 8).

2.1.2 Year 2024

Takeovers

On 9 January 2024, L'Oréal announced the signing of an agreement to acquire the entire capital of **Gjosa,** the Swiss company pioneer in the development of water micronization technology. L'Oréal had already made a first minority investment in Gjosa in 2021 up to 15% via its venture capital fund, BOLD (Business Opportunities for L'Oréal Development).

The closing was finalized on 31 January 2024 and has been fully consolidated since that date.

L'Oréal completed on 31 October 2024 the finalisation of the acquisition of 70% of a group of six aesthetic clinics located in China. **YesSkin** is founded by Dr. Song, a renowned and influential dermatologist in China. The aesthetic clinics offer injectables and machine treatments to clients and generate a turnover of 126 million yuan (corresponding to €16 million) in 2023.

This acquisition is fully consolidated.

The cost of these acquisitions represented €77.2 million. The total amount of goodwill and other intangible assets resulting from these acquisitions amounted to €91.7 million.

Equity-accounted investment

During the third quarter of 2024, L'Oréal completed the acquisition of a minority stake in **Amouage** SAOC, the Oman-based *haute parfumerie* house founded in 1983 and controlled by SABCO Group LLC.

2.1.3 Year 2023

Takeovers

On 3 April, L'Oréal announced that it had signed an agreement with Natura & Co to acquire **Aēsop,** the Australian luxury beauty brand, for $2.6 billion. Created in 1987, Aēsop is a global super brand known for its skin, hair and body products, available across luxury retail, beauty and hospitality locations around the world. Aesop operates online and in around 400 exclusive points of sale across the Americas, Europe, Australia and Asia, with a nascent footprint in China where the first store opened in 2022.

This acquisition was completed on 30 August 2023 and has been fully consolidated since that date.

In 2023, this acquisition represented €557.5 million in full-year net sales and €13.1 million in full-year operating profit.

The final allocation of the purchase price led to the recognition of goodwill of €1,784.3 million and is as follows:

€ million	**Fair value at the date of acquisition**
Intangible assets [1]	577.0
Other assets	428.4
Cash	74.8
Other liabilities	(513.4)
Aēsop net assets	**566.8**
Goodwill	1,784.3
ACQUISITION PRICE	**2,351.1**

(1) Including €521.8 million of brand and €54.9 million of technological assets.

On 4 December 2023, L'Oréal completed the acquisition of **Lactobio,** a leading probiotic and microbiome research company based in Copenhagen (Denmark). The strategic acquisition builds on 20 years of advanced research by L'Oréal into the microbiome scientific territory, deepening its knowledge of the microorganisms that live on the skin's surface and reinforcing the Group's leadership in this field. The acquisition also opens up new scientific opportunities, including leveraging Lactobio's microbiome expertise and significant IP portfolio to develop safe and effective new cosmetic solutions using live bacteria.

The cost of these acquisitions represented €2,401.5 million. The total amount of goodwill and other intangible assets resulting from these acquisitions amounted to €2,411.9 million.

2.2 Impact of changes in the scope of consolidation in the cash flow statement

For 2025, these changes mainly related to Dr.G, Color Wow, and Medik8 acquisitions.

For 2024, these changes mainly related to Gjosa, YesSkin and Amouage acquisitions.

For 2023, these changes mainly related to Aēsop acquisition.

2.3 Other highlights

2.3.1 Year 2025

Sale of Sanofi shares

L'Oréal Groupe announced on 3 February 2025 the signing of an agreement for the sale of approximately 29.6 million **Sanofi** shares to Sanofi representing 2.14% of the shares held, at a price of €101.5 per share, for a total amount of €3 billion.

The capital gain realized in this respect amounts to €1.9 billion net of tax with no impact on the Group's income statement for the period as it is a financial asset at fair value through comprehensive income.

Following the transaction and after cancellation of the repurchased shares, L'Oréal holds 7.2% of Sanofi's share capital and 13.1% of the voting rights (note 9.3).

Minority investment

L'Oréal Groupe announced on 7 February 2025 a long-term, exclusive beauty partnership with **JACQUEMUS,** further solidified by a minority investment of 14.8%, finalised on 10 April 2025, supporting their independent development.

This acquisition is treated as *Non-current assets* (note 9.3).

Bond issuance

L'Oréal Groupe has successfully completed on 13 May 2025 its inaugural bond issuance on the American bond market for a total principal amount of $1 billion, with a coupon of 5.00% per year. (note 9.1.2).

This issue is rated AA (Stable) by S&P and Aa1 (Stable) by Moody's.

On 12 November 2025, the L'Oréal Group successfully placed a bond issue with a total nominal amount of €3 billion (see note 9.1.2).

The net proceeds from the bonds will be used by the issuer for general corporate purposes, including partially financing the acquisition of Kering Beauté.

Exceptional tax contribution France

As part of the Finance Act of 14 February 2025, an exceptional tax on the profits of large companies (Article 48) was enacted. It applies to companies subject to corporate income tax with a turnover generated in France equal to or greater than €1 billion. This tax is based on the average taxable profit for the 2024 and 2025 fiscal years.

It is recorded as of 31 December 2025, at €252.7 million as corporate income tax and adjusted in *Net Income excluding non-recurring items* (note 11.4.1).

2.3.2 Year 2024

The group announced on 5 August 2024 that it had acquired a 10% stake for an amount of €1.8 billion in **Galderma Group AG,** the world leader exclusively dedicated to dermatology and one of the largest global players in the field of injectable aesthetics. In addition, L'Oréal and Galderma have agreed to work towards a strategic scientific partnership that will leverage the undisputed expertise of both companies: Galderma's across a broad range of dermatological solutions, and L'Oréal's expertise in skin biology, diagnostic tools and evaluation methods.

This acquisition is treated as *Non-current financial assets* (note 9.3).

This transaction was financed via the issue of a €1.25 billion bond and the remainder through the Group's available cash.

Note 3 Operating items - Segment information

Accounting principles

Net sales

Net sales are recognised when the goods have been transferred to the customer.

Sales incentives, cash discounts and product returns are deducted from net sales, as are incentives granted to distributors or consumers resulting in a cash outflow, such as commercial cooperation, coupons, discounts and loyalty programmes.

Incentives granted to distributors or consumers are recognised as a deduction from sales: the service cannot be separated from the product sales transaction or it is not possible to reasonably estimate the fair value of the cost of the service.

Sales incentives, cash discounts, provisions for returns and incentives granted to customers are recorded simultaneously to the recognition of the sales if they can be estimated in a reasonably reliable manner, based mainly on statistics compiled from past experience and contractual conditions.

Cost of sales

The cost of goods sold consists mainly of the industrial production cost of products sold, the cost of distributing products to customers including freight and delivery costs, either directly or indirectly through depots, inventory impairment costs, and royalties paid to third parties.

Research and innovation expenses

Expenditure during the research phase is charged to the income statement for the financial year during which it is incurred.

Expenses incurred during the innovation phase are recognised as *Intangible assets* only if they meet all the following criteria set out in IAS 38:

- the project is clearly defined and the related costs are separately identified and reliably measured;
- the technical feasibility of the project has been demonstrated;
- the intention and ability to complete the project and to use or sell the products resulting from the project have been demonstrated;
- the resources necessary to complete the project and to use or sell it are available;
- the Group can demonstrate that the project will generate probable future economic benefits, as the existence of a potential market for the production resulting from the project, or its internal usefulness has been demonstrated.

In view of the very large number of innovation projects and uncertainties concerning the decision to launch products relating to these projects, L'Oréal considers that some of these capitalisation criteria are not met.

Advertising and promotion expenses

These expenses consist mainly of expenses relating to the advertisement and promotion of products to customers and consumers and beauty advisors. They are charged to the income statement for the financial year in which they are incurred.

Selling, general and administrative expenses

These expenses relate mainly to part of sales teams and sales team management, marketing teams and administrative services, as well as general expenses and the costs and expenses of free shares.

Operating profit

Operating profit consists of gross profit less research and innovation expenses, advertising and promotion expenses, and selling, general and administrative expenses.

Property, plant and equipment

Property, plant and equipment are recorded on the balance sheet at their purchase price. They are not remeasured.

Assets financed by lease contracts are recognised as assets on the balance sheet under *Right-of-use assets*. The corresponding debt is recognised as a liability under *Lease debt*.

The components of property, plant and equipment are recorded separately if their estimated useful lives, and therefore their depreciation periods, are materially different.

Property, plant and equipment are depreciated using the straight-line method, over the following useful lives:

Buildings	10-40 years
Industrial machinery and equipment	5-15 years
Point-of-sales advertising: stands and displays	3 years
Other property, plant and equipment	3-10 years

Depreciation and impairment losses are recorded in the income statement according to the use of the asset.

In view of their nature, property, plant and equipment are considered to have a value of zero at the end of the useful lives indicated above.

Leases

All leases are recognised using a single model consisting of recording lease liabilities as liabilities (amount of discounted future payments) and rights of use as assets.

The lease term corresponds to the non-cancellable term of each contract and includes any renewal options that the Group is reasonably certain to exercise, particularly if the estimated useful life of the fittings in which the Group invested initially or during the lifetime of the contract exceeds the initial contractual life. In the case of termination options subject to a short notice period, these options have not been taken into account in the assessment of the lease terms.

The right of use is amortised over the expected lease term.

The discount rate used to value the lease liability corresponds to the annual rate for each contract calculated using zero-coupon rates obtained by currency and by maturity tranche, increased by the Group's credit spread.

Deferred taxes are recorded during the initial recognition.

Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is calculated using the weighted average cost method.

A provision is made for obsolete and slow-moving inventories on the basis of their probable net realisable value, estimated on the basis of historic and projected data.

Trade accounts receivable

Accounts receivable from customers are recorded at their nominal value, which corresponds to their fair value.

The current trade accounts receivable impairment methodology at L'Oréal reflects the level of expected losses on the customer portfolio, calculated on the basis of past statistics from the outset of the receivable. Moreover, this risk is contained thanks to the credit insurance policy applied by the Group.

Except when local conditions do not allow it, the Group has insurance cover for the subsidiaries.

3.1 Segment information

3.1.1 Information by business segment

The Group's business activities are organised into four Divisions. In its markets, each Division develops and enhances a range of its own brand of consumer products:

- the Professional Products Division aims to create the future of professional beauty.

  For over 100 years, this Division has acquired extensive knowledge of, and provided tailored support solutions for, the hairdressing sector. It has built up a unique brand portfolio which currently includes L'Oréal Professionnel, Kérastase, Redken, Matrix and PureOlogy;
- the Consumer Products Division aims to democratise access to the best that the world of beauty has to offer.

  The Division is underpinned by four major global brands (L'Oréal Paris, Garnier, Maybelline New York and NYX Professional Makeup), and by the deployment of its specialised and regional brands (Stylenanda, Essie, Mixa, etc.);
- the Luxe Division aims to create the future of luxury beauty via breakthrough innovations, meaningful commitments and memorable experiences.

  The Division has built a unique portfolio of prestigious brands including iconic mainstream, aspirational, alternative and specialist brands (Lancôme, Yves Saint Laurent Beauté, Armani Beauty, Kiehl's, Helena Rubinstein, Aēsop, Biotherm, Valentino, Prada, Shu Uemura, IT Cosmetics, Mugler, Ralph Lauren, Urban Decay, Azzaro, Maison Margiela, Viktor&Rolf, Takami etc.);
- the Dermatological Beauty Division aims to provide sustainable and life-changing dermatological solutions for all.

  Its portfolio of highly complementary brands (La Roche-Posay, CeraVe, Vichy, SkinCeuticals, Skinbetter Science, etc.) is designed to keep pace with major skincare trends and recommendations of healthcare professionals.

The "non-allocated" item includes expenses incurred by the Functional Departments, Fundamental Research and the cost of free shares not allocated to the Divisions. It also includes non-core businesses, such as reinsurance.

The performance of each Division is measured on the basis of operating profit.

WEIGHT OF NET SALES BY DIVISION OVER THE THREE PERIODS



€ millions 2025	Sales	Operating profit	Operational Assets[1]	Investments in property, plant and equipment and intangible assets	Depreciation, amortisation and provisions
Professional Products	5,163.0	1,180.3	5,059.0	137.2	224.9
Consumer Products	16,089.7	3,443.3	11,343.3	496.9	590.9
Luxe	15,595.1	3,488.1	12,884.1	391.9	638.9
Dermatological Beauty	7,204.1	1,882.1	4,681.2	132.9	171.0
TOTAL OF DIVISIONS	**44,052.0**	**9,993.8**	**33,967.7**	**1,158.8**	**1,625.6**
Non-allocated		(1,101.8)	2,059.6	342.7	259.9
GROUP	**44,052.0**	**8,891.9**	**36,027.3**	**1,501.5**	**1,885.5**

(1) Operational assets mainly include goodwill, intangible assets and property, plant and equipment, right-of-use assets, trade accounts receivable and inventories.

€ millions 2024	Sales	Operating profit	Operational Assets[1]	Investments in property, plant and equipment and intangible assets	Depreciation, amortisation and provisions
Professional Products	4,886.2	1,086.2	3,960.6	134.9	225.3
Consumer Products	15,982.4	3,376.4	11,073.1	561.7	540.2
Luxe	15,591.1	3,469.7	12,865.4	430.4	566.5
Dermatological Beauty	7,027.1	1,832.7	4,801.2	135.6	132.5
TOTAL OF DIVISIONS	**43,486.8**	**9,765.0**	**32,700.4**	**1,262.5**	**1,464.5**
Non-allocated		(1,077.5)	1,999.1	397.2	273.8
GROUP	**43,486.8**	**8,687.5**	**34,699.5**	**1,659.7**	**1,738.2**

(1) Operational assets mainly include goodwill, intangible assets and property, plant and equipment, right-of-use assets, trade accounts receivable and inventories.

€ millions 2023	Sales	Operating profit	Operational Assets[1]	Investments in property, plant and equipment and intangible assets	Depreciation, amortisation and provisions
Professional Products	4,653.9	1,005.3	3,704.8	121.7	183.8
Consumer Products	15,172.7	3,114.7	11,241.6	523.6	592.2
Luxe	14,924.0	3,331.8	12,584.0	428.6	559.7
Dermatological Beauty	6,432.0	1,670.9	4,319.2	90.5	94.3
TOTAL OF DIVISIONS	**41,182.5**	**9,122.7**	**31,849.6**	**1,164.4**	**1,430.0**
Non-allocated		(979.4)	1,222.9	341.4	191.2
GROUP	**41,182.5**	**8,143.3**	**33,072.5**	**1,505.8**	**1,621.2**

(1) Operational assets mainly include goodwill, intangible assets and property, plant and equipment, right-of-use assets, trade accounts receivable and inventories.

Operational assets can be reconciled to the 2025, 2024 and 2023 balance sheets as follows:

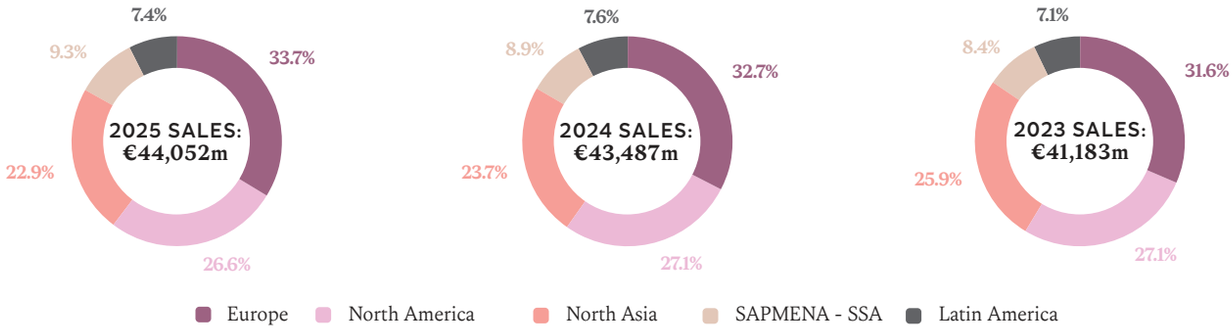
€ millions	2025	2024	2023
Operational assets	**36,027.3**	**34,699.5**	**33,072.5**
Non-current financial assets	12,867.3	14,838.1	11,631.6
Investments accounted for under the equity method	376.0	126.4	27.0
Deferred tax assets	962.7	973.3	921.2
Other current assets	1,723.0	1,663.8	1,914.7
Cash and cash equivalents	9,865.0	4,052.3	4,288.1
Non-allocated assets	25,793.9	21,653.9	18,782.7
TOTAL ASSETS	**61,821.2**	**56,353.4**	**51,855.1**

3.1.2 Information by region

All information is presented on the basis of geographic location of the subsidiaries.

3.1.2.1. Consolidated net sales by region

WEIGHT OF NET SALES BY REGION OVER THE THREE PERIODS



€ millions	2025	Growth *(%)* Published data	Growth *(%)* Excluding exchange effect	2024	2023
Europe	14,864.5	4.6%	5.4%	14,211.4	13,007.8
of which France[1]	3,210.6	1.6%	1.6%	3,161.0	3,063.3
North America[3]	11,718.1	(0.7%)	3.7%	11,805.2	11,147.2
North Asia[2]	10,075.2	(2.2%)	1.6%	10,303.4	10,662.9
SAPMENA – SSA	4,114.3	6.5%	11.4%	3,863.0	3,447.7
Latin America	3,279.9	(0.7%)	10.7%	3,303.9	2,916.9
GROUP	**44,052.0**	**1.3%**	**4.9%**	**43,486.8**	**41,182.5**

(1) Corresponds to sales invoiced from France and including sales to European countries.
(2) Of which €7,074.7 million in 2025 for Mainland China.
(3) Of which €10,471.1 million in 2025 for the United States.

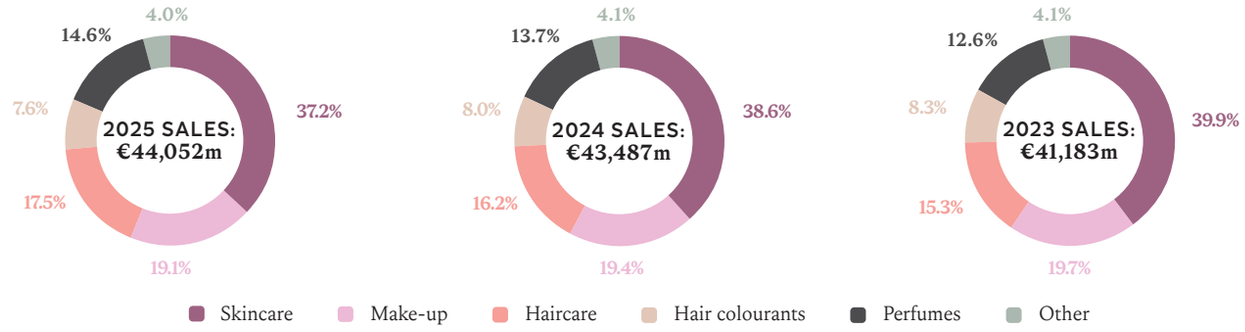
3.1.2.2. Breakdown of operational assets and consolidated investments by region

	2025		2024		2023	
€ millions	Operational assets	Investments in property, plant and equipment and intangible assets	Operational assets	Investments in property, plant and equipment and intangible assets	Operational assets	Investments in property, plant and equipment and intangible assets
Europe	14,770.8	464.6	13,560.6	523.0	13,621.9	494.2
North America	9,468.8	358.8	9,326.3	365.9	8,571.3	296.0
North Asia	3,852.3	111.9	3,878.4	172.7	3,972.6	194.5
SAPMENA – SSA	3,999.5	124.2	4,136.2	129.1	3,829.1	97.9
Latin America	1,876.3	99.4	1,798.8	71.8	1,854.8	81.7
Non-allocated	2,059.6	342.7	1,999.1	397.2	1,222.9	341.4
GROUP	**36,027.3**	**1,501.5**	**34,699.5**	**1,659.7**	**33,072.5**	**1,505.8**

Non-current assets consist of a significant portion of brand and goodwill, which must be analysed on the basis of sales that they generate by region and not according to the country of their legal ownership.

3.1.3 Sales by business segment

WEIGHT OF NET SALES BY PRODUCT CATEGORY OVER THE THREE PERIODS



		Growth *(%)*			
€ millions	2025	Published data	Excluding exchange effect	2024	2023
Skincare	16,383.5	(2.5%)	0.9%	16,803.7	16,447.1
Makeup	8,417.0	(0.4%)	3.4%	8,449.4	8,123.7
Haircare	7,711.1	9.6%	13.8%	7,034.0	6,319.6
Hair colourants	3,350.3	(3.2%)	0.4%	3,460.3	3,425.6
Perfumes	6,424.9	7.9%	10.8%	5,955.6	5,171.3
Other	1,765.3	(1.0%)	3.8%	1,783.9	1,695.3
GROUP	**44,052.0**	**1.3%**	**4.9%**	**43,486.8**	**41,182.5**

3.2 Depreciation and amortisation expense and Property, plant and equipment

3.2.1 Depreciation and amortisation in operating expenses

€ millions	2025	2024	2023
Depreciation and amortisation of property, plant and equipment and intangible assets	**1,652.4**	**1,586.7**	**1,429.7**
including right-of-use (IFRS 16)	482.5	474.5	426.0

3.2.2 Property, plant and equipment

€ millions **2025**	**31.12.2024**	**Acquisitions/ Depreciation**	**Disposals/ Reversals**	**Translation difference**	**Other movements[1]**	**31.12.2025**
Land and buildings	2,796.0	79.7	(55.0)	(115.3)	79.4	2,784.9
Machinery and equipment	4,257.0	205.7	(145.9)	(154.3)	173.5	4,336.0
Point-of-sales advertising: stands and displays	1,897.5	283.9	(315.2)	(105.2)	116.9	1,878.0
Other property, plant and equipment and fixed asset in progress	2,673.2	589.3	(282.0)	(150.6)	(355.9)	2,474.0
Gross value	**11,623.7**	**1,158.7**	**(798.1)**	**(525.3)**	**13.8**	**11,472.8**
Land and buildings	1,422.7	93.0	(54.9)	(45.5)	(0.3)	1,415.0
Machinery and equipment	3,174.2	302.3	(144.9)	(114.3)	(6.0)	3,211.3
Point-of-sales advertising: stands and displays	1,379.9	358.4	(313.9)	(72.8)	10.5	1,362.1
Other property, plant and equipment	1,444.8	204.9	(282.0)	(94.1)	(1.1)	1,272.5
Depreciation and provisions	**7,421.7**	**958.6**	**(795.7)**	**(326.7)**	**3.1**	**7,260.9**
PROPERTY, PLANT AND EQUIPMENT – NET	**4,202.0**	**200.1**	**(2.3)**	**(198.6)**	**10.7**	**4,211.9**

(1) These mainly include the effect of changes in the scope of consolidation for €12.4 million (Medik8, Color Wow, Dr.G), the impacts of hyperinflation for €5.7 million and tangible assets in progress allocated to other fixed assets.

CHANGE IN GROSS FIXED ASSETS
(€ millions)

CHANGE IN DEPRECIATION, AMORTISATION AND PROVISIONS
(€ millions)

NET PROPERTY, PLANT AND EQUIPMENT
(€ millions)

€ millions 2024	31.12.2023	Acquisitions/ Depreciation	Disposals/ Reversals	Translation difference	Other movements[1]	31.12.2024
Land and buildings	2,662.4	97.5	(28.3)	3.1	61.2	2,796.0
Machinery and equipment	4,100.5	226.0	(207.2)	22.3	115.5	4,257.0
Point-of-sales advertising: stands and displays	1,769.1	323.1	(286.4)	25.7	65.9	1,897.5
Other property, plant and equipment and fixed assets in progress	2,473.7	629.7	(170.7)	42.3	(301.8)	2,673.2
Gross value	**11,005.8**	**1,276.3**	**(692.6)**	**93.4**	**(59.1)**	**11,623.7**
Land and buildings	1,365.2	88.1	(27.3)	10.0	(13.3)	1,422.7
Machinery and equipment	3,108.7	285.6	(206.8)	20.9	(34.2)	3,174.2
Point-of-sales advertising: stands and displays	1,311.9	332.3	(286.5)	15.0	7.2	1,379.9
Other property, plant and equipment	1,352.3	202.4	(169.3)	29.5	29.9	1,444.8
Depreciation and provisions	**7,138.1**	**908.4**	**(689.8)**	**75.4**	**(10.4)**	**7,421.7**
PROPERTY, PLANT AND EQUIPMENT – NET	**3,867.7**	**367.9**	**(2.8)**	**18.0**	**(48.7)**	**4,202.0**

(1) These mainly include the effect of changes in the scope of consolidation for -€27 million linked to disposals, the impacts of hyperinflation for €0.7 million and tangible assets in progress allocated to other fixed assets.

€ millions 2023	31.12.2022	Acquisitions/ Depreciation	Disposals/ Reversals	Translation difference	Other movements[1]	31.12.2023
Land and buildings	2,489.1	101.3	(51.3)	(37.2)	160.5	2,662.4
Machinery and equipment	3,914.9	176.9	(108.6)	(51.2)	168.4	4,100.5
Point-of-sales advertising: stands and displays	1,630.5	313.7	(210.8)	(53.5)	89.2	1,769.1
Other property, plant and equipment and fixed assets in progress	2,281.6	558.8	(128.5)	(57.0)	(181.2)	2,473.7
Gross value	**10,316.2**	**1,150.6**	**(499.2)**	**(198.8)**	**237.0**	**11,005.8**
Land and buildings	1,352.7	82.5	(51.1)	(19.7)	0.8	1,365.2
Machinery and equipment	2,972.0	268.4	(108.3)	(39.4)	16.0	3,108.7
Point-of-sales advertising: stands and displays	1,246.5	277.2	(210.9)	(41.3)	40.3	1,311.9
Other property, plant and equipment	1,263.2	169.3	(127.8)	(34.3)	82.0	1,352.3
Depreciation and provisions	**6,834.5**	**797.3**	**(498.1)**	**(134.7)**	**139.1**	**7,138.1**
PROPERTY, PLANT AND EQUIPMENT – NET	**3,481.7**	**353.3**	**(1.2)**	**(64.0)**	**97.9**	**3,867.7**

(1) These mainly include the effect of changes in the scope of consolidation for €52.5 million (including €63.6 million for Aēsop and -€11.1 million linked to disposals), the impacts of hyperinflation for €44.3 million and tangible assets in progress allocated to other fixed assets.

3.2.3 Leases

3.2.3.1. Right-of-use assets

Right-of-use assets break down by type of underlying asset, as follows:

€ millions	31.12.2025 Net[1]	Depreciation and impairment losses[2] 2025	31.12.2024 Net	31.12.2023 Net
Buildings	1,130.7	302.9	1,134.1	1,095.9
Stores	399.2	166.1	490.6	481.0
Others	133.2	11.9	138.5	115.5
RIGHT-OF-USE ASSETS	**1,663.2**	**480.9**	**1,763.2**	**1,692.4**

(1) Of which €480.5 million in right-of-use entries in gross value.
(2) Of which €482.5 million in depreciation for the period.

3.2.3.2. Lease debt

Lease debt break down as follows:

€ millions	31.12.2025	31.12.2024	31.12.2023
Lease debt due in more than 5 years	327.2	393.9	406.3
Lease debt due in between 1 and 5 years	1,035.6	1,064.1	987.9
Lease debt due in less than 1 year	434.5	468.6	459.8
LEASE DEBT	**1,797.4**	**1,926.6**	**1,854.0**

3.3 Inventories, Trade accounts receivable and Other current assets

3.3.1 Inventories

€ millions	31.12.2025	31.12.2024	31.12.2023
Finished products and consumables	3,916.9	4,019.2	3,826.9
Raw materials, packaging and semi-finished products	1,123.1	1,095.2	1,156.1
Gross value	**5,040.0**	**5,114.4**	**4,983.0**
Valuation allowance	496.7	484.3	500.6
INVENTORIES – NET	**4,543.3**	**4,630.1**	**4,482.4**

3.3.2 Trade accounts receivable

€ millions	31.12.2025	31.12.2024	31.12.2023
Gross value	5,527.3	5,631.0	5,125.5
Valuation allowance	27.0	29.2	32.8
NET VALUE	**5,500.3**	**5,601.8**	**5,092.7**

Trade accounts receivable are due within one year. The impairment of trade accounts receivable reflects the level of expected losses on the customer portfolio from the outset of the receivable. Moreover, except when local conditions do not allow it, the Group has insurance cover for the subsidiaries.

The non-collection risk on trade accounts receivables is therefore minimised, and this is reflected in the level of the allowance, which remains less than 1% of gross receivables at the end of 2025.

3.3.3 Other current assets

€ millions	31.12.2025	31.12.2024	31.12.2023
Tax and employee-related receivables (excluding income tax)	671.9	668.2	864.4
Prepaid expenses	599.4	522.5	655.8
Derivatives	214.1	150.1	177.7
Current financial assets	31.2	29.1	33.1
Other current assets[1]	547.2	585.3	539.6
TOTAL	**2,063.8**	**1,955.3**	**2,270.6**

(1) These mainly include year-end rebates for €123.0 million and advances and down-payments on purchase orders for €252.9 million.

3.4 Other current liabilities

€ millions	31.12.2025	31.12.2024	31.12.2023
Tax and employee-related payables (excluding income tax)	2,177.2	2,161.0	2,176.5
Credit balances on trade receivables	1,777.8	1,865.9	1,801.7
Fixed assets payables	261.0	315.1	290.1
Derivatives	172.2	232.2	127.1
Other current liabilities[1]	394.7	375.4	420.7
TOTAL	**4,782.9**	**4,949.6**	**4,816.1**

(1) These mainly include prepaid income for €179.5 million.

3.5 Changes in working capital

This caption is broken down as follows:

€ millions	2025	2024	2023
Inventories	(141.9)	(121.2)	(438.3)
Trade accounts receivable	(152.6)	(506.7)	(427.3)
Trade accounts payable	538.3	78.8	138.8
Other receivables and payables	83.6	322.5	331.9
TOTAL	**327.4**	**(226.6)**	**(394.9)**

Note 4 Other operational income and expenses

Accounting principles

Other income and expenses

The *Other income and expenses* item includes capital gains and losses on disposals of property, plant and equipment and intangible assets, impairment of assets, restructuring costs, and clearly identified, non-recurring income and expense items that are material to the consolidated financial statements.

The cost of restructuring operations is fully provisioned if it results from a group obligation towards a third party originating from a decision taken by a competent body which is announced to the third parties concerned before the end of the reporting period.

This cost consists mainly of severance payments, early retirement payments, the cost of unworked notice periods, the costs of training for employees affected by the restructuring measures, and other costs relating to site closures. Any write-offs of fixed assets or impairment charged against inventories and other assets related directly to these restructuring measures are also recorded as restructuring costs.

Operational profit

Operational profit is calculated based on operating profit and includes other income and expenses such as capital gains and losses on disposals of property, plant, and equipment and intangible assets, impairment of assets, and restructuring costs.

This item breaks down as follows:

€ millions	2025	2024	2023
Capital gains and losses on disposals of property, plant and equipment and intangible assets[1]	(37.7)	(15.2)	(6.7)
Impairment of property, plant and equipment and intangible assets[2]	—	(50.8)	(270.6)
Restructuring costs[3]	(208.5)	(237.1)	(88.5)
Other[4]	(259.1)	(134.6)	(84.1)
TOTAL	**(505.4)**	**(437.7)**	**(449.9)**

(1) Including:
- in 2025, the impact of the sale of the brand Carol's Daughter (-€40 million);
- in 2024, the impact of the sale of two distribution centres and a factory in Israel (€10.5 million) and the sale of a factory in Turkey (-€26.2 million);
- in 2023, the residual impact of the sale of Logocos in Germany (-€5 million).

(2) Including:
- in 2024, the impairment of intangible assets of the Multicultural Brands Cash Generating Unit (€49.9 million);
- in 2023, the impairment of the goodwill of IT Cosmetics (€250 million) and that of the brand Decléor (€20 million).

(3) Including:
- in 2025, the continuation of strategic reorganization projects of the global Luxe Division (-€63.8 million), the resizing projects of the corporate organizations and the Professional Products division in North America (-€43,7 million), the restructuring and cluster creation projects in Europe and Asia (-€57.9 million) and the reorganization project of various Travel Retail structures (-€11.3 million);
- in 2024,the restructuring of the distribution of the Consumer Products, Professional Products and Operations Divisions in Europe and the United States (€74 million), the strategic reorganization projects of the global Luxe Division (€31.9 million) and the resizing project of the Group's organisations (€80.5 million);
- in 2023, the restructuring of the organisation and distribution of the Consumer Products and Professional Products Divisions in Europe (€39 million), the strategic reorganisation of legal entities in France (€17 million), the recognition following French pension reforms of additional charges on advanced leave provisions from previous restructuring (€7 million) and additional impairment concerning the right to use in Brazil (€9 million).

(4) Including:
- in 2025, costs related to some product disputes (-€179.3 million), the catch-up effect linked to the increase in the employer contribution on free shares in France impacting plans in progress (€31.2 million), corporate philanthropic donations (-€18.7 million), acquisition costs (-€49.5 million) and the impacts of downward revaluation of earn-out debts amounting to (+€21.2 million);
- in 2024, costs related to some products litigations (€99.9 million), corporate philanthropy donations (€28.3 million) and acquisition costs and post-acquisition reorganisations (€20.7 million);
- in 2023, corporate philanthropy donations (€29 million) and acquisition costs (€46 million).

Note 5 Number of employees, personnel costs and employee benefits CSRD

5.1 Number of employees

	31.12.2025	31.12.2024	31.12.2023
Europe	37,071	37,166	36,839
North America	16,048	15,829	15,931
North Asia	22,791	23,281	23,783
SAPMENA – SSA	9,382	9,257	9,339
Latin America	9,318	8,864	8,713
TOTAL[1]	**94,610**	**94,397**	**94,605**

(1) Excluding employees of equity-accounted companies.

NUMBER OF EMPLOYEES BY REGION

5.2 Personnel costs

€ millions	2025	2024	2023
Personnel costs (including welfare contributions)[1]	**8,538.9**	**8,474.3**	**7,796.0**

(1) Excluding employees of equity-accounted companies.

Personnel costs include pension expenses (excluding interest components), the cost of any share-based payments (stock options and free shares), and payroll taxes.

5.3 Executive compensation

Costs recorded in respect of compensation and similar benefits granted to the Executive Committee, the Board of Directors as well as its Chairman, corporate officer can be analysed as follows:

€ millions	2025	2024	2023
Directors' fees	1.7	1.5	1.4
Salaries and benefits including employer welfare contributions	47.3	41.9	43.2
Employee retirement obligation charges	4.6	5.4	4.7
Share-based payment (stock options and free shares)	38.2	34.0	31.2

The number of executives who were members of the Management Committee and the Chairman of the Board of Directors was 22 at 31 December 2025 compared with 20 at 31 December 2024 and at 31 December 2023.

5.4 Post-employment benefits, termination benefits and other long-term employee benefits

Accounting principles

The Group operates pension, early retirement and other employee benefit schemes depending on local legislation and regulations.

For obligatory state schemes and other defined-contribution schemes, the Group recognises in the income statement contributions payable when they are due. No provision has been set aside in this respect as the Group's obligation does not exceed the amount of contributions paid.

The characteristics of the defined benefit schemes in force within the Group are as follows:

- French regulations provide for specific length-of-service awards payable to employees on retirement. An early retirement plan and a defined benefit plan have also been set up. In some Group companies there are also measures providing for the payment of certain healthcare costs for retired employees. These obligations are partially funded by an external fund;
- for foreign subsidiaries with employee retirement schemes or other specific obligations relating to defined benefit plans, the excess of the projected benefit obligation over the scheme's assets is also recognised by setting up a provision for charges on the basis of the actuarial value of employees' vested rights.

The charges recorded in the income statement during the year include:

- additional rights vested by employees during the accounting period;
- the impact of any change to existing schemes on previous years or of any new schemes;
- the change in the value of the discounted rights over the past year;
- income on external funds calculated on the basis of the discount rate applied to the benefit obligation.

The latter two items represent the interest component of the pension costs. The interest component is shown within *Net financial income* on the *Other financial income and expenses* item.

To determine the discounted value of the obligation for each scheme, the Group applies an actuarial valuation method based on the final salary (projected unit credit method). The obligations and the fair value of plan assets are assessed each year using length-of-service, life expectancy, staff turnover by category and economic assumptions (such as inflation rate and discount rate).

The Group applies a simplified granular approach to calculate its service cost for the period. Under this simplified approach, two different discount rates are used to calculate the obligation and the service cost based on the duration of the future cash flows relating to each of these items. Financial costs are calculated by applying the discount rate used for the obligation to plan assets and by applying the differential interest rate to service cost for the period.

Actuarial gains and losses arising on post-employment defined benefit obligations are recognised in equity.

Actuarial gains and losses in relation to other benefits such as jubilee awards and long-serve bonuses are immediately charged to the income statement.

The liability corresponding to the Company's net defined benefit obligation regarding its employees is recorded in the balance sheet on the *Provisions for employee retirement obligations and related benefits line*.

The actuarial assumptions used to calculate these obligations take into account the economic conditions specific to each country or Group company. The main weighted average assumptions for the Group are as follows:

In %	31.12.2025	31.12.2024	31.12.2023
Discount rate (commitment)	4.5%	4.2%	3.9%
Discount rate (service cost)*	4.8%	4.3%	4.1%
Salary increases	3.9%	3.9%	3.9%

* *Used for the services cost for the following financial year.*

	31.12.2025			31.12.2024			31.12.2023		
	Initial rate	Final rate	Application of final rate	Initial rate	Final rate	Application of final rate	Initial rate	Final rate	Application of final rate
Expected rate of health care inflation	5.8%	4.1%	2035	5.4%	4.1%	2031	5.6%	4.1%	2031

The discount rates are obtained by reference to market yields on high quality corporate bonds having term dates equivalent to those of the obligations.

Bond quality is assessed by reference to the AA-/Aa3 minimum rating provided by one of the three main credit-rating agencies.

Discount rates can be broken down by region as follows:

In %	2025	2024	2023
Weighted average (all countries) based on the benefit obligation	**4.5%**	**4.2%**	**3.9%**
Of which:			
EURO ZONE			
Discount rate (commitment)[1]	4.1%	3.4%	3.3%
Discount rate (service cost)*	4.2%	3.5%	3.4%
USA			
Discount rate (commitment)	5.3%	5.3%	4.8%
Discount rate (service cost)*	5.8%	5.5%	5.0%
UNITED KINGDOM			
Discount rate (commitment)	5.5%	5.5%	4.5%
Discount rate (service cost)*	5.8%	5.5%	4.5%

(1) *The weighted average for 2025 consists of a 4.19% discount rate on annuity plans with an average term of 14.08 years and a 3.98% discount rate on capital plans with an average term of 9.46 years.*

* *Used for the service cost for the following financial year.*

A 50 basis point decrease in the discount rates would increase the projected defined benefit obligations by €129.2 million for the euro zone, €44.2 million for the United States and €27.9 million for the United Kingdom.

The expected returns on plan assets are based on the discount rates used.

The breakdown of plan assets is as follows:

In %	31.12.2025	31.12.2024	31.12.2023
Equity securities[1]	36.8%	30.6%	28.2%
Bonds	60.5%	60.4%	61.2%
Property assets[2]	2.0%	3.7%	4.7%
Monetary instruments	0.2%	0.7%	0.9%
Other	0.5%	4.6%	5.0%
TOTAL	**100%**	**100%**	**100%**

(1) *Of which L'Oréal shares: none.*

(2) *Of which property assets occupied by Group entities: none.*

The allocation of plan assets has to comply with specific investment limits for the different classes of assets and meet minimum rating criteria for monetary instruments and bonds.

Fluctuations during 2025, 2024 and 2023 are set out below:

€ millions	Present value of defined benefit obligation	Plan assets	Net commitment
Balance at 31 December 2022	**3,736.5**	**(3,678.7)**	**57.9**
Service cost during the period	190.5	—	190.5
Interest cost	149.3	—	149.3
Expected return on assets	—	(147.0)	(147.0)
Past service cost: new plans/plan amendments	0.2	—	0.2
Curtailments	(12.3)	—	(12.3)
Settlements	(1.6)	0.2	(1.4)
Benefits paid	(216.7)	158.0	(58.7)
Contributions paid	5.7	(60.4)	(54.7)
Actuarial gains and losses	239.8	(120.4)	119.3
Translation differences	(33.0)	21.5	(11.4)
Other movements	(0.3)	1.2	0.9
Balance at 31 December 2023	**4,058.1**	**(3,825.6)**	**232.6**
Service cost during the period	226.3	—	226.3
Interest cost	152.2	—	152.2
Expected return on assets	—	(141.3)	(141.3)
Past service cost: new plans/plan amendments	(0.1)	—	(0.1)
Curtailments	(8.7)	—	(8.7)
Settlements	—	—	—
Benefits paid	(240.3)	171.6	(68.7)
Contributions paid	5.5	(56.1)	(50.5)
Actuarial gains and losses	(149.3)	(4.1)	(153.3)
Translation differences	79.3	(69.7)	9.7
Other movements	(1.5)	1.2	(0.4)
Balance at 31 December 2024	**4,121.5**	**(3,923.9)**	**197.6**
Service cost during the period	237.3	—	237.3
Interest cost	159.5	—	159.5
Expected return on assets	—	(150.5)	(150.5)
Past service cost: new plans/plan amendments	4.9	—	4.9
Curtailments	(10.0)	—	(10.0)
Settlements	(113.5)	112.8	(0.7)
Benefits paid	(293.5)	206.3	(87.2)
Contributions paid	5.6	(73.0)	(67.4)
Actuarial gains and losses[(1)]	(63.7)	(40.7)	(104.4)
Translation differences	(172.3)	136.2	(36.1)
Other movements	(1.4)	1.4	0.1
BALANCE AT 31 DECEMBER 2025	**3,874.5**	**(3,731.4)**	**143.1**

(1) Including the plan assets ceiling.

The net commitment breaks down as follows:

€ millions	2025	2024	2023
Net commitment	**143.1**	**197.6**	**232.6**
Surplus funds for pension scheme commitments held in assets	(540.8)	(471.3)	(329.4)
Provision in the balance sheet	684.0	668.9	562.0

The total present value of defined benefit obligations breaks down as follows between wholly or partly funded plans and wholly unfunded plans:

€ millions	31.12.2025	31.12.2024	31.12.2023
Present value of defined benefit obligations wholly or partly funded	3,396.4	3,627.7	3,612.3
Fair value of plan assets	3,731.4	3,923.9	3,825.6
Net position of defined benefit obligations wholly or partly funded	(335.0)	(296.1)	(213.3)
Present value of defined benefit obligations wholly unfunded	478.1	493.7	445.8

The retirement expense charged to the income statement is recorded within personnel expenses for the operating part and within financial costs for the financial part and can be analysed as follows:

€ millions	2025	2024	2023
Service cost during the financial year	237.3	226.3	190.5
Interest costs	159.5	152.2	149.3
Expected return on assets	(150.5)	(141.3)	(147.0)
New plans/plan amendments	4.9	(0.1)	0.2
Curtailments	(10.0)	(8.7)	(12.3)
Settlements	(0.7)	—	(1.4)
TOTAL	**240.6**	**228.4**	**179.2**

Contributions to defined contribution schemes recognised as an expense for 2025, 2024 and 2023 amounted to €759.5 million, €781.8 million and €680.7 million, respectively.

A change of 1% point in medical cost inflation would have the following impact:

€ millions	Increase of 1%	Decrease of 1%
Impact on projected benefit obligation	3.26	-2.85
Impact on current service cost and interest costs	0.92	-0.80

Actuarial gains and losses for the periods presented are as follows:

€ millions 2025	Present value of defined benefit obligation	Plan assets	Net provisions
Actuarial gains and losses: experience adjustments	157.9	(40.7)	117.2
Actuarial gains and losses: demographic assumptions	1.8	—	1.8
Actuarial gains and losses: financial assumptions	(223.3)	—	(223.3)
TOTAL	**(63.7)**	**(40.7)**	**(104.4)**

€ millions 2024	Present value of defined benefit obligation	Plan assets	Net provisions
Actuarial gains and losses: experience adjustments	9.9	(4.1)	5.8
Actuarial gains and losses: demographic assumptions	(3.6)	—	(3.6)
Actuarial gains and losses: financial assumptions	(155.6)	—	(155.6)
TOTAL	**(149.3)**	**(4.1)**	**(153.3)**

€ millions 2023	Present value of defined benefit obligation	Plan assets	Net provisions
Actuarial gains and losses: experience adjustments	44.1	(120.4)	(76.3)
Actuarial gains and losses: demographic assumptions	(12.9)	—	(12.9)
Actuarial gains and losses: financial assumptions	208.6	—	208.6
TOTAL	**239.8**	**(120.4)**	**119.3**

5.5 Free shares – Employee Shareholding Plan

Accounting principles

In accordance with the requirements of IFRS 2 "Share-based Payment", the value of options or free shares granted as calculated at the grant date is expensed in the income statement over the vesting period, which is generally four years for free shares.

The fair value of free shares corresponds to the value of the share at the grant date, less dividends expected to be paid during the vesting period.

The impact of IFRS 2 on profit for the period is booked on the *Selling, general and administrative expenses* item of the income statement at Group level, and is not allocated to the Divisions or regions.

a) Free shares

The table below summarises the data on free share plans vesting after 1 January 2023.

Grant date	Vesting date	Number of shares granted	Number of shares issued/allotted	Number of shares not finally vested
STOCK SUBSCRIPTION PLANS				
18.04.2019	19.04.2023	843,075	776,975	—
14.10.2020	15.10.2024	713,660	661,270	—
07.10.2021	08.10.2025	588,750	549,595	—
13.10.2022	14.10.2026	700,000	2,025	675,800
12.10.2023	13.10.2027	650,580	—	636,655
10.10.2024	11.10.2028	700,000	—	696,421
10.10.2025	11.10.2029	703,500	—	703,500

For the conditional grant of shares, the plan provides for a four-year vesting period after which vesting is effective and final, subject to meeting the conditions of the plan.

The performance conditions apply to the 7 October 2021 plans:

- for 50% of shares granted, the growth in comparable Cosmetics sales in relation to growth in net sales for a panel of competitors of 2022, 2023 and 2024 financial years.
- for 50% of shares granted, the increase over the same period in the Group's consolidated operating profit.

The calculation will be based on the arithmetic average of the performance in the 2022, 2023 and 2024 financial years.

and will use a predefined allocation scale based on the performance percentage achieved. No performance condition applies below a block of 200 shares.

For the 13 October 2022, 12 October 2023, 10 October 2024 and 10 October 2025 plans, the performance conditions comprise the following:

- 80% based on financial performance criteria, split evenly between:
  - growth – compared with that of a panel of competitors – in comparable cosmetics sales:
    - 2023, 2024 and 2025 financial years under the 2022 plan,
    - 2024, 2025 and 2026 financial years under the 2023 plan,
    - 2025, 2026 and 2027 financial years under the 2024 plan,
    - 2026, 2027 and 2028 financial years under the 2025 plan,
  - the increase over the same period in the Group's consolidated operating profit. The calculation will be made on the basis of the arithmetic average of the performances for:
    - 2023, 2024 and 2025 financial years under the 2022 plan,
    - 2024, 2025 and 2026 financial years under the 2023 plan,
    - 2025, 2026 and 2027 financial years under the 2024 plan,
    - 2026, 2027 and 2028 financial years under the 2025 plan;
- 20% based on non-financial performance criteria, of which:
  - 15% is associated with the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme,
  - 5% is associated with the gender balance within strategic positions, including the Executive Committee.

No performance condition applies below a block of 100 shares.

At 31 December 2025, the performance conditions for plans in progress were deemed achieved.

The fair value of free shares is determined using the following assumptions:

	Stock subscription plans						
Grant date	**April 2019**	**October 2020**	**October 2021**	**October 2022**	**October 2023**	**October 2024**	**October 2025**
Risk-free rate of return	(0.25%)	(0.53%)	(0.60%)	2.24%	3.07%	2.51%	2.63%
Discount for post-vesting transfer restrictions for French employees	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Expected dividends	1.58%	1.34%	1.11%	1.46%	1.50%	1.70%	1.85%
Share price	€243.80	€288.00	€360.00	€327.80	€399.90	€388.70	€378.85
FAIR VALUE							
• Employees resident in France	€226.25	€269.37	€339.34	€303.33	€371.96	€358.49	€348.48
• Employees not resident in France	€226.25	€269.37	€339.34	€303.33	€371.96	€358.49	€348.48

The expense recorded in 2025, 2024 and 2023 amounted to €216.4 million, €204.0 million and €164.5 million, respectively.

b) Capital increase reserved for employees

2024 plan

In June 2024, Group employees had the opportunity to join a Shareholding Plan based on a traditional format with discount and matching contribution.

The subscription price was set at €358.71, representing 80% of the average share price over the 20 trading sessions prior to the decision by the Chief Executive Officer setting the subscription period from 5 June to 19 June 2024 during which 199,641 shares were subscribed and 72,795 matching shares offered. This number does not include the subscription reserved for a Trustee under the laws of England and Wales, as part of a Share Incentive Plan established for Group employees in the UK, for which the number of shares will be finalised in April 2025.

For French employees, free shares were offered upon subscription in proportion to their personal contribution to the plan with a maximum of three shares offered for six shares subscribed.

For employees in other countries, shares were offered under a free share plan with a continued employment condition for the employee and proportionate to how much the employee contributes to the plan, with a maximum of three shares offered for six shares subscribed. The shares will be allocated to employees on 31 July 2029 provided they are still with the Group on that date.

The IFRS 2 expense measuring the benefit offered to employees includes an expense recognized on the subscription date based on the value of the discount granted to employees.

The capital was increased on 30 July 2024 by 230,423 shares including matching shares for French employees.

The total expense for shares granted for the 2024 plan amounted to €47 million.

This cost of matching shares for employees outside of France is amortised over the vesting period and corresponds to the share reference value adjusted for the expected dividends over the vesting period, namely €410.17 per share.

The IFRS 2 expense for the Employee shareholding plans recognised for the 2024 financial year amounts to €35.1 million.

2025 plan

In June 2025, Group employees had the opportunity to join a Shareholding Plan based on a traditional format with discount and matching contribution.

The subscription price was set at €301.66, representing 80% of the average share price over the 20 trading sessions prior to the decision by the Chief Executive Officer setting the subscription period from 11 June to 25 June 2025 during which 218,322 shares were subscribed and 59,087 matching shares offered. This number does not include the subscription reserved for a Trustee under the laws of England and Wales, as part of a Share Incentive Plan established for Group employees in the UK, for which the number of shares will be finalised in April 2026.

For French employees, free shares were offered upon subscription in proportion to their personal contribution to the plan with a maximum of three shares offered for six shares subscribed.

For employees in other countries, shares were offered under a free share plan with a continued employment condition for the employee and proportionate to how much the employee contributes to the plan, with a maximum of three shares offered for six shares subscribed. The shares will be allocated to employees on 30 July 2030 provided they are still with the Group on that date.

The IFRS 2 expense measuring the benefit offered to employees includes an expense recognized on the subscription date based on the value of the discount granted to employees.

The capital was increased on 29 July 2025 by 246,115 shares including matching shares for French employees.

The total expense for shares granted for the 2025 plan amounted to €36 million.

This cost of matching shares for employees outside of France is amortised over the vesting period and corresponds to the share reference value adjusted for the expected dividends over the vesting period, namely €338.56 per share.

The IFRS 2 expense for the Employee shareholding plans recognised for the 2025 financial year amounts to €31.9 million.

Grant date	Vesting date France	Vesting date international	Number of shares granted	Number of shares issued/allotted	Number of shares not fully vested
02.10.2020	02.10.2020	03.10.2025	496,991	487,149	—
22.06.2022	22.06.2022	23.06.2027	494,433	451,651	38,243
19.06.2024	19.06.2024	20.06.2029	276,236	231,391	41,299
25.06.2025	25.06.2025	26.06.2030	277,409	246,115	31,167

Note 6 Income tax

Accounting principles

The income tax charge includes the current tax expense payable by each consolidated tax entity and the deferred tax expense. Deferred tax is calculated whenever there are temporary differences between the tax basis of assets and liabilities and their basis for consolidated accounting purposes, using the balance sheet liability method.

The restatement of assets and liabilities relating to lease contracts results in the booking of deferred tax.

Deferred tax includes irrecoverable taxation on estimated or confirmed dividends.

Deferred tax is measured using the tax rate enacted at the closing date and which will also apply when the temporary differences reverse.

Deferred tax assets generated by tax loss carryforwards are only recognised to the extent it is probable that the entities will be able to generate taxable profit against which they can be utilised.

Under the French system of tax consolidation, the taxable profits of some French companies are offset when determining the overall tax charge, which is payable only by L'Oréal, the parent company of the tax Group. Tax consolidation systems also exist outside France.

Uncertain tax positions are recorded in the balance sheet under *Non-current tax liabilities*. These correspond to an estimate of tax risks and litigation related to income tax for the various countries in which the Group operates.

Established by the OECD and transposed in December 2023 in France, the Pillar 2 global tax reform aims to establish a minimum taxation of multinational groups at 15% and is applicable from the 2024 financial year. After analysis of the texts as stand current regulations and their consequences, the financial impact of this reform is insignificant, due in particular to the consistency between the Group's tax footprint and its operational and geographic footprint.

In May 2023, the IASB amended IAS 12 *Income Taxes* by introducing a temporary exception to the recognition of deferred taxes arising from the Pillar 2 reform. The European Union adopted these amendments on 9 November 2023. The Group has implemented this exception as of 31 December 2023.

6.1 Detailed breakdown of income tax

€ millions	2025	2024	2023
Current tax	2,294.9	2,052.5	1,905.9
Deferred tax	68.2	(37.4)	(95.3)
INCOME TAX	**2,363.1**	**2,015.1**	**1,810.6**

6.2 Analysis of tax charge

The income tax charge may be analysed as follows:

€ millions	2025	2024	2023
Profit before tax and associates	**8,502.2**	**8,432.9**	**8,001.0**
Theoretical tax rate	25.11%	25.09%	24.50%
Expected tax charge	**2,134.7**	**2,116.1**	**1,960.4**
Impact of permanent differences	87.7	47.1	62.0
Impact of tax rate differences	(165.0)	(170.7)	(160.3)
Change in unrecognised deferred taxes	3.1	2.2	4.2
Effect of non-current tax liabilities	39.6	7.9	11.7
Pillar 2[1]	17.5	31.0	—
Exceptional tax contribution in France	252.7	—	—
Other[2]	(7.3)	(18.5)	(67.4)
GROUP TAX CHARGE	**2,363.1**	**2,015.1**	**1,810.6**

(1) Of which €6.4 million in France in 2025.
(2) Including tax credits and taxes on dividend distributions.

The expected tax charge reflects the sum of pre-tax profit for each country, multiplied by the normal taxation rate. The theoretical tax rate reflects the total expected tax charge as a percentage of pre-tax profit.

The impact of any reduced tax rates existing in certain countries in addition to the normal tax rates is included on the line *Impact of tax rate differences*.

6.3 Deferred taxes in the balance sheet

The net change in deferred taxes (assets and liabilities) can be analysed as follows:

€ millions	
Balance of deferred tax assets at 31 December 2022	**801.1**
Balance of deferred tax liabilities at 31 December 2022	**(905.6)**
Income statement impact	95.3
Translation differences	(20.3)
Other effects[1]	104.2
Balance of deferred tax assets at 31 December 2023	**921.3**
Balance of deferred tax liabilities at 31 December 2023	**(846.6)**
Income statement impact	37.4
Translation differences	(16.0)
Other effects[1]	(87.3)
Balance of deferred tax assets at 31 December 2024	**973.3**
Balance of deferred tax liabilities at 31 December 2024	**(964.6)**
Income statement impact	(68.2)
Translation differences	20.7
Other effects[1]	(11.8)
BALANCE OF DEFERRED TAX ASSETS AT 31 DECEMBER 2025	**962.7**
BALANCE OF DEFERRED TAX LIABILITIES AT 31 DECEMBER 2025	**(1,013.2)**

(1) Including mainly the deferred tax impact of currency hedging instruments recognised in equity, as well as the tax effect on actuarial gains and losses recognised in equity.

Deferred tax assets and liabilities recorded in the balance sheet may be broken down as follows:

	31.12.2025		31.12.2024		31.12.2023	
€ millions	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Temporary differences	926.1	796.2	952.2	634.2	899.2	530.8
Deferred tax liabilities on revaluation of Sanofi		217.2		330.4		315.8
Tax credits and tax loss carry-forwards	36.6		21.1		22.1	
DEFERRED TAX TOTAL	**962.7**	**1,013.3**	**973.3**	**964.6**	**921.3**	**846.6**

Deferred tax assets on temporary differences mainly relate to:

€ millions	2025	2024	2023
Provisions for pensions and early retirement	42.8	63.1	73.2
Provisions for liabilities and charges	253.1	236.2	194.5
Intra-group margin included in inventories	332.3	312.4	273.6

Deferred tax liabilities on temporary differences mainly include intangible assets acquired under business combinations other than non-tax-deductible goodwill.

Deferred tax assets whose recovery is not considered probable are not recorded in the financial statements; such assets amount to €20.5 million at 31 December 2025 compared with €21.8 million at 31 December 2024 and €16.3 million at 31 December 2023.

Note 7 Intangible assets

7.1 Goodwill

Accounting principles

Business combinations are accounted for by the purchase method. The assets, liabilities and contingent liabilities of the Company acquired are measured at fair value at the acquisition date. Any valuation differences identified when the acquisition is carried out are recorded under the corresponding asset and liability items.

Any residual difference between the cost of an acquisition and the Group's interest in the fair value of the identified assets and liabilities is recorded as *Goodwill* and allocated to the Cash Generating Units expected to benefit from the acquisition or the related synergies.

Goodwill generated on the acquisition of an associate is presented in the *Investments in associates* item.

For business combinations, the main accounting principles are set out below:

- for each acquisition, the Group chooses whether to recognise the full amount of goodwill regardless of the ownership interest acquired, or an amount of goodwill corresponding to its interest in the acquired company (previously the only method allowed);
- deferred tax assets recognised after the initial accounting is complete are included in profit or loss, and in contrast to previous practices, the amount of goodwill that would have been recorded had the deferred tax asset been recognised as an identifiable asset at the acquisition date is not deducted;
- costs incurred in respect of a business combination are now expensed and no longer included in the acquisition cost;
- the acquisition cost, which includes contingent consideration, is recognised and measured at its acquisition-date fair value. Subsequent changes in fair value, affecting in particular the contingent consideration recorded in liabilities, are recognised in *Other income and expenses* in the income statement and no longer treated as an adjustment to goodwill;
- any previous interest held in the acquiree prior to the date control was obtained is now remeasured at its acquisition-date fair value, with the corresponding gain or loss on remeasurement recognised on the income statement;
- purchase commitments for minority interests are recognised in financial debt at the acquisition-date fair value. Subsequent changes in fair value of the commitment are recognised by adjusting equity.

Goodwill is allocated by Cash Generating Units or by groups of Cash Generating Units. A Cash Generating Unit (CGU) corresponds to one or more worldwide brands.

€ millions **2025**	**31.12.2024**	**Change in the scope of consolidation**	**Other movements**	**Translation difference**	**31.12.2025**
Redken/PureOlogy	736.5	15.8		(63.2)	689.1
L'Oréal Professionnel/Kérastase	449.7			(24.3)	425.5
Matrix	438.9			(45.2)	393.7
Color Wow[4]	—	961.3		0.7	962.0
Professional Products Total	**1,625.1**	**977.0**	**—**	**(131.9)**	**2,470.2**
Maybelline and other Makeup brands[1]	1,828.0	—	2.0	(123.1)	1,706.9
L'Oréal Paris and other Premium brands[2]	1,209.4	288.2	2.7	(59.3)	1,441.1
Garnier and other Access brands[3]	888.0	(37.2)	2.6	(42.9)	810.5
Consumer Products Total	**3,925.4**	**251.0**	**7.3**	**(225.3)**	**3,958.4**
Retail Skincare	1,803.3			(85.4)	1,717.9
Perfumes	1,473.8			(2.9)	1,470.9
Lancôme	855.3			(8.0)	847.4
Skincare	630.2			(33.4)	596.8
Makeup	564.2			(48.3)	515.9
YSL Beauté	536.7			(0.8)	535.8
Medik8[4]	—	511.9		(3.7)	508.3
Luxe Total	**5,863.4**	**511.9**	**—**	**(182.4)**	**6,192.9**
SkinCeuticals/Skinbetter Science	794.6		(1.4)	(60.2)	733.0
CeraVe	660.7			(38.9)	621.8
Vichy	328.7			(11.7)	317.1
La Roche-Posay	184.0			(7.7)	176.2
Dermatological Beauty Total	**1,968.1**	**—**	**(1.4)**	**(118.5)**	**1,848.2**
GROUP TOTAL	**13,382.0**	**1,740.0**	**5.9**	**(658.2)**	**14,469.7**

(1) The Maybelline and other Makeup brands CGU mainly includes Maybelline, StyleNanda, Essie and NYX Professional Makeup brands.
(2) The L'Oréal Paris and other Premium brands CGU mainly includes L'Oréal Paris, Thayers and Dr.G brands.
(3) The Garnier and other Access brands CGU mainly includes Garnier, LaScad and Multicultural brands.
(4) The goodwill from Color Wow and Medik8 acquisitions have not yet been allocated to a CGU at 31 December 2025.

The Consumer Products division Cash Generation Units have been reallocated in connection with the finalization of its new global operating model, which is based on a multi-brand resource-sharing approach. Data from 2024 and prior years has been restated to reflect this new organization.

2025 acquisitions mainly relate to Color Wow for €961.3 million (purchase price allocation not yet finalised), Medik8 for €511.9 million (purchase price allocation not yet finalised) and Dr.G for €288.2 million.

The accumulated impairment losses related Makeup CGU (IT Cosmetics), Garnier and other Access brands (Multicultural Brands and Magic) and Lancôme (Yue Sai) amounted to -€492.6 million, -€296.5 million and -€29.6 million respectively at 31 December 2025.

€ millions 2024	31.12.2023	Change in the scope of consolidation	Other movements	Translation difference	31.12.2024
Redken/PureOlogy	698.4	4.9		33.2	736.5
L'Oréal Professionnel/Kérastase	422.4	14.6		12.7	449.7
Matrix	416.5			22.3	438.9
Professional Products Total	**1,537.4**	**19.5**	**—**	**68.2**	**1,625.1**
Maybelline and other Makeup brands	1,777.0		5.6	45.4	1,828.0
L'Oréal Paris and other Premium brands	1,180.4		14.5	14.5	1,209.4
Garnier and other Access brands	935.2		(44.2)	(3.0)	888.0
Consumer Products Total	**3,892.6**	**—**	**(24.1)**	**56.9**	**3,925.4**
Retail Skincare[1]	1,751.6		102.0	(50.3)	1,803.3
Perfumes	1,471.8			2.0	1,473.8
Lancôme	831.4		20.3	3.6	855.3
Skincare[2]	623.5			6.6	630.2
Makeup[3]	547.9			16.4	564.2
YSL Beauté	536.2			0.5	536.7
Luxe Total	**5,762.4**	**—**	**122.3**	**(21.3)**	**5,863.4**
SkinCeuticals/Skinbetter Science	727.9	35.1		31.6	794.6
CeraVe	639.6			21.1	660.7
Vichy	322.4			6.3	328.7
La Roche-Posay	169.6		10.1	4.2	184.0
Dermatological Beauty Total	**1,859.5**	**35.1**	**10.1**	**63.3**	**1,968.1**
Lactobio[4]	50.7		(50.7)		—
GROUP TOTAL	**13,102.6**	**54.6**	**57.7**	**167.1**	**13,382.0**

(1) The Retail Skincare CGU includes Aēsop and Kiehl's.
(2) The Skincare CGU includes Biotherm, Carita, HR, Takami and Youth To The People.
(3) The Makeup CGU includes IT Cosmetics, Shu Uemura and Urban Decay.
(4) The goodwill from Lactobio has been allocated to the Lancôme, L'Oréal Paris and La Roche-Posay CGUs.

The CGUs of the Luxe division were subject to a reallocation in connection with the reorganisation initiated in 2024 of the operating model focused on categories and the associated go to market. The 2023 and prior data have been restated to reflect this new organisation.

2024 acquisitions mainly relate to YesSkin for €35.1 million (purchase price allocation not yet finalised) and Gjosa for €14.6 million.

Other movements mainly include the impairment loss (€48.4 million) on Multicultural Brands and the definitive allocation of the goodwill of Aēsop and Lactobio.

The accumulated impairment losses related Makeup CGU (IT Cosmetics), Garnier and other Access brands (Multicultural Brands and Magic) and Lancôme (Yue Sai) amounted to -€547.9 million, -€366.2 million and -€32.1 million respectively at 31 December 2024.

€ millions 2023	31.12.2022	Change in the scope of consolidation	Other movements	Translation difference	31.12.2023
Redken/PureOlogy	708.2	8.3		(18.0)	698.4
L'Oréal Professionnel/Kérastase	429.5			(7.1)	422.4
Matrix	428.8			(12.3)	416.5
Professional Products Total	**1,566.5**	**8.3**	**—**	**(37.4)**	**1,537.4**
Maybelline and other Makeup brands	1,822.0		4.4	(49.4)	1,777.0
L'Oréal Paris and other Premium brands	1,186.9		10.1	(16.6)	1,180.4
Garnier and other Access brands	951.4		9.4	(25.7)	935.2
Consumer Products Total	**3,960.3**	**—**	**23.9**	**(91.6)**	**3,892.6**
Retail Skincare	13.5	1,682.3		55.8	1,751.6
Perfumes	1,472.1			(0.3)	1,471.8
Lancôme	836.4			(5.0)	831.4
Skincare	642.5			(19.0)	623.5
Makeup	821.4		(249.9)	(23.6)	547.9
YSL Beauté	536.5			(0.2)	536.2
Luxe Total	**4,322.3**	**1,682.3**	**(249.9)**	**7.7**	**5,762.4**
SkinCeuticals/Skinbetter Science	718.5		28.7	(19.3)	727.9
CeraVe	650.9			(11.2)	639.6
Vichy	327.3	(1.5)		(3.4)	322.4
La Roche-Posay	171.9			(2.3)	169.6
Dermatological Beauty Total	**1,868.5**	**(1.5)**	**28.7**	**(36.1)**	**1,859.5**
Lactobio[1]	—	50.7		—	50.7
GROUP TOTAL	**11,717.7**	**1,739.8**	**(197.3)**	**(157.5)**	**13,102.6**

(1) The allocation of the goodwill from Lactobio to the Cash Generating Units was not yet finalised at 31 December 2023.

2023 acquisitions mainly relate to Aēsop for €1,682.3 million.

Other movements mainly reflect a recognition of an impairment loss (€249.9 million) on IT Cosmetics as well as the final goodwill allocation of Skinbetter Science.

7.2 Other intangible assets

Accounting principles

Intangible assets are recorded on the balance sheet at cost. Intangible assets identified following an acquisition as well as internally generated intangible assets are also included in this item.

a) Intangible assets acquired through business combinations

They mainly consist of brands, customer relationships and formulas and patents.

With regard to brands, the use of the "discounted cash flow" method is preferred to enable the value in use to be monitored more easily following the acquisition. Two approaches have been adopted to date:

- premium-based approach: this method involves estimating the portion of future cash flows that could be generated by the brand, compared with the future cash flows that the activity could generate without the brand;
- royalty-based approach: this involves estimating the value of the brand by referencing the levels of royalties demanded for the use of similar brands. It is based on sales forecasts drawn up by the Group.

These approaches are based on a qualitative analysis of the brand in order to ensure that the assumptions selected are relevant. The discount rate used is based on the weighted average cost of capital (WACC) for the target acquired. Terminal growth rates are consistent with available market data (generally 2.5% for Europe and 3% for the rest of the world, except in specific cases).

A brand may have a finite or an indefinite useful life span.

Local brands which are to be gradually replaced by an international brand already existing within the Group have a finite useful life span.

They are amortised over their useful lives as estimated at the date of acquisition.

International brands are brands which have an indefinite life span. They are tested for impairment at least once a year during the fourth quarter, and whenever an adverse event occurs.

Adverse events may result among other things from an increase in market interest rates or from a decrease in actual net sales or operational profit compared to forecasts.

The impairment test consists of calculating the recoverable amount of the brand based on the model adopted when the acquisition took place.

Customer relationships refer to relations developed with customers either through contractual arrangements or by non-contractual means through constant revenue streams resulting from the target's competitive position or reputation in its market.

The useful life of a customer relationship is limited and varies depending on the estimated attrition rate of existing customers at the time of the acquisition.

The Group may decide to identify and value patents and formulas that it intends to develop.

The value of a patent or a formula is assessed on the basis of the future profits expected from its ownership in the future, in accordance with the royalty-based approach.

The amortisation period applicable to patents corresponds to the period during which they enjoy legal protection.

b) Internally generated intangible assets

These mainly consist of software.

Innovation costs of software for internal use are capitalised for the programming, coding and testing phases. The costs of substantial updates and upgrades resulting in additional functions are also capitalised.

Capitalised innovation costs are amortised from the date the software is made available in the entity concerned and over its probable useful life, which, in most cases, is between five and eight years.

€ millions **2025**	**31.12.2024**	**Acquisitions/ Depreciation**	**Disposals/ Reversals**	**Changes in the scope of consolidation[2]**	**Other movements[1]**	**Translation difference**	**31.12.2025**
Brands with indefinite useful life[3]	3,088.5			485.5	0.2	(217.9)	3,356.3
Amortisable brands and product ranges	85.5		(14.5)		2.7	(4.2)	69.5
Licences and patents	859.3	3.9	(0.6)	75.8	5.8	(8.4)	935.8
Software	1,712.2	64.1	(70.9)	3.3	161.3	(79.3)	1,790.6
Customer relationships	630.2	0.7	(12.0)	19.9		(67.4)	571.6
Assets under construction	758.7	273.0			(177.7)	(16.2)	837.8
Others	40.4	1.8	(10.7)	0.8	0.3	(3.7)	28.9
Gross value	**7,174.8**	**343.6**	**(108.6)**	**585.4**	**(7.5)**	**(397.1)**	**7,590.5**
Brands with indefinite useful life	352.0					(28.2)	323.8
Amortisable brands and product ranges	75.1	1.3	(9.6)			(3.6)	63.1
Licences and patents	245.6	35.5	(0.6)		0.1	(4.3)	276.4
Software	1,276.3	158.3	(70.9)	1.7	(2.3)	(65.8)	1,297.3
Customer relationships	603.9	8.2	(12.0)			(64.3)	535.8
Others	27.1	8.0	(10.7)		0.1	(2.5)	22.0
Depreciation and provisions	**2,580.0**	**211.3**	**(103.8)**	**1.7**	**(2.0)**	**(168.7)**	**2,518.5**
OTHER INTANGIBLE ASSETS – NET	**4,594.8**	**132.3**	**(4.9)**	**583.6**	**(5.5)**	**(228.4)**	**5,072.0**

(1) Other movements mainly consisted of YesSkin brand recognition (€2.5 million) following the acquisition of the group in China at the end of 2024, the allocation of the purchase price has been made in 2025.

(2) Changes in scope of consolidation mainly correspond to the allocation of the Dr.G goodwill to the brand (€100.7 million), customer relations (€10 million) and technology (€1.1 million); to the provisional allocation of the Color Wow goodwill to the brand (€235.3 million) and technology (€22.6 million), and to the provisional allocation of the Medik8 goodwill to the brand (€149.5 million), technology (€51.9 million) and customer relations (€7.2 million).

(3) At end of 2025, the gross value of brands with an indefinite useful life span breaks down as follows:

€ millions	**31.12.2025**
BRANDS WITH INDEFINITE USEFUL LIFE – GROSS VALUE	
Aēsop	498.5
Matrix	303.6
Color Wow	234.9
Mugler	232.9
IT Cosmetics	205.5
CeraVe	176.4
Skinbetter Science	154.2
Medik8	148.4
Kiehl's	134.5
Azzaro	121.0
NYX Professional Makeup	96.9
Dr.G	95.4
Shu Uemura	84.1
Urban Decay	79.1
Others	790.9
TOTAL	**3,356.3**

Accumulated impairment losses relating to brands amounted to €120.9 million on Magic, €93.8 million on Clarisonic, €54.4 million on Softsheen-Carson, €40.6 million on Yue Sai and €14 million on Biomedic at 31 December 2025.

€ millions 2024	31.12.2023	Acquisitions/ Depreciation	Disposals/ Reversals	Change in the scope of consolidation[2]	Other movements[1]	Translation difference	31.12.2024
Brands with indefinite useful life[3]	3,047.9	27.5			(58.8)	72.0	3,088.5
Amortisable brands and product ranges	88.4			(6.1)	1.9	1.5	85.5
Licences and patents	813.5	0.4		39.7	6.9	(1.2)	859.3
Software	1,566.2	37.9	(116.2)	(2.9)	200.2	26.9	1,712.2
Customer relationships	614.6	0.5	(14.7)	2.3	(5.8)	33.5	630.2
Assets under construction	631.8	302.7			(181.3)	5.6	758.7
Others	38.2	15.2	(14.9)	(0.1)	0.1	2.0	40.4
Gross value	**6,800.1**	**384.2**	**(145.7)**	**32.9**	**(37.0)**	**140.2**	**7,174.8**
Brands with indefinite useful life	395.0	1.6			(58.8)	14.3	352.0
Amortisable brands and product ranges	74.9	2.8		(5.4)	1.6	1.3	75.1
Licences and patents	213.6	31.4		(0.8)	(0.1)	1.6	245.6
Software	1,222.5	145.2	(116.1)	(2.6)	4.5	22.7	1,276.3
Customer relationships	574.9	16.7	(14.7)		(5.8)	32.9	603.9
Others	32.1	8.7	(14.9)	(0.1)		1.3	27.1
Depreciation and provisions	**2,513.0**	**206.3**	**(145.7)**	**(9.0)**	**(58.7)**	**74.1**	**2,580.0**
OTHER INTANGIBLE ASSETS – NET	**4,287.1**	**177.9**	**—**	**41.9**	**21.7**	**66.1**	**4,594.8**

(1) Other movements mainly consisted of technology recognised (€9.9 million) as part of the final purchase price allocation following the acquisition of Lactobio at the end of November 2023.
(2) Changes in scope of consolidation mainly correspond to the acquisition of Gjosa (€40.6 million) of technology recognised in the preliminary purchase price allocation.
(3) At end of 2024, the gross value of brands with an indefinite useful life span breaks down as follows:

€ millions	31.12.2024
BRANDS WITH INDEFINITE USEFUL LIFE – GROSS VALUE	
Aēsop	523.4
Matrix	334.4
Mugler	232.9
IT Cosmetics	228.9
CeraVe	192.1
Skinbetter Science	171.6
Kiehl's	146.9
Azzaro	121.0
NYX Professional Makeup	107.9
Shu Uemura	91.2
Urban Decay	86.9
Others	851.4
TOTAL	**3,088.5**

Accumulated impairment losses relating to brands amounted to €130.9 million on Magic, €103.9 million on Clarisonic, €59.3 million on Softsheen-Carson, €44 million on Yue Sai and €14 million on Biomedic at 31 December 2024.

€ millions 2023	31.12.2022	Acquisitions/ Depreciation	Disposals/ Reversals	Change in the scope of consolidation[2]	Other movements[1]	Translation difference	31.12.2023
Brands with indefinite useful life[3]	2,589.7	0.1		507.3	(0.1)	(49.1)	3,047.9
Amortisable brands and product ranges	93.9			(8.7)	6.0	(2.8)	88.4
Licences and patents	771.4	1.8	(6.6)	42.1	5.3	(0.5)	813.5
Software	1,624.7	46.6	(169.9)	16.5	80.8	(32.5)	1,566.2
Customer relationships	658.0			(7.4)	(13.8)	(22.2)	614.6
Assets under construction	416.8	296.7			(79.3)	(2.4)	631.8
Others	32.9	10.0	(2.8)	0.8	(1.6)	(1.1)	38.2
Gross value	**6,187.1**	**355.1**	**(179.3)**	**550.6**	**(2.7)**	**(110.7)**	**6,800.1**
Brands with indefinite useful life	403.5	19.8		(14.5)		(13.8)	395.0
Amortisable brands and product ranges	79.6	2.1		(8.7)	4.7	(2.8)	74.9
Licences and patents	210.3	20.3	(6.6)	(12.8)	3.0	(0.6)	213.6
Software	1,241.3	155.0	(169.7)	12.3	7.7	(24.1)	1,222.5
Customer relationships	586.8	18.9		(10.0)	0.5	(21.3)	574.9
Others	25.5	10.0	(2.7)	0.8	(0.6)	(0.9)	32.1
Depreciation and provisions	**2,547.0**	**226.2**	**(179.0)**	**(32.9)**	**15.3**	**(63.5)**	**2,513.0**
OTHER INTANGIBLE ASSETS – NET	**3,640.1**	**128.9**	**(0.2)**	**583.5**	**(18.1)**	**(47.2)**	**4,287.1**

(1) Other movements mainly consisted of the reduction in the gross value of the recognised customer relationship following the finalisation of the allocation of the price paid for the Skinbetter Science acquisition (-€13.8 million).

(2) Changes in scope of consolidation mainly correspond to the provisional allocation of Aēsop goodwill to the brand (€521.8 million), technology (€54.9 million) and software for (€4.2 million).

(3) At end of 2023, the gross value of brands with an indefinite useful life span breaks down as follows:

€ millions	31.12.2023
BRANDS WITH INDEFINITE USEFUL LIFE – GROSS VALUE	
Aēsop	539.4
Matrix	317.6
Mugler	232.9
IT Cosmetics	216.1
CeraVe	183.6
Skinbetter Science	162.1
Kiehl's	140.1
Azzaro	121.0
NYX Professional Makeup	101.9
Shu Uemura	93.6
Urban Decay	82.6
Others	857.0
TOTAL	**3,047.9**

Accumulated impairment losses relating to brands amounted to €126.3 million on Magic, €98.4 million on Clarisonic, €58.8 million on Decléor, €55.1 million on Softsheen-Carson, €42.4 million on Yue Sai and €14 million on Biomedic at 31 December 2023.

7.3 Impairment tests on intangible assets

Accounting principles

Goodwill is not amortised. It is tested for impairment at least once a year during the fourth quarter or whenever an adverse event occurs. Adverse events may result among other things from an increase in market interest rates or from a decrease in actual net sales or operational profit compared to forecasts.

Impairment tests consist of comparing the carrying amount of assets including goodwill and brands with the recoverable amount of each Cash Generating Unit. A Cash Generating Unit corresponds to one or more worldwide brands. A Cash Generating Unit can contain several brands in case of similar marketing position or depending on organisational criteria and particularly when distribution circuits and commercial/management structures are pooled. Recoverable values are determined on the basis of discounted operating cash flow forecasts covering a period of 10 years (the period considered necessary for the strategic positioning of an acquisition) and a terminal value.

The cash flows are determined in the currencies of the countries in question and are translated, in the same way as the net carrying amounts to which they are compared, at the estimated exchange rate for the following year. The discount rate used for these calculations is based on the weighted average cost of capital (WACC), which amounted to 8.5% in 2025, to 8.3% in 2024 and 9.2% in 2023 for amounts in euro. The discount rates are post-tax rates applied to post-tax cash flows, and result in recoverable amounts identical to those obtained by applying pre-tax rates to pre-tax cash flows. The assumptions adopted in terms of sales growth and terminal values are reasonable and consistent with the available market data (generally 2.5% for Europe and 3% for the rest of the world for terminal values except in specific cases).

The use of discounted cash flow forecasts is preferred in order to determine recoverable amounts, unless details of similar recent transactions are readily available.

Impairment charged against goodwill cannot be reversed.

Impairment tests of Cash Generating Units for which the carrying amount of goodwill and intangible assets with indefinite useful lives is significant, are carried out based on the following data and assumptions:

€ millions	2025	2024	2023
NET CARRYING AMOUNT OF GOODWILL AND BRANDS WITH AN INDEFINITE USEFUL LIFE			
Retail Skincare (Luxe)	2,350.9	2,473.5	2,431.2
Maybelline and other Makeup brands	1,916.8	2,053.9	1,998.0
Perfumes	1,841.2	1,844.0	1,842.0
L'Oréal Paris and other Premium brands	1,581.2	1,259.7	1,227.7
SkinCeuticals/Skinbetter Science	917.0	999.7	921.5
Garnier and other Access brands	888.3	966.1	989.1
Makeup (Luxe)	884.6	971.2	940.2
Lancôme	860.4	869.4	845.0
CeraVe	798.2	852.9	823.2
Redken/PureOlogy	775.5	833.3	789.6
Matrix	697.3	773.3	734.1
Skincare (Luxe)	682.7	722.4	712.3
YSL Beauté	535.8	536.7	536.2
L'Oréal Professionnel/Kérastase	425.5	449.8	422.4
Vichy	317.1	328.8	322.4
La Roche-Posay	176.2	184.0	169.6

Goodwill

The discount rates used at 31 December 2025 for the test were between 6.5% and 14.8% including 8.7% for the USA and 8.5% for international. This rate is the result of specific rates for each market or region based on the risks they represent.

At 31 December 2025, a 1% increase in the discount rate on all the Group's Cash Generating Units would not lead to an impairment loss.

A 1% decrease in the terminal growth rate on all the Group's Cash Generating Units would not lead to an impairment loss.

The terminal growth rate is consistent with market data, i.e. 2.5% for Europe and 3.0% for the rest of the world.

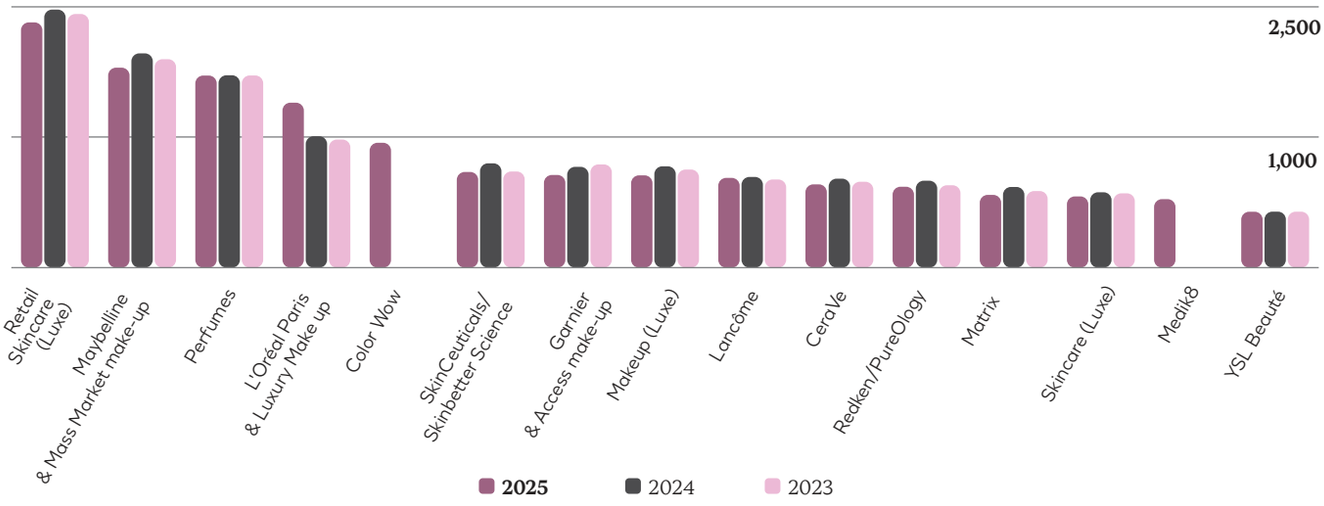
A 1-point decrease in the margin rate over the business plan period on all the Group's Cash Generating Units would not lead to an impairment loss.

Climate change risks and opportunities

L'Oréal used two opposing scenarios to measure the risks and opportunities related to climate change that could impact the Group's activities in the medium and long term. The methodology used is in line with the practices of the TCFD (Task force on climate Financial Disclosure) and the TNFD (Taskforce on Nature-related Financial Disclosure). The scenarios used are:

- the IPCC SSP1-2.6 scenario (formerly RCP 2.6) called Climate Nature Equilibrium. This scenario foresees strong international cooperation to limit global warming to 1.5°C, in line with the Paris Agreement, by focusing on sustainable development and effective climate policies;
- the IPCC SSP5-8.5 scenario (formerly RCP 8.5) called Disorderly and Degraded based on warming above 4°C, with strong population growth, limited environmental regulations and minimal efforts to combat climate change. The integration of these scenarios into the business plans of the CGUs at risk did not reveal any significant impact likely to generate a risk of depreciation of assets.

The net carrying amount of goodwill and brands with indefinite useful life breaks down as follows for the largest Cash Generating Units:



Note 8 Investments accounted for under the equity method

€ millions	31.12.2025	31.12.2024	31.12.2023
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD			
SkinSpirit[1]	263.6	—	—
Amouage[2]	93.2	102.0	—
Other	19.1	24.4	27.0
TOTAL	**376.0**	**126.4**	**27.0**

(1) Acquisition of a 36% stake in SkinSpirit, network of aesthetic clinics in the US.
(2) Acquisition of a 25% stake in Amouage in 2024.

Note 9 Financial assets and liabilities - Cost of debt

Accounting principles

Finance costs, net

Net financial debt consists of all current and non-current financial borrowings and debt, less cash and cash equivalents.

Net finance costs consist of income and expenses arising on the items making up net financial debt during the accounting period, including gains and losses on the corresponding foreign exchange rate hedges.

Borrowings and debt

Borrowings and debt are valued at amortised cost based on an effective interest rate.

Borrowings are therefore valued at issue at the present value to be paid, then at the amortized cost, calculated using the Effective Interest Rate (EIR). Transaction costs directly attributable to the acquisition or issue of a financial liability are reduced by the value of this financial liability. The costs are then actuarially amortized over the life of the liability, using the EIR method.

In accordance with the principle of fair value hedge accounting, fixed-rate borrowings and debt swapped at a floating rate are valued on the balance sheet at market value. The resulting changes in value are recorded as finance costs and are offset by changes in the value of the related interest rate swaps.

The fair value of fixed-rate debt is determined by the discounted cash flow method using bond yield curves at the closing date, allowing for the spread corresponding to the Group's risk class to be taken into account.

The carrying amount of floating-rate debt is a reasonable approximation of its fair value.

Medium- and long-term borrowings and debt are recorded under *Non-current liabilities*. Short-term borrowings and debt as well as the current portion of medium- and long-term borrowings and debt are presented under *Current liabilities*.

Cash and cash equivalent

Cash and cash equivalents consist of cash in bank accounts, units of cash unit trusts and liquid short-term investments with a negligible risk of changes in value and a maturity date of less than three months at the date of acquisition.

Investments in shares and cash, which are held in an account blocked for more than three months, cannot be recorded under cash and are presented under *Other current assets*.

Bank overdrafts considered to be financing are presented in *Current borrowings and debt*.

The money-market unit trusts are classified as financial assets at fair value through profit or loss. As such, they are valued in the balance sheet at their market value at the closing date. Any related unrealised gains are accounted for in Finance costs, *Net in the income statement*.

The carrying amount of bank deposits is a reasonable approximation of their fair value.

Non-current financial assets

Non-current financial assets include investments in non-consolidated companies and long-term loans and receivables maturing after more than 12 months.

Investments in non-consolidated companies are classified as financial assets at fair value through other comprehensive income. As such, they are valued on the basis of their fair value, and unrealised losses and gains are accounted for through equity on the line *Other comprehensive income*.

The fair value of listed securities is determined on the basis of the share price at the closing date. For unlisted securities, in the absence of specific events, their acquisition cost is deemed to be the best possible estimate of fair value.

Long-term loans and receivables are considered to be assets generated by the business. As such, they are valued at amortised cost. If there is an indication of a loss in value, a provision for impairment is recorded.

9.1 Borrowings and debt

The Group conducts bond issues to cover its medium-term financing needs and issues short-term marketable instruments in France and commercial paper in the US to cover its financing needs in the short term. None of the Group's borrowings or debt contains an early repayment clause linked to financial ratios (covenants).

9.1.1 Debt by type

	31.12.2025		31.12.2024		31.12.2023	
€ millions	Non-current	Current	Non-current	Current	Non-current	Current
Short-term marketable instruments	—	—	—	—	—	—
MLT bank loans	—	—	—	—	—	—
Lease debt	1,362.9	434.5	1,458.0	468.6	1,394.2	459.8
Overdrafts	—	54.1	—	36.3	—	67.0
Other borrowings and debt	504.1	667.2	209.5	263.4	18.3	219.3
Bonds	7,565.7	1,327.6	4,977.6	1,081.6	4,728.3	1,805.1
TOTAL	**9,432.6**	**2,483.4**	**6,645.1**	**1,849.9**	**6,140.8**	**2,551.3**

9.1.2 Bonds

Tranches *In millions*		Issuance type	Issuance date	Rate type	EIR[1]	Maturity date	31.12.2025[2]	31.12.2024[2]	31.12.2023[2]
EUR	750	—	March 2022	Floating	2.40%	March 2024	—	—	754.5
EUR	1,000	—	March 2022	Fixed	0.58%	March 2024	—	—	1,002.3
EUR	1,250	SLB[3]	March 2022	Fixed	1.05%	June 2026	1,259.0	1,253.9	1,252.9
EUR	1,000	EMTN[4]	May 2023	Fixed	3.39%	May 2025	—	1,018.4	1,015.8
EUR	1,000	EMTN[4]	May 2023	Fixed	3.08%	May 2028	1,013.2	1,011.3	1,009.5
EUR	800	EMTN[4]	November 2023	Fixed	3.52%	January 2027	824.1	827.5	799.4
EUR	700	EMTN[4]	November 2023	Fixed	3.47%	November 2029	700.1	699.5	699.0
EUR	750	EMTN[4]	November 2024	Fixed	2.71%	November 2027	750.0	748.5	—
EUR	500	EMTN[4]	November 2024	Fixed	2.94%	November 2031	500.4	500.2	—
USD	1,000	Bond[5]	May 2025	Fixed	5.25%	May 2035	845.8	—	—
EUR	850	EMTN[4]	November 2025	Floating	2.41%	November 2027	850.3	—	—
EUR	1,000	EMTN[4]	November 2025	Fixed	2.83%	November 2030	999.7	—	—
EUR	1,150	EMTN[4]	November 2025	Fixed	3.42%	January 2036	1,150.6	—	—
TOTAL							**8,893.2**	**6,059.2**	**6,533.4**

(1) Effective interest rate before hedging instruments.
(2) Including undisbursed short-term and long-term accrued interest.
(3) Sustainability linked Bond.
(4) Euro Medium Term Notes.
(5) Bond on the American market.

Bond issues are mainly carried out as part of a "Euro Medium-Term Notes" program with a ceiling of €15 billion at 31 December 2025.

Sustainability-linked Bond

On 22 March 2022, the Group issued its first Sustainability-linked bond. This fixed-rate issue with a maturity of 4 years and 3 months and an amount of €1,250 million, has a coupon of 0.875% per year.

The financial characteristics of the Sustainability-linked bond are linked to three sustainability performance targets:

- all sites operated by L'Oréal will achieve 100% renewable energy (formerly called "carbon neutral") by 31 December 2025;
- Greenhouse gas emissions (Scopes 1, 2 and 3) from production to point of sale (cradle-to-shelf) will be reduced by 14% per product sold by 2025 compared to the 2021 reference year;
- 50% of the Group's plastic packaging will be of recycled or bio-sourced origin by 2025.

The targets relating to renewable energy and greenhouse gas intensity were not met by the end of 2025, resulting in a premium of 0.25% on this tranche.

New issues during the financial year

On 13 May 2025, the Group placed a bond issue on the American bond market for a total principal amount of $1 billion, with a 10-year maturity and a coupon of 5.00 % per year.

The bond issue was carried out for the general needs of the Group; this transaction strengthens the Group's liquidity profile.

The L'Oréal Groupe successfully completed the placement of a bond issue with a total nominal amount of €3 billion on 12 November 2025, comprising three tranches:

- a €850 million tranche with a 2-year maturity with a floating-rate coupon of Euribor 3M + 20 basis points per year;
- a €1,000 million tranche with a 5-year maturity with a fixed-rate coupon of 2.750% per year;
- a €1,150 million tranche with a 10-year maturity, with a fixed-rate coupon of 3.375% per year.

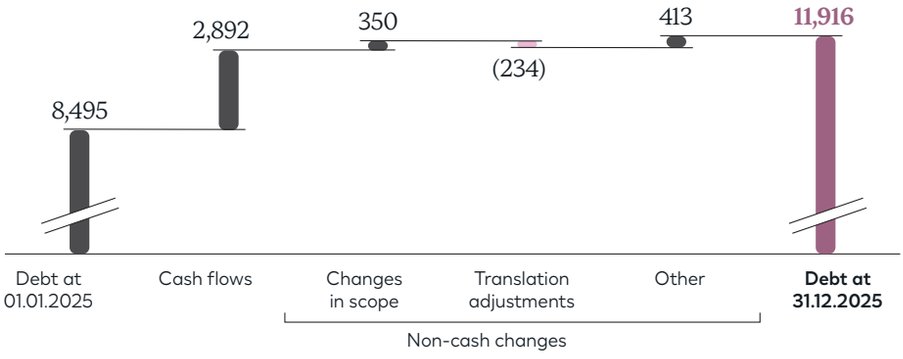
The bonds, which are rated AA (Stable) by S&P and Aa1 (Stable) by Moody's, have been admitted to trading on Euronext Paris from 19 November 2025, settlement-delivery date.

The net proceeds from the bonds will be used for the Group's general purposes, including to partially finance the acquisition of Kering Beauté.

9.1.3 Change in debt

			"Non-cash" changes				
€ millions	**31.12.2024**	**Cash-flows**	**Changes in the scope of consolidation**	**Translation adjustments**	**Changes in fair value**	**Other[1]**	**31.12.2025**
Short-term marketable instruments	—	—	—	—	—	—	—
MLT bank loans	—	—	—	—	—	—	—
Lease debt	1,926.6	(453.6)	24.4	(120.6)	—	420.6	1,797.4
Overdrafts and cash pooling	36.3	(56.1)	—	60.2	—	13.6	54.0
Other borrowings and debt	472.8	525.5	325.3	(130.9)	—	(21.4)	1,171.3
Bonds	6,059.2	2,876.5	—	(42.5)	—	—	8,893.2
TOTAL	**8,495.0**	**2,892.3**	**349.7**	**(233.8)**	**—**	**412.8**	**11,916.0**

(1) These are renewals and amendments to contracts and new leases location.



9.1.4 Debt by maturity date

€ millions	**31.12.2025**	**31.12.2024**	**31.12.2023**
Less than 1 year[1]	2,483.4	1,849.9	2,551.3
1 to 5 years	6,544.0	5,627.4	5,022.1
More than 5 years	2,888.5	1,017.7	1,118.6
TOTAL	**11,916.0**	**8,495.0**	**8,692.1**

(1) At 31 December 2025 the Group had confirmed undrawn credit lines for €11,000 million compared with €5,000 million at 31 December 2024 and 31 December 2023. These lines were not subject to any covenants.

These estimates are computed on the basis of the effective interest rate at the end of the financial year, after allowing for hedging instruments and assuming that no debt is rolled over at maturity.

The value recognized in the balance sheet does not show any significant difference with the nominal value of the loans (note 9.1.2).

9.1.5 Debt by currency excluding lease debts

€ millions	31.12.2025	31.12.2024	31.12.2023
Euro (EUR)	8,059.2	6,077.5	6,550.6
US Dollar (USD)	853.4	28.5	12.8
Korean Won (KRW)	461.1	74.0	105.7
Pound sterling (GBP)	325.3	—	—
Chinese Yuan (CNY)	179.9	204.4	—
Colombian Peso (COP)	64.5	19.4	55.0
Chilean Peso (CLP)	40.7	31.0	15.0
Indonesian Rupiah (IDR)	21.5	8.9	4.0
Turkish Lira (TRY)	16.3	22.4	30.0
Peruvian Sol (PEN)	15.2	14.1	11.4
South African Rand (ZAR)	14.2	7.6	7.2
Other	67.3	80.6	46.4
TOTAL	**10,118.6**	**6,568.4**	**6,838.1**

9.1.6 Breakdown of fixed rate – floating rate debt

€ millions	31.12.2025	31.12.2024	31.12.2023
Floating rate	1,089.4	82.3	821.5
Fixed rate including lease debts	10,826.6	8,412.7	7,870.6
TOTAL	**11,916.0**	**8,495.0**	**8,692.1**

9.1.7 Effective interest rates

At the end of 2025 as at the end of 2024 and 2023, the negotiable securities at closing have been fully repaid.

The effective interest rate on bonds issued by the Group amounts to 2.84% in 2025.

There is no medium-term bank loan at 31 December 2025 as at 31 December 2024 and 31 December 2023.

9.1.8 Average debt interest rates

Average debt interest rates after allowing for hedging instruments break down as follows:

	31.12.2025	31.12.2024	31.12.2023
Euro (EUR)	2.75%	2.66%	2.09%
US dollar (USD)	3.67%	3.39%	3.58%

9.1.9 Fair value of borrowings and debt

The fair value of fixed-rate debt is determined for each loan by discounting future cash flows, based on bond yield curves at the balance sheet date, after allowing for the spread corresponding to the Group's risk rating.

The net carrying amount of outstanding bank loans and other floating-rate loans is a reasonable approximation of their fair value.

The fair value of borrowings and debt excluding IFRS 16 amounted to €10,118.6 million at 31 December 2025 compared with €6,568.4 million at 31 December 2024 and €6,838.1 million at 31 December 2023.

9.1.10 Debt covered by collateral

No debt was covered by material amounts of collateral at 31 December 2025, 2024 and 2023.

9.1.11 Confirmed credit lines

At 31 December 2025, L'Oréal and its subsidiaries had €11,000 million of confirmed undrawn credit lines compared with €5,000.0 million at 31 December 2024 and 31 December 2023.

The maturities of the credit lines at 31 December 2025 are broken down as follows:

- €4,000 million at less than one year;
- €7,000 million between one and five years;
- €0 million at more than five years.

9.2 Cash and cash equivalents

	31.12.2025		31.12.2024		31.12.2023	
€ millions	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost
Marketable securities	4,986.4	4,971.1	1,829.3	1,823.6	624.1	622.7
Bank accounts and other cash and cash equivalents[1]	4,878.7	4,879.9	2,223.0	2,224.4	3,664.0	3,664.2
TOTAL	**9,865.0**	**9,851.1**	**4,052.3**	**4,048.0**	**4,288.1**	**4,286.9**

(1) Including €273.7 million in cash in countries in which cash repatriation is difficult.

Marketable securities consist mainly of SICAV money-market funds and unit trusts (on which the return is based on €STR). They are considered as financial assets at fair value through profit or loss.

Term accounts with a maturity of less than three months at inception are shown on the *Bank accounts and other cash and cash equivalents* line.

9.3 Non-current financial assets

	31.12.2025		31.12.2024		31.12.2023	
€ millions	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost	Carrying amount	Acquisition cost
INVESTMENTS IN NON-CONSOLIDATED COMPANIES						
Sanofi[1]	7,334.8	3,025.2	11,082.6	4,033.5	10,612.1	4,033.5
Galderma[2]	4,145.5	1,812.9	2,550.0	1,812.9	—	—
Other listed securities[3]	22.2	103.4	23.2	103.4	60.9	103.3
Unlisted securities[4]	639.8	642.8	554.9	552.2	458.3	437.8
FINANCIAL ASSETS AT AMORTISED COST						
Non-current loans and receivables	184.1	188.6	156.0	159.4	171.0	175.0
Surplus funds for pension scheme commitments held in assets	**540.8**		**471.3**		**329.4**	
TOTAL	**12,867.3**	**5,772.9**	**14,838.1**	**6,661.4**	**11,631.6**	**4,749.6**

(1) L'Oréal's stake in Sanofi was 7.27% at 31 December 2025. The carrying amount (€7,334.8 million) at 31 December 2025 corresponds to the market value of the shares based on the closing price at that date (€82.72) representing a decrease of €747.8 million on the shares held. The sale of Sanofi shares resulted in a decrease in the value of the shares by €3,000 million. The revaluation of the shares sold at the date of sale amounted to €229.4 million. The acquisition cost of €3,025.2 million for the shares not sold corresponds to an initial cost of €34.12. The investment is measured at fair value through other comprehensive income.

(2) L'Oréal's stake in Galderma was 10.0% at 31 December 2025. The carrying amount at 31 December 2025 (€4,145.5 million) corresponds to the market value of the shares based on the closing price at this date (CHF 162.10 equivalent €174.25). The acquisition cost of €1,812.9 million (including acquisition fees) corresponds to an entry cost of CHF 71.11 (equivalent €75.60). The investment is measured at fair value through other comprehensive income.

(3) This heading includes listed securities of biotechnology start-ups as well as Euroapi shares).

(4) This heading mainly includes:
- the minority stake in Jacquemus for €103.2 million;
- the securities of Chando acquired in 2024 for €58.4 million;
- other investments in start-ups and other investment funds.
In the absence of specific events, their acquisition cost is deemed to be the best possible estimate of fair value.

9.4 Other financial income and expenses

This item is broken down as follows:

€ millions	2025	2024	2023
Interest component of pension costs	(9.0)	(10.9)	(2.2)
Other financial income and expenses	(29.0)	(28.9)	(49.3)
TOTAL	**(38.0)**	**(39.8)**	**(51.5)**

Note 10 Derivatives and exposure to market risks

Accounting principles

Derivative instruments entered into to hedge identifiable foreign exchange and interest rate risks are accounted for in accordance with hedge accounting principles.

Forward foreign exchange contracts and options are put in place in order to hedge items recorded in the balance sheet (fair value hedges) and cash flows on highly probable future commercial transactions (cash flow hedges).

All foreign exchange hedging instruments are recorded on the balance sheet at their market value, including those which relate to purchases and sales in the next accounting period. Hence changes in the fair value of these hedging instruments is recorded in shareholders' equity and the amount accumulated in shareholders' equity impacts the result on the date of completion of hedged transactions.

Any remaining hedge ineffectiveness is recognised directly in the income statement.

In accordance with hedge accounting, unrealised exchange gains and losses relating to unsold inventories are deferred in the inventories item in the balance sheet. Similarly, if a currency hedge has been taken out in respect of fixed assets purchased with foreign currency, these assets are valued in the balance sheet on the basis of the hedging rate.

The Group may decide to hedge certain investments in foreign companies. Exchange gains or losses relating to these hedges are directly charged to consolidated equity, under the item *Cumulative translation adjustments*.

With regard to interest rate risk, fixed-rate debt and financial loans hedged by interest rate swaps are valued in the balance sheet at their market value. Changes in the fair value of these items are recorded as finance costs and offset by adjustments to the fair value of the related hedging derivatives. Floating-rate debt and financial loans are valued at cost, which corresponds to their market value. The swaps or caps which hedge these items are valued in the balance sheet at their market value, with changes in value recorded directly through equity on the *Other comprehensive income* item.

The fair value of interest rate derivative instruments is their market value. This market value is calculated by the discounted cash flow method at the interest rate effective at the closing date.

To manage its exposure to currency and interest rate risks arising in the course of its normal operations, the Group uses derivatives negotiated with counterparties rated investment grade.

In accordance with Group rules, currency and interest rate derivatives are set up exclusively for hedging purposes.

10.1 Hedging of currency risk

The Group is exposed to currency risk on commercial transactions recorded on the balance sheet and on highly probable future transactions.

The Group's policy regarding its exposure to currency risk on future commercial transactions is to hedge, before the end of the year, a large part of the currency risk for the following year, using derivatives based on operating budgets in each subsidiary.

All the Group's future foreign currency flows are analysed in detailed forecasts for the coming budgetary year. Any currency risks identified are hedged by forward contracts or options in order to reduce as far as possible the currency exposure of each subsidiary. The term of the derivatives is aligned with the Group's settlements. Exchange rate derivatives are negotiated by FINVAL or, in exceptional cases, directly by the Group's subsidiaries. Such transactions are supervised by the Group's Treasury department.

As a non-financial corporation, FINVAL is subject to the European Market Infrastructure Regulations (EMIR). Published by the European Commission in September 2012, EMIR is aimed at moving OTC markets towards a centralised model, thereby enhancing market transparency and regulatory oversight and decreasing systemic risk using a guarantee mechanism. As the Group's companies must borrow and invest their cash in their own currency, the exchange rate risks generated by managing their own cash and debt are almost non-existent.

Owing to the Group's policy of currency risk hedging a large part of annual requirements for the following year before the end of the current year, the sensitivity of profit or loss to changes in foreign exchange rates at 31 December is marginal. The impact of changes in foreign exchange rates on the foreign exchange cash flow hedges reserve is described in note 11.3.

All derivative financial instruments held for currency risk hedging purposes have a maturity of less than 18 months at inception and break down as follows:

	Nominal			Market value		
€ millions	31.12.2025	31.12.2024	31.12.2023	31.12.2025	31.12.2024	31.12.2023
CURRENCY FUTURES						
Purchase of EURO against foreign currencies	**4,157.2**	**4,381.0**	**4,899.9**	**17.7**	**(83.7)**	**35.6**
EUR/CNY	1,228.3	1,211.1	1,414.5	12.3	(23.6)	44.4
EUR/USD	871.6	447.3	505.8	24.1	(36.9)	9.8
EUR/GBP	325.8	479.2	410.0	4.0	(16.0)	(6.9)
EUR/BRL	267.6	171.1	205.9	(10.9)	15.1	(3.7)
EUR/MXN	267.3	237.2	266.3	(13.4)	11.5	(8.4)
EUR/CAD	164.6	161.4	148.2	3.0	0.2	0.1
EUR/CLP	98.7	96.3	87.5	(4.0)	0.8	3.1
EUR/SGD	81.6	528.6	746.9	9.1	(14.7)	(0.1)
EUR/CHF	78.2	65.7	—	0.9	(1.3)	—
EUR/THB	72.2	73.2	69.1	(1.0)	(4.9)	—
EUR/SAPMENA currencies	256.4	335.4	341.7	(2.2)	(2.3)	0.2
EUR/Europe currencies	243.3	263.8	250.2	(6.4)	(3.8)	(5.2)
EUR/North Asia currencies	109.1	203.1	359.1	7.0	(4.3)	4.6
EUR/Latin America currencies	51.6	54.8	54.7	(2.6)	(3.1)	(1.3)
EUR/SSA currencies	41.1	52.9	40.0	(2.3)	(0.5)	(0.9)
Sale of EUR against foreign currencies	**156.0**	**58.4**	**231.8**	**(4.2)**	**(0.2)**	**1.2**
EUR/PLN	86.8	26.7	8.5	0.2	(0.9)	(1.6)
EUR/North Asia currencies	39.2	—	—	(4.7)	—	—
EUR/SAPMENA currencies	20.7	16.0	30.9	0.2	0.5	(0.4)
EUR/Europe currencies	9.4	15.7	192.3	0.1	0.2	3.1
Purchase of USD against foreign currencies	**819.9**	**821.0**	**870.2**	**(11.3)**	**33.9**	**(3.5)**
USD/SAPMENA currencies	241.0	244.1	188.5	(1.7)	5.2	(3.3)
USD/Latin America currencies	184.6	192.6	193.3	(9.2)	15.7	(1.1)
USD/SAR	150.7	67.5	144.6	(0.4)	—	0.2
USD/North Asia currencies	141.3	189.3	284.4	0.7	7.6	1.3
USD/North America currencies	95.2	121.3	51.6	(0.1)	5.2	(0.3)
USD/Other currencies	7.1	6.2	7.8	(0.5)	0.2	(0.3)
Sale of USD against foreign currencies	**719.1**	**1,226.8**	**1,501.0**	**(1.7)**	**(32.6)**	**12.7**
USD/SGD	577.9	1,146.3	1,378.6	(4.9)	(30.4)	9.8
USD/Other currencies	141.2	80.5	122.4	3.2	(2.2)	2.8
Other currency pairs	**749.8**	**789.8**	**772.4**	**7.1**	**(7.3)**	**(8.7)**
DKK/SEK	85.9	95.4	76.8	(2.7)	(0.8)	(3.1)
JPY/KRW	89.6	50.9	46.6	3.1	(2.1)	1.3
Other currency pairs	574.2	643.6	648.9	6.8	(4.5)	(6.9)
CURRENCY FUTURES TOTAL	**6,602.0**	**7,277.0**	**8,275.2**	**7.6**	**(89.9)**	**37.2**
Currency options						
EUR/USD	—	260.4	—	—	2.9	—
CURRENCY OPTIONS TOTAL	**—**	**260.4**	**—**	**—**	**2.9**	**—**
Of which total options purchased	—	260.4	—	—	2.9	—
Other hedging elements						
Cross Currency Swap	3,372.9	1,554.1	1,620.1	34.3	4.8	13.5
OTHER ELEMENTS TOTAL	**3,372.9**	**1,554.1**	**1,620.1**	**34.3**	**4.8**	**13.5**
TOTAL	**9,974.9**	**9,091.5**	**9,895.3**	**41.9**	**(82.1)**	**50.7**

The market values by type of hedging are as follows:

€ millions	2025	2024	2023
Fair value hedges[1]	39.7	0.1	47.9
Cash flow hedges	3.8	(82.2)	2.7
Net foreign investment hedges	(1.6)	—	—
TOTAL	**41.9**	**(82.1)**	**50.6**

(1) Fair value hedges relate to currency risks on operating receivables and payables as well as on foreign currency investments and financing.

The fair value of the derivatives is their market value.

10.2 Foreign exchange gains and losses

Accounting principles

Foreign exchange gains and losses resulting from the difference between the value of foreign currency operating income and expenses translated at the spot rate effective on the transaction date and at the exchange rate effective on the settlement date are recognised directly on the appropriate income and expense lines, after allowing for hedging derivatives.

Foreign exchange gains and losses break down as follows:

€ millions	2025	2024	2023
Time value	(0.3)	(9.6)	(121.7)
Other foreign exchange gains and losses	12.1	9.0	41.1
TOTAL	**11.8**	**(0.6)**	**(80.6)**

Foreign currency transactions are translated at the spot rate at the transaction date.

Assets and liabilities denominated in foreign currencies have been translated using the exchange rates effective at the closing date. Foreign exchange gains and losses also include the following items relating to derivative instruments:

- changes in market value linked to variations in the spot rate between the inception of the hedge and the date when the hedged transactions are completed;
- residual ineffectiveness linked to excess hedges and recognised directly in the income statement under other foreign exchange gains and losses for -€8.6 million, -€6.5 million and €1.6 million in 2025, 2024 and 2023, respectively.

These amounts are allocated to the appropriate operating expense items. They are broken down as follows:

€ millions	2025	2024	2023
Cost of sales	16.4	(0.4)	(49.2)
Research and innovation expenses	(11.0)	(0.1)	(12.0)
Advertising and promotion expenses	2.7	(0.1)	(8.7)
Selling, general and administrative expenses	3.8	(0.1)	(10.7)
FOREIGN EXCHANGE GAINS AND LOSSES	**11.8**	**(0.6)**	**(80.6)**

10.3 Hedging of interest rate risk

The Group did not have any interest rate hedging instruments at 31 December 2025, 2024 and 2023.

10.4 Sensitivity to changes in interest rates

An increase of 100 basis points in interest rates would have had a direct positive impact of €87.8 million on the Group's net finance costs at 31 December 2025, compared with a direct positive impact of €39.7 million at 31 December 2024 and a direct positive impact of €34.7 million at 31 December 2023. This calculation allows for cash, cash equivalents and derivatives, and assumes that total net debt/cash remains stable and that fixed-rate debt at maturity ais replaced are not impacted.

The impact of a 100 basis point rise in interest rates on the fair value of the Group's fixed-rate financial assets and liabilities, after allowing for any interest rate derivatives, can be estimated at -€90.3 million at 31 December 2025 compared with -€64.9 million at 31 December 2024 and -€60.2 million at 31 December 2023.

10.5 Counterparty risk

The Group has financial relations with international banks rated investment grade by specialised agencies. The Group thus considers that its exposure to counterparty risk is low.

Furthermore, the financial instruments used to manage exchange rate and interest rate risk are issued by leading international banking counterparties.

Accordingly, the Group considers its exposure to counterparty risk to be low.

10.6 Liquidity risk

The Group's liquidity risk can be assessed on the basis of its outstanding short-term debt under its short-term marketable instruments programme. Should these bank facilities not be renewed, the Group would have confirmed undrawn credit lines of €11,000 million at 31 December 2025. These lines were not subject to any covenants.

10.7 Shareholding risk

No cash has been invested in shares.

Available cash is invested with top-ranking financial institutions in the form of non-speculative instruments which can be drawn in very short periods. At 31 December 2025, marketable securities consist exclusively of unit trusts (note 9.2.).

At 31 December 2025, the Group held:

- 88,670,657 Sanofi shares for an amount of €7,334.8 million (note 9.3.). The initial share price for Sanofi shares was €34.12;
- 23,789,764 Galderma shares for an amount of €4,145.5 million (note 9.3). The initial share price for Galderma shares was €75.6.

The shares are valued based on their fair value, and unrealised losses and gains are accounted for through equity in the *Other comprehensive income* item.

At 31 December 2024, the Group held:

- 118,227,307 Sanofi shares for an amount of €11,082.6 million (note 9.3.);
- 23,789,764 Galderma shares for an amount of €2,550.0 million (note 9.3.).

At 31 December 2023, the Group held 118,227,307 Sanofi shares for an amount of €10,612.1 million (note 9.3.).

10.8 Fair value hierarchy

IFRS 7 requires financial assets and liabilities recognised at fair value in the balance sheet to be classified according to three levels:

- level 1: quoted prices on an active market;
- level 2: valuation techniques using observable inputs;
- level 3: valuation techniques using unobservable inputs, such as investment funds valuation reports.

The table below provides an analysis of financial instruments recorded at fair value on the balance sheet by level of the fair value hierarchy.

€ millions **31 December 2025**	Level 1	Level 2	Level 3	Total fair value
ASSETS AT FAIR VALUE				
Foreign exchange derivatives		214.1		214.1
Sanofi shares	7,334.8			7,334.8
Galderma shares	4,145.5			4,145.5
Other securities	22.2		639.4	661.6
Marketable securities	4,986.4			4,986.4
TOTAL ASSETS AT FAIR VALUE	**16,488.9**	**214.1**	**639.4**	**17,342.4**
LIABILITIES AT FAIR VALUE				
Foreign exchange derivatives		172.2		172.2
TOTAL LIABILITIES AT FAIR VALUE	**—**	**172.2**	**—**	**172.2**

€ millions

31 December 2024	Level 1	Level 2	Level 3	Total fair value
ASSETS AT FAIR VALUE				
Foreign exchange derivatives		150.1		150.1
Sanofi shares	11,082.6			11,082.6
Galderma shares	2,550.0			2,550.0
Other securities	23.2		554.6	577.8
Marketable securities	1,829.3			1,829.3
TOTAL ASSETS AT FAIR VALUE	**15,485.1**	**150.1**	**554.6**	**16,189.8**
LIABILITIES AT FAIR VALUE				
Foreign exchange derivatives		232.2		232.2
TOTAL LIABILITIES AT FAIR VALUE	**—**	**232.2**	**—**	**232.2**

€ millions

31 December 2023	Level 1	Level 2	Level 3	Total fair value
ASSETS AT FAIR VALUE				
Foreign exchange derivatives		177.7		177.7
Sanofi shares	10,612.1			10,612.1
Other securities	60.8		457.3	518.1
Marketable securities	624.1			624.1
TOTAL ASSETS AT FAIR VALUE	**11,297.0**	**177.7**	**457.3**	**11,932.0**
LIABILITIES AT FAIR VALUE				
Foreign exchange derivatives		127.1		127.1
TOTAL LIABILITIES AT FAIR VALUE	**—**	**127.1**	**—**	**127.1**

10.9 Offsetting financial assets and financial liabilities

Financial assets and liabilities resulting from foreign exchange and/or interest rate hedging transactions entered into with the Group's counterparty banks are not offset in the balance sheet since they are FBF (French Banking Federation) or ISDA (International Swaps and Derivatives Association) agreements that only provide for offsetting in the event of default by one of the parties to the agreement. Accordingly, they do not meet the offsetting criteria set out in IAS 32.

Had the agreements been offset at the level of each counterparty bank, assets and liabilities would have decreased by €136.4 million, €137.8 million and €105.5 million respectively in 2025, 2024 and 2023.

Note 11 Equity - Earnings per share

11.1 Share capital and additional paid in capital

Share capital consists of 533,783,028 shares with a par value of €0.20 at 31 December 2025 following the issue of 279,923 shares for the employee shareholding plan and 547,720 free shares and the cancellation of 1,356,636 shares.

Share capital consisted of 534,312,021 shares with a par value of €0.20 at 31 December 2024 following the issue of 230,423 shares for the employee shareholding plan and 664,680 free shares and the cancellation of 1,308,557 shares.

Share capital consisted of 534,725,475 shares with a par value of €0.20 at 31 December 2023, following the issue of 34,020 shares for the employee shareholding plan and 776,525 free shares and the cancellation of 1,271,632 shares.

11.2 Treasury shares

Accounting principles

Treasury shares are recorded at acquisition cost and deducted from equity. Capital gains/losses on disposal of these items net of tax are charged directly to equity and do not contribute to profit for the financial year.

a) 2025

The change in the number of shares in 2025 was as follows:

In shares	Share capital	Treasury shares	Common shares outstanding
At 01.01.2025	**534,312,021**	**—**	**534,312,021**
Shares cancelled	(1,356,636)	1,356,636	—
Options and free shares exercised	827,643	—	827,643
Treasury shares purchased	—	(1,356,636)	(1,356,636)
AT 31.12.2025	**533,783,028**	**—**	**533,783,028**

The change in treasury shares in 2025 was as follows:

In shares	Buyback programme	Allocated to free-share plans	Total	€ millions
At 01.01.2025	**—**	**—**	**—**	**—**
Shares cancelled	(1,356,636)	—	(1,356,636)	(501.5)
Options and free shares exercised	—	—	—	—
Treasury shares purchased	1,356,636	—	1,356,636	501.5
AT 31.12.2025	**—**	**—**	**—**	**—**

b) 2024

The change in the number of shares in 2024 was as follows:

In shares	Share capital	Treasury shares	Common shares outstanding
At 01.01.2024	**534,725,475**	**—**	**534,725,475**
Shares cancelled	(1,308,557)	1,308,557	—
Options and free shares exercised	895,103	—	895,103
Treasury shares purchased	—	(1,308,557)	(1,308,557)
AT 31.12.2024	**534,312,021**	**—**	**534,312,021**

The change in treasury shares in 2024 was as follows:

In shares	Buyback programme	Allocated to free-share plans	Total	€ millions
At 01.01.2024	**—**	**—**	**—**	**—**
Shares cancelled	(1,308,557)	—	(1,308,557)	(497.5)
Options and free shares exercised	—	—	—	—
Treasury shares purchased	1,308,557	—	1,308,557	497.5
AT 31.12.2024	**—**	**—**	**—**	**—**

c) 2023

The change in the number of shares in 2023 was as follows:

In shares	Share capital	Treasury shares	Common shares outstanding
At 01.01.2023	**535,186,562**	**—**	**535,186,562**
Shares cancelled	(1,271,632)	1,271,632	—
Options and free shares exercised	810,545	—	810,545
Treasury shares purchased	—	(1,271,632)	(1,271,632)
AT 31.12.2023	**534,725,475**	**—**	**534,725,475**

The change in treasury shares in 2023 was as follows:

In shares	Buyback programme	Allocated to free-share plans	Total	€ millions
At 01.01.2023	**—**	**—**	**—**	**—**
Shares cancelled	(1,271,632)	—	(1,271,632)	(503.3)
Options and free shares exercised	—		—	—
Treasury shares purchased	1,271,632		1,271,632	503.3
AT 31.12.2023	**—**	**—**	**—**	**—**

11.3 Other comprehensive income

The following tables indicate movements in this item:

€ millions	31.12.2025	31.12.2024	31.12.2023
SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
Reserve at beginning of period	7,706.1	6,561.2	6,637.5
Changes in fair value over period	848.2	1,144.9	(76.3)
RESERVE AT END OF PERIOD	**8,554.3**	**7,706.1**	**6,561.2**

€ millions	31.12.2025	31.12.2024	31.12.2023
CASH FLOW HEDGES – FOREIGN EXCHANGE			
Reserve at beginning of period	32.5	128.5	257.3
Changes in fair value over period	7.0	1.9	(184.6)
Changes in fair value recorded through other comprehensive income	88.1	(97.5)	55.8
Deconsolidation and other	—	(0.4)	(0.1)
RESERVE AT END OF PERIOD	**127.6**	**32.5**	**128.5**

The table below shows the impact of an increase or decrease of over 10% in the euro and US dollar against other currencies on the foreign exchange cash flow hedging reserve and the market value of the hedging instruments:

€ millions	31.12.2025	31.12.2024	31.12.2023
Impact of a 10% increase in the EUR against all other Group currencies	391.6	551.8	471.5
Impact of a 10% decrease in the EUR against all other Group currencies	(352.3)	(520.2)	(457.2)
Impact of a 10% increase in the USD against key Group currencies	(40.2)	(94.9)	(143.7)
Impact of a 10% decrease in the USD against key Group currencies	66.2	126.0	157.9

€ millions	31.12.2025	31.12.2024	31.12.2023
CASH FLOW HEDGES – INTEREST RATES			
Reserve at beginning of period	+11.8	(7.1)	+1.4
Changes in fair value over period	+21.8	+18.9	(8.5)
Changes in fair value recorded through other comprehensive income	—	—	—
RESERVE AT END OF PERIOD	**+33.6**	**+11.8**	**(7.1)**

€ millions	31.12.2025	31.12.2024	31.12.2023
ACTUARIAL GAINS/(LOSSES) AND IMPACT OF ASSET CEILING			
Reserve at beginning of period	(268.0)	(422.2)	(302.8)
Actuarial gains/(losses) over the period	111.0	153.2	(116.7)
Impact of asset ceiling	(6.5)	0.2	(2.5)
Deconsolidation and other	—	0.8	(0.2)
RESERVE AT END OF PERIOD	**(163.5)**	**(268.0)**	**(422.2)**

€ millions	31.12.2025	31.12.2024	31.12.2023
OTHER COMPREHENSIVE INCOME			
Gross reserve	8,552.1	7,482.4	6,260.5
Associated tax effect	(276.1)	(205.1)	(136.8)
RESERVE NET OF TAX	**8,276.0**	**7,277.4**	**6,123.8**

11.4 Net profit excluding non-recurring items – Earnings per share

Accounting principles

Earnings per share are calculated in accordance with the rules set out in IAS 33.

Basic earnings per share are obtained on the basis of the weighted average number of shares outstanding during the year, less the average number of treasury shares held deducted from equity.

Where applicable, diluted earnings per share take into account dilutive stock options and free shares in accordance with the "treasury share method", under which sums collected on exercise or purchase are assumed to be allocated firstly to share buybacks at market price.

11.4.1 Reconciliation with net profit

Net profit excluding non-recurring items reconciles as follows with net profit attributable to owners of the Company:

€ millions	2025	2024	2023
Net profit from attributable to owners of the Company	**6,127.2**	**6,408.7**	**6,184.0**
Capital gains and losses on property, plant and equipment and intangible assets	37.7	15.2	6.7
Impairment of property, plant and equipment and intangible assets	—	50.8	270.6
Restructuring costs	208.5	237.1	88.5
Other	259.1	134.6	84.1
Tax effect on non-recurring items	(97.4)	(91.6)	(100.7)
Exceptional tax contribution France	252.7	—	—
Non-controlling interests on non-recurring items	(1.8)	0.1	(0.2)
Tax effect on acquisitions and internal restructuring	20.4	31.4	(46.5)
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY EXCLUDING NON-RECURRING ITEMS	**6,806.4**	**6,786.3**	**6,486.6**

11.4.2 Earnings per share attributable to owners of the Company

The tables below set out earnings per share attributable to owners of the Company:

2025	Net profit – attributable to owners of the Company *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company *(€)*
Earnings per share	6,127.2	533,716,166	11.48
Free shares		1,650,468	
DILUTED EARNINGS PER SHARE	**6,127.2**	**535,366,634**	**11.44**

2024	Net profit – attributable to owners of the Company *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company *(€)*
Earnings per share	6,408.7	534,482,831	11.99
Free shares		1,595,600	
DILUTED EARNINGS PER SHARE	**6,408.7**	**536,078,431**	**11.95**

2023	Net profit – attributable to owners of the Company *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company *(€)*
Earnings per share	6,184.0	535,428,641	11.55
Free shares		1,592,398	
DILUTED EARNINGS PER SHARE	**6,184.0**	**537,021,039**	**11.52**

11.4.3 Earnings per share excluding non-recurring items

The tables below set out in detail earnings per share excluding non-recurring items:

2025	Net profit attributable to owners of the Company excluding non-recurring items *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company excluding non-recurring items *(€)*
Earnings per share excluding non-recurring items	6,806.4	533,716,166	12.75
Free shares		1,650,468	
DILUTED EARNINGS PER SHARE EXCLUDING NON-RECURRING ITEMS	**6,806.4**	**535,366,634**	**12.71**

2024	Net profit attributable to owners of the Company excluding non-recurring items *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company excluding non-recurring items *(€)*
Earnings per share excluding non-recurring items	6,786.3	534,482,831	12.70
Free shares		1,595,600	
DILUTED EARNINGS PER SHARE EXCLUDING NON RECURRING ITEMS	**6,786.3**	**536,078,431**	**12.66**

2023	Net profit attributable to owners of the Company excluding non-recurring items *(€ millions)*	Number of shares	Earnings per share attributable to owners of the Company excluding non-recurring items *(€)*
Earnings per share excluding non-recurring items	6,486.6	535,428,641	12.11
Free shares		1,592,398	
DILUTED EARNINGS PER SHARE EXCLUDING NON-RECURRING ITEMS	**6,486.6**	**537,021,039**	**12.08**

11.4.4 Calculation of the number of shares

All potential ordinary shares are included in the calculation of earnings per share since all stock option plans have a dilutive impact on the periods presented.

At 31 December 2025, 233,466,873 shares had been held in registered form for two years making them eligible for the 10% preferential dividend.

Note 12 Provisions for liabilities and charges – Contingent liabilities and material ongoing disputes

12.1 Provisions for liabilities and charges

Accounting principles

Provisions for liabilities and charges are set up to cover probable outflows for the benefit of third parties without any equivalent consideration being received by the Group in return. They mainly relate to disputes, restructuring costs, industrial, environmental and commercial risks relating to operations such as breach of contract, product returns, and employee-related risks.

These provisions are estimated on the basis of the most likely assumptions or by using statistical methods, depending on the nature of the risks.

Provisions for liabilities and charges are recorded either as *Non-current liabilities* or as *Current liabilities*, depending on their type. Provisions for liabilities or disputes which must be settled within 12 months of the closing date, and those linked to the normal operating cycle (such as product returns), are recorded as *Current liabilities*. Other provisions for liabilities and charges are recorded as *Non-current liabilities*.

12.1.1 Closing balances

€ millions	31.12.2025	31.12.2024	31.12.2023
Provisions for liabilities and charges	**84.5**	**76.8**	**68.8**
Non-current provisions[1]	84.5	76.8	68.8
Current provisions for liabilities and charges	**1,117.7**	**1,093.0**	**977.2**
Provisions for restructuring	204.4	219.3	100.3
Provisions for product returns	262.0	305.0	338.2
Other current provisions[1]	651.3	568.7	538.7
TOTAL	**1,202.2**	**1,169.8**	**1,046.0**

(1) This item notably includes provisions for tax risks and litigation excluding corporate income tax, industrial, environmental and commercial risks relating to operations (breach of contract), personnel costs, products disputes, as well as risks relating to investigations carried out by competition authorities (note 12.2.2.a and b).

12.1.2 Changes in provisions for liabilities and charges during the period

The change in this caption in 2025 can be analysed as follows:

€ millions	31.12.2023	31.12.2024	Charges[2]	Reversals (used)[2]	Reversals (not used)[2]	Other[1]	31.12.2025
Provisions for restructuring	100.3	219.3	159.3	(127.0)	(27.5)	(19.7)	204.4
Provisions for product returns	338.2	305.0	277.7	(251.6)	(46.3)	(22.8)	262.0
Other provisions for liabilities and charges	607.5	645.4	427.7	(264.2)	(74.1)	0.9	735.8
TOTAL	**1,046.0**	**1,169.7**	**864.7**	**(642.8)**	**(147.8)**	**(41.6)**	**1,202.2**

(1) Mainly resulting from translation differences.
(2) These figures can be analysed as follows:

€ millions	Charges	Reversals (used)	Reversals (not used)
Operating profit	538.9	(461.4)	(120.4)
Other income and expenses	325.7	(181.4)	(27.5)
Net financial income	—	—	—

The change in this caption in 2024 can be analysed as follows:

€ millions	31.12.2022	31.12.2023	Charges[2]	Reversals (used)[2]	Reversals (not used)[2]	Other[1]	31.12.2024
Provisions for restructuring	146.1	100.3	198.3	(71.4)	(11.2)	3.3	219.3
Provisions for product returns	395.3	338.2	282.2	(271.1)	(51.8)	7.5	305.0
Other provisions for liabilities and charges	732.0	607.5	354.2	(227.0)	(75.3)	(13.9)	645.4
TOTAL	**1,273.3**	**1,046.0**	**834.7**	**(569.5)**	**(138.3)**	**(3.1)**	**1,169.7**

(1) Mainly resulting from translation differences.
(2) These figures can be analysed as follows:

€ millions	Charges	Reversals (used)	Reversals (not used)
Operating profit	541.3	(469.3)	(121.4)
Other income and expenses	293.3	(100.2)	(16.9)
Net financial income	—	—	—

The change in this caption in 2023 can be analysed as follows:

€ millions	31.12.2021	31.12.2022	Charges[2]	Reversals (used)[2]	Reversals (not used)[2]	Other[1]	31.12.2023
Provisions for restructuring	182.5	146.1	52.0	(74.7)	(22.4)	(0.7)	100.3
Provisions for product returns	405.9	395.3	384.8	(367.6)	(77.7)	3.4	338.2
Other provisions for liabilities and charges	698.7	732.0	322.9	(371.4)	(82.8)	6.9	607.5
TOTAL	**1,287.1**	**1,273.3**	**759.7**	**(813.7)**	**(183.0)**	**9.6**	**1,046.0**

(1) Mainly resulting from translation differences.
(2) These figures can be analysed as follows:

€ millions	Charges	Reversals (used)	Reversals (not used)
Operating profit	707.7	(547.6)	(156.4)
Other income and expenses	52.0	(266.1)	(26.6)
Net financial income	—	—	—

12.2 Contingent liabilities and material ongoing disputes

L'Oréal is party to several material disputes, described below.

Some of these disputes give rise to the creation of provisions according to the principles described in note 12.1. Other disputes are considered as contingent liabilities, either because no reliable estimate of the amounts likely to be charged to the Group can be provided based on the information available, or because the Group's management has determined, in particular in light of the opinions of advisors and experts assisting it in these disputes, that the probability that the dispute will give rise to a payment by the Group is low.

12.2.1 Tax disputes

Brazil – IPI indirect tax base challenged

In January 2015, decree 8.393/2015 stated that commercial companies in Brazil would be liable for the indirect IPI tax on certain products as from 1 May 2015. L'Oréal is challenging the legal grounds of this decree and its application. In light of changes in market practices and a favourable change in the opinion of its advisers, since 1 January 2018 L'Oréal has recognised the IPI collected under income.

L'Oréal received tax reassessment notices regarding the indirect IPI tax for financial years 2008 and 2011 to 2015 totalling €673 million, including interest and penalties. The Brazilian tax authorities are questioning the ex-works sales price to the commercial arm used to calculate the IPI tax base. After consulting with its tax advisors, L'Oréal considers that the Brazilian tax authorities' position is unfounded and has challenged these notices. L'Oréal continues its legal proceedings with the tax and legal authorities.

In light of the negative developments in administrative court decisions on the same matter for other Brazilian groups, L'Oréal funded a provision for €45 million to partially cover this risk.

India – Advertising, marketing and promotional costs challenged

L'Oréal received several tax reassessment notices regarding financial years 2007/08 to 2017/18 and 2019/20 to 2020/21 for the most part concerning the tax deductibility of advertising, marketing and promotional expenses for a total amount of €208 million including interest and penalties. After consulting with its tax advisors, L'Oréal decided to contest these notices and continues the legal proceedings with the administrative and legal authorities.

Mutual agreement procedures

Mutual agreement procedures were instigated vis-à-vis the French, Indonesian and Singaporean tax authorities in order to eliminate double taxation following disagreements between these authorities.

12.2.2 Investigations carried out by the competition authorities

The national competition authorities in several European countries have launched investigations targeting the cosmetics industry in particular.

a) Europe (excluding France)

In Germany, after the German competition authority filed a lawsuit in 2008 in the area of personal care products, which was definitively closed in 2015, distributors filed a lawsuit seeking damages against L'Oréal Germany which has resulted in dismissals by the courts at this stage. These proceedings are still ongoing. L'Oréal Germany is contesting the merits of these claims and denies that any damages occurred.

b) France

In France, on 18 December 2014, the French competition authority handed down a fine of €189.5 million against L'Oréal in the hygiene products sector for events that took place in the early 2000s.

This amount was confirmed by the Court of Cassation on 18 October 2023.

This final ruling has no impact on the Group's income statement and no cash flow impact, as the fine was paid in 2015.

Following this ruling, the distributors filed lawsuits for damages against L'Oréal. These proceedings are in initial stages or resulted in dismissals by the courts. These proceedings are still ongoing. L'Oréal contests the merits of these claims and denies that any damages occurred.

12.2.3 Disputes over product liability in North America

a) Disputes over products that may contain talc in the United States

The Group's US subsidiaries are currently being sued in the United States in product liability cases related to the alleged presence of asbestos particles in certain cosmetic products containing talc. To date, none of the cases involving the Group's subsidiaries have gone to trial. Some complaints have also been dismissed. As of 31 December 2025, approximately 620 proceedings are pending. L'Oréal strongly contests the claims made in these actions.

b) Disputes over hair relaxers in North America

Group entities are currently being sued in product liability cases related to the alleged presence of ingredients in hair relaxers that have caused various health problems. As of 31 December 2025, the Group's U.S. companies were sued in approximately 10,670 federal proceedings consolidated into a multi-district ("MDL") proceeding pending before the U.S. District Court for the Northern District of Illinois, and in approximately 1,140 individual actions (sometimes consolidated) before various state courts. The discovery phase is ongoing. Other actions are also pending in connection with the same products, including a class action, for financial damages. The Group strongly contests the claims brought in these actions.

At the present time, no other exceptional events or disputes are highly likely to have a material impact on the earnings, financial situation, assets, or operations of the Company or the L'Oréal Group.

Note 13 Sustainable development and climate

13.1 Measurement of assets and liabilities

a) Environmental risks

The Group strictly complies with regulations and laws relating to environmental protection, and does not expect current regulations to have any significant impact on the Group's operations, financial position, earnings or assets.

b) Measurement of assets

For many years, L'Oréal has shown a strong commitment to environmental, social and societal responsibility. L'Oréal placed sustainability at the heart of its strategy, notably the launch in 2013 of the Sharing Beauty With All programme with 2020 targets focused on sustainable production, sustainable innovation, sustainable consumption and shared growth.

In June 2020, L'Oréal initiated the second phase of its ambition to sustainable development, under the umbrella of the L'Oréal for the Future programme, with a new set of particularly ambitious and concrete targets for 2030, in order to cover all the impacts associated with its value chain: its production and distribution sites as well as its supply chains and the impacts associated with the use of products by consumers.

In 2025, halfway through this program launched in 2020, the Group assessed the progress made, learned from its experiences, refined its roadmaps and objectives for 2030. The L'Oréal for the Future program is described in the sustainability report.

These commitments made by the Group do not call into question the value of the assets or the useful lives of non-financial assets, in particular:

- the ongoing efforts to adapt products to consumer demand as part of the L'Oréal for the Future program are integrated in the short term into the strategic plans of the Group's Divisions included in the impairment tests for intangible assets with an indefinite useful life and have no impact on the carrying amount of the assets;
- the adaptation of factories and product formulations does not lead to the identification of a risk of obsolescence of production lines at this date and does not call into question the depreciation period of the assets.

Furthermore, as mentioned in note 7.3, the scenarios considered in order to determine the potential impacts of climate change on the Group's assets and in particular on the assets of the Group's Cash Generating Units, did not highlight any significant impact likely to generate a risk of depreciation of these assets.

13.2 Financing, investments and compensation

The Group's L'Oréal for the Future programme rests on its financing, short- and long-term investment and compensation strategies.

a) Financing

The credit lines indexed to the Group's sustainable development performance incorporate a borrowing cost adjustment mechanism.

The L'Oréal Group has a syndicated loan from 20 banks of €11 billion, which had not been used at the end of December 2025, of which €7 billion incorporate a mechanism whereby the margin is adjusted in line with the Group's performance with regard to ESG KPIs: climate, biodiversity and resources.

The Group issued in 2022 a €3 billion bond, one tranche of which in an amount of €1,250 million is sustainability-linked (note 9.1).

b) Short-term investment

The Group's available cash is mainly invested in SRI SICAV money-market funds (63% of all short-term investment in 2025), term accounts (30% of all short-term investment in 2025 of which 50% in CSR STI) and in paid accounts (7% of investments in 2025).

c) Long-term investment

The Group recorded a total of €154 million in non-current financial assets related to sustainable development activities, measured at fair value through equity (note 9.3).

- in 2025, L'Oréal launched its sustainable innovation accelerator with €100 million over five years, which aims to address the strategic challenges of the sector in terms of sustainable innovation by identifying solutions and accelerating their implementation towards achieving the ambitions of the L'Oréal for the Future Program;
- in 2024, joint creation with Chenavari of a Solstice fund of €50 million to support the decarbonisation effort of industrial suppliers and in particular within the framework of the Group's commitments in terms of scope 3 emissions (including €11 million at end-2025)
- at the end of 2021, investment in Circular Innovation Fund amounting to €50 million. L'Oréal is one of the main contributors to this fund, that aims at financing innovative companies in the field of recycling, plastic waste management or even materials from the bioeconomy;
- in 2020, the creation of a fund for Nature Regeneration to financially support projects to restore natural marine, forest and agricultural ecosystems. This dedicated fund has an endowment of €27.6 million;
- investment in start-ups (€66 million in total), including:
  - the green chemistry start-up Carbios, which developed enzymatic processes for plastic biodegradation and biorecycling,
  - the French biotech Microphyt which developped a process with a low carbon impact to produce microalgae,
  - the American biotech company Debut, which specializes in the discovery, formulation and manufacturing of innovative natural and complex ingredients and products,
  - the Chinese biotech ShineHigh (specializing in cutting-edge supra-molecular chemistry),
  - Abolis, a French biotech, offering an integrated and versatile synthetic biology platform,
  - and in particular in 2025, Veminsyn, a Chinese biotech company specializing in the discovery, development, and manufacturing of innovative bioactive compounds.

d) Remuneration

The variable portion of the Chief Executive Officer's current remuneration incorporates quantitative and qualitative nonfinancial objectives, including objectives associated with the L'Oréal for the Future programme. Since 2016, non-financial objectives in line with the Group's goals for sustainability have been included in the variable remuneration of the top management, including international brand managers and country managers.

For the conditional grant of free shares, plans since 2022 stipulate the fulfilment of non-financial performance criteria, of which:

- the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme;
- gender balance within strategic positions including the Executive Committee.

Note 14 Off-balance sheet commitments

14.1 Lease commitments

These amounted to €127.3 million at 31 December 2025 compared with €94.5 million at 31 December 2024 and €91.0 million at 31 December 2023, of which:

- €47.5 million was due within one year at 31 December 2025, compared with €39.1 million at 31 December 2024 and €39.4 million at 31 December 2023;
- €74.0 million was due within one to five years at 31 December 2025, compared with €48.4 million at 31 December 2024 and €47.0 million at 31 December 2023;
- €5.8 million was due in over five years at 31 December 2025, compared with €7.0 million at 31 December 2024 and €4.6 million at 31 December 2023.

14.2 Other off-balance sheet commitments

Confirmed credit lines are discussed in note 9.1.11.

Purchase commitments related to equity investments are presented in notes 17 and 18.

Other significant off-balance sheet commitments have been identified and measured.

€ millions	31.12.2025	31.12.2024	31.12.2023
Guarantees given[1]	310.6	314.9	279.0
Guarantees received	126.5	123.0	126.5
Capital expenditure orders[2]	407.3	528.1	581.7
Firm purchase commitments under logistics supply and service contracts[3]	2,369.4	2,033.9	2,237.7

(1) These are essentially guarantees given to administrations or on loans granted to third-party partners of the Group, as well as net commitments made to the Endowment Fund and L'Oréal Foundation for its multi-year program.

(2) Despite their strategic nature, none of these investments taken individually is material enough at Group level to warrant more detailed disclosure.

(3) Including irrevocable commitments for energy purchase contracts, particularly on green energies such as purchase power agreements recognized as own use as well as IT service contracts.

Note 15 Transactions with related parties

15.1 Transactions with associated companies (Related parties)

The consolidated financial statements include transactions carried out between the Group and its equity-accounted companies, considered to be related parties. The main transactions with these related parties and the associated outstanding balances are as follows:

€ millions	2025	2024	2023
Sales of goods and services	10.8	10.7	11.4
Operating charges	(0.9)	(1.2)	(1.0)
Financial expenses and income	—	—	—

The following receivables and payables were recorded on the balance sheet for the related parties:

€ millions	31.12.2025	31.12.2024	31.12.2023
Operating receivables	2.4	2.3	2.6
Operating payables	0.2	0.3	0.1
Financial receivables	0.3	0.3	0.3

15.2 Related parties with a significant influence on the Group

L'Oréal has been informed that on 16 December 2016, the members of the Bettencourt Meyers family group, and Mr. Jean-Paul Agon for 100 shares, signed lock-up agreements under the Dutreil law for 185,704,189 L'Oréal shares representing 33.065% of the capital and of the voting rights of the Company on the date of the agreement.

The lock-up agreements were concluded in application of Articles 787 B and 885 I bis of the French General Tax Code for a period of two years, tacitly renewable for one-year periods.

They do not include any preferential rights for sales or acquisitions for the benefit of the signatories and do not constitute a concerted action vis-à-vis the Company.

On 29 December 2023, the agreements concluded in 2016 were terminated and a new lock-up agreement was concluded pursuant to Article 787 B of the French General Tax Code, representing the same number of L'Oréal shares and similar to those concluded in 2016, with the addition of the company Financière L'Arcouest (controlled by Ms Françoise Bettencourt Meyers and her family) as a signatory.

Note 16 Fees accruing to auditors and members of their networks payable by the Group

€ millions excl. VAT 2025	Ernst & Young Audit				Deloitte & Associés			
	Auditor Ernst & Young Audit	Network	Total	As a %	Auditor Deloitte & Associés	Network	Total	As a %
REVIEW OF INTERIM, COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS								
L'Oréal	1.6	n/a	1.6		1.7	n/a	1.7	
Fully consolidated subsidiaries	1.1	4.8	5.9		1.1	6.0	7.1	
Subtotal	**2.7**	**4.8**	**7.5**	**67%**	**2.8**	**6.0**	**8.8**	**77%**
NON-AUDIT SERVICES[1]								
L'Oréal	0.1	2.4	2.5		0.1	0.1	0.2	
Fully consolidated subsidiaries	—	0.5	0.5		—	1.7	1.7	
Subtotal	**0.1**	**2.9**	**3.0**	**27%**	**0.1**	**1.8**	**1.9**	**17%**
SUSTAINABILITY CERTIFICATION								
L'Oréal	0.7	—	0.7		0.7	—	0.7	
Subtotal	**0.7**	**—**	**0.7**	**6%**	**0.7**	**—**	**0.7**	**6%**
TOTAL	**3.5**	**7.7**	**11.2**	**100%**	**3.6**	**7.8**	**11.4**	**100%**

(1) Mainly concerning acquisition audits and IT services.

€ millions excl. VAT 2024	Ernst & Young Audit				Deloitte & Associés			
	Auditor Ernst & Young Audit	Network	Total	As a %	Auditor Deloitte & Associés	Network	Total	As a %
REVIEW OF INTERIM, COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS								
L'Oréal	1.8	n/a	1.8		1.8	n/a	1.8	
Fully consolidated subsidiaries	1.1	5.8	6.9		1.1	6.1	7.2	
Subtotal	**2.9**	**5.8**	**8.7**	**64%**	**2.9**	**6.1**	**9.0**	**81%**
NON-AUDIT SERVICES[1]								
L'Oréal	0.2	3.1	3.3		0.1	0.4	0.5	
Fully consolidated subsidiaries	—	0.9	0.9		—	0.9	0.9	
Subtotal	**0.2**	**4.0**	**4.2**	**31%**	**0.1**	**1.3**	**1.4**	**13%**
SUSTAINABILITY CERTIFICATION								
L'Oréal	0.6	—	0.6		0.6	—	0.6	
Subtotal	**0.6**	**—**	**0.6**	**4%**	**0.6**	**—**	**0.6**	**5%**
TOTAL	**3.8**	**9.8**	**13.6**	**100%**	**3.7**	**7.4**	**11.1**	**100%**

(1) Mainly concerning acquisition audits and IT services.

Note 17 Acquisition in progress

Strategic partnership with Kering

Kering and L'Oréal announced on 19 October 2025 a long-term strategic partnership in luxury beauty and wellness. This binding agreement encompasses the acquisition of 100% of the shares of Kering Beauté which ownes the **House of Creed and beauty** and **fragrance licences Kering's iconic brands, Gucci, Balenciaga** and **Bottega Veneta.**

A true heritage name in *haute parfumerie*, Creed stands among the leading high-end luxury fragrance Houses, celebrated for its craftsmanship and mastery of rare natural ingredients. As part of L'Oréal Luxe, Creed will be best positioned to accelerate even further its global development across both men's and women's markets.

Furthermore, the fifty-year Gucci licensing agreement will begin after the expiration of the current license with Coty, in compliance with Kering's obligations under the existing licensing agreement. The two other licenses were also granted for fifty years from the completion of the transaction.

Building on the success of Yves Saint Laurent Beauté, this alliance further consolidates the long history of collaboration of two global leaders with complementary strengths — iconic luxury brands of Kering and the world-class expertise of L'Oréal in beauty — to accelerate growth and unlock considerable value across high-potential categories.

This agreement amounts to €4 billion, payable in cash upon completion of the transaction, expected in the first half of 2026. L'Oréal will also pay royalties to Kering for the use of the licensed brands.

Note 18 Subsequent events

Bond issuance

On 7 January 2026, L'Oréal successfully placed a bond issue with a total nominal amount of €1.75 billion.

The offering consists of three tranches:

- a €650 million tranche with a 2-year maturity and a floating coupon of Euribor 3M + 20 basis points per year;
- a €500 million tranche with a 3-year maturity and a fixed coupon of 2.5% per year;
- a €600 million tranche with a 6-year maturity and a fixed coupon of 2.875% per year.

The net proceeds from the bonds will be used for general corporate purposes, including partially financing the acquisition of the additional 10% stake in Galderma announced in December 2025.

The bonds were delivered on 12 January 2026.

Equity-accounted investment

L'Oréal announced on 8 December 2025, the acquisition of an additional 10% stake in **Galderma Group AG.** This transaction will increase L'Oréal's stake in Galderma to 20%.

As part of this increased stake, Galderma's Board of Directors will consider the appointment of two non-independent directors representing L'Oréal, to replace the members of the consortium led by EQT, effective from the 2026 Annual General Meeting.

This additional investment was finalized on 10 February 2026, for €4.2 billion. From that date, L'Oréal consolidated this stake in Galderma using the equity method.

5.7 Main consolidated companies at 31 December 2025

5.7.1 Fully consolidated companies

Company	Head office	% interest
2. L'ORÉAL VERWALTUNGS GmbH	Germany	100.00%
AESOP AUSTRALIA PTY LTD	Australia	100.00%
AESOP AUSTRIA GmbH	Austria	100.00%
AESOP BELGIUM BVBA	Belgium	100.00%
AESOP COSMETICS AUSTRALIA PTY LTD	Australia	100.00%
AESOP COSMETICS SPAIN, S.L.	Spain	100.00%
AESOP DENMARK ApS	Denmark	100.00%
AESOP FRANCE	France	100.00%
AESOP GERMANY GmbH	Germany	100.00%
AESOP NETHERLANDS B.V.	The Netherlands	100.00%
AESOP NORWAY AS	Norway	100.00%
AESOP SWEDEN AB	Sweden	100.00%
AESOP ITALY S.R.L.	Italy	100.00%
AESOP SWITZERLAND AG	Switzerland	100.00%
AESOP UK LIMITED	United Kingdom	100.00%
AZZARO MUGLER BEAUTÉ FRANCE	France	100.00%
BEAUTY PARK HONG KONG LIMITED	Hong Kong SAR	100.00%
BEAUTY TECH LAB LTD	United Kingdom	100.00%
BEAUTYCOS INTERNATIONAL COMPANY LIMITED	China	100.00%
BEAUTYLUX INTERNATIONAL COSMETICS (SHANGHAI) CO LTD	China	100.00%
BEAUTÉ, RECHERCHE & INDUSTRIES	France	100.00%
BIOTHERM	Monaco	99.80%
BOLD Business Opportunities for L'Oréal Development	France	100.00%
CENTRE THERMAL DE LA ROCHE-POSAY	France	100.00%
COBELSA COSMETICOS, S.A.	Spain	100.00%
COMPTOIR LAINIER AFRICAIN	Morocco	100.00%
COSBEL S.A. de C.V.	Mexico	100.00%
COSMELOR LTD	Japan	100.00%
COSMEPHIL HOLDINGS CORPORATION PHILIPPINES	The Philippines	100.00%
COSMÉTIQUE ACTIVE INTERNATIONAL	France	100.00%
COSMÉTIQUE ACTIVE PRODUCTION	France	100.00%
CSA TOPCO LIMITED	United Kingdom	77.40%
EGYPTELOR LLC	Egypt	100.00%
ELEBELLE (PROPRIETARY) LIMITED	South Africa	100.00%
EMEIS COSMETICS PTY LTD	Australia	100.00%
EMEIS HOLDINGS PTY LTD	Australia	100.00%
EMEIS TRADING PTY LTD	Australia	100.00%
EPISKIN	France	99.93%
EPISKIN BRASIL BIOTECNOLOGIA EIRELI	Brazil	99.93%
ERWITON S.A.	Uruguay	100.00%
FAPAGAU & CIE	France	100.00%
FAPROREAL	France	100.00%
FEDERICI BRANDS LTD	United Kingdom	100.00%
FINVAL	France	100.00%

Company	Head office	% interest
FRABEL S.A. de C.V.	Mexico	100.00%
GEMEY PARIS – MAYBELLINE NEW YORK	France	100.00%
GOWOONSESANG (SHANGHAI) CO., LTD.	China	100.00%
GOWOONSESANG COSMETICS, CO., LTD.	Korea	100.00%
GUANGZHOU L'ORÉAL BUYCOOR INTERNET SCIENCE & TECHNOLOGY CO., LTD	China	100.00%
HELENA RUBINSTEIN ITALIA S.p.A.	Italy	100.00%
HOLDIAL	France	100.00%
INTERBEAUTY PRODUCTS LIMITED	Kenya	100.00%
JSC L'ORÉAL	Russia	100.00%
KOSMEPOL Sp. z.o.o.	Poland	100.00%
L & J RE	France	100.00%
L'ORÉAL (CHINA) CO. LTD	China	100.00%
L'ORÉAL (THAILAND) LIMITED	Thailand	100.00%
L'ORÉAL (UK) LIMITED	United Kingdom	100.00%
L'ORÉAL ADRIA d.o.o.	Croatia	100.00%
L'ORÉAL AMERICA LATINA S.A. DE C.V.	Mexico	100.00%
L'ORÉAL ARGENTINA Sociedad Anonima	Argentina	100.00%
L'ORÉAL AUSTRALIA PTY LTD	Australia	100.00%
L'ORÉAL BALKAN d.o.o.	Serbia	100.00%
L'ORÉAL BALTIC SIA	Latvia	100.00%
L'ORÉAL BANGLADESH LIMITED	Bangladesh	100.00%
L'ORÉAL BELGILUX S.A.	Belgium	100.00%
L'ORÉAL BRASIL COMERCIAL DE COSMÉTICOS LTDA	Brazil	100.00%
L'ORÉAL BRASIL PESQUISAS E INOVACAO LTDA	Brazil	100.00%
L'ORÉAL BULGARIA EOOD	Bulgaria	100.00%
L'ORÉAL CANADA, INC.	Canada	100.00%
L'ORÉAL CENTRAL AMERICA S.A.	Panama	100.00%
L'ORÉAL CENTRAL WEST AFRICA LTD	Nigeria	100.00%
L'ORÉAL CENTREX, S.A. DE C.V.	Mexico	100.00%
L'ORÉAL CESKA REPUBLIKA s.r.o.	Czech Republic	100.00%
L'ORÉAL CHILE S.A.	Chile	100.00%
L'ORÉAL COLOMBIA S.A.S.	Colombia	100.00%
L'ORÉAL COSMETICS INDUSTRY S.A.E.	Egypt	100.00%
L'ORÉAL DANMARK A/S	Denmark	100.00%
L'ORÉAL DEUTSCHLAND GmbH	Germany	100.00%
L'ORÉAL EAST AFRICA LIMITED	Kenya	100.00%
L'ORÉAL ESPANA S.A.U.	Spain	100.00%
L'ORÉAL FINLAND OY	Finland	100.00%
L'ORÉAL FRANCE	France	100.00%
L'ORÉAL GUATEMALA S.A.	Guatemala	100.00%
L'ORÉAL HELLAS S.A.	Greece	100.00%
L'ORÉAL HONG KONG LIMITED	Hong Kong SAR	100.00%
L'ORÉAL INDIA PRIVATE LIMITED	India	100.00%
L'ORÉAL INTERNATIONAL DISTRIBUTION	France	100.00%
L'ORÉAL ISRAEL LTD	Israel	92.97%
L'ORÉAL ITALIA S.p.A.	Italy	100.00%
L'ORÉAL KAZAKHSTAN Limited Liability Partnership	Kazakhstan	100.00%
L'ORÉAL KOREA LIMITED	Korea	100.00%
L'ORÉAL LIBAN SAL	Lebanon	100.00%

Company	Head office	% interest
L'ORÉAL LIBRAMONT	Belgium	100.00%
L'ORÉAL MAGYARORSZAG KOZMETIKAI Kft	Hungary	100.00%
L'ORÉAL MALAYSIA SDN BHD	Malaysia	100.00%
L'ORÉAL MANUFACTURING MIDRAND (PROPRIETARY) LIMITED	South Africa	100.00%
L'ORÉAL MAROC	Morocco	50.00%
L'ORÉAL MEXICO S.A. de C.V.	Mexico	100.00%
L'ORÉAL MIDDLE EAST	United Arab Emirates	100.00%
L'ORÉAL NEDERLAND B.V.	The Netherlands	100.00%
L'ORÉAL NEW ZEALAND LIMITED	New Zealand	100.00%
L'ORÉAL NORGE AS	Norway	100.00%
L'ORÉAL PAKISTAN PRIVATE LIMITED	Pakistan	100.00%
L'ORÉAL PANAMA S.A.	Panama	100.00%
L'ORÉAL PERU S.A.	Peru	100.00%
L'ORÉAL PHILIPPINES, INC.	The Philippines	100.00%
L'ORÉAL POLSKA Sp. z.o.o.	Poland	100.00%
L'ORÉAL PORTUGAL UNIPESSOAL, LDA	Portugal	100.00%
L'ORÉAL PRODUITS DE LUXE INTERNATIONAL	France	100.00%
L'ORÉAL PRODUKTION DEUTSCHLAND BETEILIGUNGS GmbH	Germany	100.00%
L'ORÉAL PRODUKTION DEUTSCHLAND GmbH & CO KG	Germany	100.00%
L'ORÉAL ROMANIA SRL	Roumania	100.00%
L'ORÉAL SAIPO INDUSTRIALE S.p.A.	Italy	100.00%
L'ORÉAL SAUDI ARABIA	Saudi Arabia	90.00%
L'ORÉAL SINGAPORE Pte Ltd	Singapore	100.00%
L'ORÉAL SLP S.A. de C.V.	Mexico	100.00%
L'ORÉAL SOUTH AFRICA HOLDINGS (PROPRIETARY) LIMITED	South Africa	100.00%
L'ORÉAL SUISSE S.A.	Switzerland	100.00%
L'ORÉAL SVERIGE AB	Sweden	100.00%
L'ORÉAL TAIWAN CO., LTD.	Taiwan Region	100.00%
L'ORÉAL TRAVEL RETAIL	France	100.00%
L'ORÉAL TÜRKIYE KOZMETIK SANAYI VE TICARET ANONIM SIRKETI	Turkey	100.00%
L'ORÉAL U A E GENERAL TRADING LLC	United Arab Emirates	100.00%
L'ORÉAL UKRAINE	Ukraine	100.00%
L'ORÉAL URUGUAY S.A.	Uruguay	100.00%
L'ORÉAL USA, INC. (as a sub-group)	United States	100.00%
L'ORÉAL VIETNAM CO. LTD	Vietnam	100.00%
L'ORÉAL ÖSTERREICH GmbH	Austria	100.00%
LA ROCHE-POSAY LABORATOIRE DERMATOLOGIQUE	France	99.98%
LABORATORIOS DE COSMETICOS VOGUE S.A.S.	Colombia	100.00%
LOA15	France	100.00%
LOA6	France	100.00%
LOA6 USA, INC.	United States	100.00%
LUXURY OF RETAIL	France	100.00%
L'ORÉAL TRAVEL RETAIL AMERICAS, INC.	United States	100.00%
MAGIC HOLDINGS (as a sub-group)	China	100.00%
MASRELOR LLC	Egypt	100.00%
MEDI BEAUTY HONG KONG LIMITED	Hong Kong SAR	100.00%
MODIFACE INC.	Canada	100.00%
MUGLER FASHION	France	100.00%
NANTONG L'ORÉAL SUPPLY CHAIN MANAGEMENT CO., LTD	Chine	100.00%

Company	Head office	% interest
NIHON L'ORÉAL KABUSHIKI KAISHA	Japan	100.00%
NLO KABUSHIKI KAISHA	Japan	100.00%
NOVEAL	France	100.00%
NYX PROFESSIONAL MAKEUP SPRL/BVBA	Belgium	100.00%
P.T. L'ORÉAL INDONESIA	Indonesia	100.00%
P.T. YASULOR INDONESIA	Indonesia	100.00%
PRESTIGE ET COLLECTIONS INTERNATIONAL	France	100.00%
PROCOSA PRODUCTOS DE BELEZA LTDA	Brazil	100.00%
PRODUCTOS CAPILARES L'ORÉAL S.A.	Spain	100.00%
REAL CAMPUS BY L'ORÉAL	France	100.00%
SALONCENTRIC CANADA LP	Canada	100.00%
SCENTAL LIMITED	Hong Kong SAR	100.00%
SCIENCEMD	France	100.00%
SHANGHAI EPISKIN BIOTECHNOLOGY CO. LTD	China	99.93%
SHANGHAI L'ORÉAL INTERNATIONAL TRADING CO. LTD	China	100.00%
SHANGHAI MEICIFANG BUSINESS CONSULTING CO. LTD	China	100.00%
SHANGHAI MEICIFANG INVESTMENT CO., LTD.	China	100.00%
SHANGHAI YIMEI BUSINESS CONSULTING CO. LTD	China	100.00%
SHU UEMURA COSMETICS INC.	Japan	100.00%
SICOS & CIE	France	100.00%
SOCIÉTÉ HYDROMINÉRALE DE LA ROCHE POSAY – S.H.R.P.	France	99.98%
SOPROCOS	France	100.00%
SOPROREAL	France	100.00%
SPARLYS	France	100.00%
SUZHOU L'ORÉAL SUPPLY CHAIN MANAGEMENT CO., LTD	China	100.00%
YICHANG TIANMEI INTERNATIONAL COSMETICS CO LTD	China	100.00%
ZHEJIANG YESSKIN TECHNOLOGY CO. LTD.	China	70.00%

5.7.2 Equity-accounted companies

Company	Head office	% interest
AMOUAGE SAOC	Oman	25.00%
INNEOV DEUTSCHLAND GMBH	Germany	50.00%(1)
INNEOV MEXICO S.A. DE C.V.	Mexico	50.00%(1)
INNEOV TAIWAN CO. LTD	Taiwan Region	50.00%(1)
LIPP DISTRIBUTION	Tunisia	49.00%
NUTRICOS TECHNOLOGIES	France	50.00%(1)
SALON INTERACTIVE, INC.	United States	46.00%
SKINSPIRIT HOLDING LLC.	United States	36.13%

(1) Companies jointly owned with Nestlé.

5.8 Statutory auditors' report on the consolidated financial statement

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors and the verification of the information concerning the Group presented in the Board of Directors' management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'Oréal

Year ended December 31, 2025

To the Annual General Meeting of L'Oréal,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of L'Oréal for the year ended December 31, 2025.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2025 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2025 to the date of our report and specifically, we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill and indefinite-life brands

See Notes 7.1 - Goodwill, 7.2 - Other intangible assets, 7.3 - Impairment tests of intangible assets and 4 - Other operating income and expenses, to the consolidated financial statements

Risk identified	Our response
As at December 31, 2025, the net book value of goodwill and indefinite-life brands amounted respectively to M€ 14,470 and M€ 3,032 (representing a total of 28% of total assets) as described in Notes 7.1 and 7.2 to the consolidated financial statements. These assets are subject to an impairment test whenever an adverse event occurs, and at least once a year, in order to verify that their book value does not exceed their recoverable value. The recoverable values of each cash-generating unit (CGU) are determined based on the discounted projections of future operating cash flows over a ten-year period (the necessary period for the strategic positioning of an acquisition) and a terminal value. The assumptions taken into account in the valuation of the recoverable value are described in Note 7.3 and mainly relate to: • the increase in revenue and margin rate; • a long-term growth rate for calculating the terminal value, and • discount rates based on the weighted average cost of capital, including a country risk premium if necessary. We considered the valuation of these assets to be a key audit matter given their relative proportion in the consolidated financial statements, and because determining their recoverable value requires significant judgment from Management to determine future cash flow projections and the main assumptions used.	We obtained an understanding of Management's methodology for conducting the impairment tests and sensitivity analyses. We evaluated these, especially by reconciling them with our own sensitivity analyses, in order to define the nature and scope of our work. We assessed the quality of the budgeting and forecasting processes. For the impairment tests of the assets considered the most sensitive, our work consisted, in particular, in assessing the reasonableness of the main estimates, and more specifically in: • assessing the consistency of revenue and margin rates projections with the Group's past performance and the economic and financial context in which the Group operates; • corroborating the future growth rates used with the performance analyses of the global cosmetics market, taking into account the specificities of the local markets and distribution channels in which the Group operates; • analyzing the discount rates applied to future cash flows by comparing the parameters used with external references, long-term growth rates and royalty rates by including valuation experts in our engagement team; • examining sensitivity analyses against Management's key assumptions and against our own analyses. We assessed the appropriateness of the information given in the notes to the consolidated financial statements.

Revenue recognition: estimation of items deducted from revenue

See Note 3 - Operating items - Sector-specific information - Accounting principles – Revenue, to the consolidated financial statements

Risk identified	Our response
The Group's revenue is presented net of product returns and discounts, rebates and other benefits granted to distributors or consumers (such as commercial cooperation), as described in Note 3 to the consolidated financial statements. These various deductions from revenue are recorded simultaneously with the recognition of sales in particular based on contractual terms and statistical data from past experience. At the end of the financial year, revenue measurement thus includes estimates related to the amounts deducted, which we considered to be (i) complex, due to the diversity of contractual agreements and commercial terms existing in the Group's various markets, (ii) sensitive, as revenue is a key indicator in assessing the performance of the Group and its Management, and (iii) significant, given their impact in the financial statements. Therefore, measurement of product returns, discounts, rebates and other benefits granted to customers is a key audit matter.	We assessed the appropriateness of the Group's accounting principles relating to the recognition of product returns, discounts, rebates and other benefits granted to customers, in accordance with IFRS. We obtained an understanding of the internal control system put in place in the Group's commercial entities, designed to evaluate and record the items deducted from revenue, especially at closing, and we tested, by sampling, the main controls of this system. We also carried out substantive tests in order to assess the reasonableness of the product returns and customer benefits estimates. These tests specifically consisted in: • analyzing the valuation methods used, in particular, by critically examining the assumptions used, checking the permanence of the methods and analyzing the ageing and unwinding of provisions from the previous financial year; • reconciling the statistical data from the past experience and contractual terms with the data contained in the information systems used to manage commercial terms; • verifying the arithmetic accuracy of the calculation of the corresponding entries (including the residual liabilities at year-end), their recognition in the accounts and their presentation in the consolidated financial statements.

Valuation of provisions for tax risks and uncertain tax positions

See Note 6 - Income taxes and 12 -Provisions for risks and expenses – Contingent liabilities and significant outstanding litigation, to the consolidated financial statements

Risk identified	Our response
Your Group is exposed to various business risks, in particular tax risks. When the amount or maturity can be estimated with sufficient reliability, a tax liability is recognized for these risks. Otherwise, your Group discloses information on contingent liabilities in the notes to the consolidated financial statements. Note 12.2.1 "Tax disputes" sets out, in particular, the state of tax disputes in Brazil and India, for which the tax authorities' claims amount to M€ 673 and M€ 208, respectively. The uncertain tax positions are classified in the balance sheet on the non-current tax liabilities line for M€ 237 as at December 31, 2025. The identification and valuation of these items represent a key audit matter given: • the high level of Management's judgment required to determine the risks which need to be provisioned, and to assess the amounts to be provisioned with sufficient reliability; • the potential significant impact of these provisions on your Group's income.	In order to identify and obtain an understanding of all uncertain tax positions, existing liabilities and related judgments, we had discussions with tax departments at different levels of the organization, in France and abroad. We obtained an understanding of the internal control system put in place to identify and assess these risks. We reconciled the list of identified tax disputes with the information provided by the Group's tax departments and the main tax advisors. As for the main uncertain tax positions and tax risks for which a liability is made, we assessed the quality of Management's estimates by considering the data and assumptions used, as well as the calculations made. We also conducted a retrospective analysis by comparing the amounts paid over the last few years with the amounts previously provisioned. By including tax experts into our team, when necessary, we: • examined procedural matters and/or tax or technical opinions issued by external advisors selected by Management, in order to assess the appropriateness of a liability; • carried out, on the basis of the information submitted to us, a critical analysis of the risk estimates, and evaluated whether Management's assessments are within acceptable ranges; • Considered the continued application of the methods used for these assessments, when necessary. With regard to contingent liabilities, by including tax experts, when necessary, we examined the procedural items and/or the tax or technical opinions issued by external advisors chosen by Management in order to assess the appropriateness of a lack of provision. We assessed the appropriateness of the information given in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of L'Oréal by the annual general meeting held on April 29, 2004 for DELOITTE & ASSOCIES and on April 21, 2022 for ERNST & YOUNG Audit.

As at December 31, 2025, DELOITTE & ASSOCIES was in the twenty-second year of total uninterrupted engagement and ERNST & YOUNG Audit in the fourth year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 9, 2026

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES
David Dupont-Noel

ERNST & YOUNG Audit
Céline Eydieu-Boutté

2025 parent company financial statements AFR

6

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AFR *This information is an integral part of the Annual Financial Report.*

The individual financial statements set out in this chapter are those of the L'Oréal parent company. They show the financial situation of the parent company. Unlike the consolidated financial statements, they do not include the results of the Group's subsidiaries.

The information regarding the parent company financial statements that was previously included in the Management Report of the Board of Directors is now included in this chapter. The pages concerned are the table showing the main changes and threshold crossings regarding equity investments, the five-year financial summary and the amount of expenses and charges provided for in Article 223 *quater* of the French Tax Code, and the table showing past due invoices issued and received and not paid at the closing date, provided for by Articles L. 441-14 and D. 441-6 of the French Commercial Code. The Statutory Auditor's Report on the parent company financial statements rounds out this information.

6.1 Comparative income statements

€ millions	Notes	31.12.2025	31.12.2024
Operating revenue		**5,999.1**	**5,794.6**
Sales	2	5,070.6	4,863.4
Reversals of depreciation, amortisation and provisions[1]		110.5	175.8
Other revenue[2]	3	818.0	755.4
Operating expenses		**(5,150.9)**	**(4,934.7)**
Purchases and change in inventories		(3.2)	(2.3)
Other purchases and external charges		(3,162.3)	(3,084.0)
Taxes and similar payments		(145.6)	(125.7)
Personnel costs	4	(1,233.0)	(1,154.9)
Depreciation, amortisation and charges to provisions	5	(225.2)	(236.9)
Other charges[2]	6	(381.6)	(331.0)
Operating profit		**848.2**	**859.9**
Financial income from subsidiaries and equity investments		6,041.9	5,196.0
Interest expense		(190.4)	(214.8)
Net foreign exchange gains		53.2	24.7
Change in depreciation, amortisation and provisions		(531.7)	22.1
Other financial income and expenses[3]		4.0	9.2
Net financial income	**7**	**5,377.0**	**5,037.2**
Profit before tax and non-recurring items		**6,225.2**	**5,897.1**
Non-recurring items	**8**	**2,852.2**	**(61.5)**
Employee profit sharing		(44.6)	(42.5)
Income tax	9	(308.0)	(115.2)
NET PROFIT		**8,724.8**	**5,678.0**

(1) This item included transfers of charges up to 2024. In accordance with the new Regulation ANC 2022-06, from 2025 onwards the charge transfer line is eliminated and the items concerned are recognised directly in the relevant income and expense accounts.

(2) In accordance with the new Regulation ANC 2022-06, from 2025 onwards other income and expenses include proceeds from disposals and the net carrying amount of property, plant and equipment and intangible assets sold.

(3) In accordance with the new Regulation ANC 2022-06, from 2025 onwards other income and expenses include proceeds from disposals and the net carrying amount of financial assets sold.

6.2 Comparative balance sheets

ASSETS

€ millions (net values)	Notes	31.12.2025	31.12.2024
Intangible assets	12	4,754.2	4,562.3
Property, plant and equipment	13	487.5	469.4
Financial assets	14	26,905.0	23,409.5
Non-current assets		**32,146.7**	**28,441.2**
Inventories		—	0.9
Prepayments to suppliers		11.2	11.9
Trade accounts receivable	16	539.3	543.5
Other receivables	16	227.2	329.7
Prepaid expenses	16	49.9	51.3
Forward financial instruments	15	45.6	45.5
Cash and cash equivalents	27	2,417.6	290.7
Current assets		**3,290.8**	**1,273.6**
Redemption premiums		14.0	7.9
Unrealised currency translation losses and valuation differences	21	100.0	64.5
TOTAL ASSETS		**35,551.5**	**29,787.0**

SHAREHOLDERS' EQUITY AND LIABILITIES

€ millions	Notes	31.12.2025	31.12.2024
Share capital		106.8	106.9
Additional paid-in capital		3,509.8	3,444.3
Reserves and retained earnings		12,432.6	11,029.2
Net profit		8,724.8	5,678.0
Regulated provisions		15.0	14.6
Shareholders' equity		**24,789.0**	**20,273.0**
Provisions for liabilities and charges	**18**	**361.3**	**366.5**
Bonds	19	8,928.5	6,080.1
Other borrowings and debt	19	1.1	1,810.3
Forward financial instruments		61.4	68.2
Prepayments received on contracts in progress		21.8	—
Trade accounts payable	20	676.1	592.7
Other current liabilities	20	626.9	556.0
Accounts payable		**10,315.8**	**9,107.3**
Unrealised currency translation gains and valuation differences	21	85.4	40.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**35,551.5**	**29,787.0**

6.3 Statement of changes in shareholders' equity

The share capital comprises 533,783,028 shares with a par value of €0.2 each following transactions carried out in financial year 2025:

- issue of 279,923 shares under the employee share ownership plan;
- issue of 547,720 free shares;
- cancellation of 1,356,636 shares.

Changes in shareholders' equity are as follows:

€ millions	Share capital	Additional paid-in capital	1976 revaluation reserve	Reserves and retained earnings[1]	Net profit for the year	Regulated provisions and investment grants[2]	Total
Balance at 31 December 2023 before appropriation of net profit	**106.9**	**3,370.2**	**42.5**	**11,225.3**	**3,826.3**	**16.9**	**18,588.1**
Capital increase	0.2	69.8					70.0
Cancellation of shares	(0.2)			(499.7)			(499.9)
Appropriation of 2023 net profit				261.2	(261.2)		—
Dividends paid for 2023					(3,565.1)		(3,565.1)
2024 net profit					5,678.0		5,678.0
Other movements during the period		4.3		(0.1)		(2.3)	1.9
Balance at 31 December 2024 before appropriation of net profit	**106.9**	**3,444.3**	**42.5**	**10,986.7**	**5,678.0**	**14.6**	**20,273.0**
Capital increase	0.2	65.5					65.7
Cancellation of shares	(0.3)			(499.7)			(500.0)
Appropriation of 2024 net profit				1,903.4	(1,903.4)		—
Dividends paid for 2024					(3,774.6)		(3,774.6)
2025 net profit					8,724.8		8,724.8
Other movements during the period				(0.3)		0.4	0.1
BALANCE AT 31 DECEMBER 2025 BEFORE APPROPRIATION OF NET PROFIT	**106.8**	**3,509.8**	**42.5**	**12,390.1**	**8,724.8**	**15.0**	**24,789.0**

(1) The amount added to reserves for (i) unpaid dividends on treasury shares held by L'Oréal, (ii) movements between 1 January and the dividend payment date, on maturing free share plans, (iii) and the final number of shares carrying preferential dividend rights, stood at €4.6 million overall in 2025 compared with a negative €1.1 million in 2024.

(2) The item "Regulated provisions and investment grants" amounted to €15 million at 31 December 2025, compared with €14.6 million at 31 December 2024. This item mainly consisted of accelerated tax-driven depreciation.

Details of share subscription options and free share plans are provided in note 17.

6.4 Statements of cash flows

€ millions	Notes	31.12.2025	31.12.2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit		**8,724.8**	**5,678.0**
Depreciation and amortisation	12-13	149.5	113.5
Charges to provisions (net of reversals)		531.4	(74.4)
Gains and losses on disposals of non-current assets		(2,877.7)	72.3
Other non-cash transactions		3.4	(8.9)
Gross cash flow		**6,531.4**	**5,780.5**
Changes in working capital	25	283.9	203.7
Net cash provided by operating activities		**6,815.3**	**5,984.3**
INVESTING ACTIVITIES			
Investments in non-current assets	12-13-14	(2,026.7)	(2,795.4)
Changes in other financial assets	26	(3,057.8)	(1,209.2)
Disposals of non-current assets		3,036.9	206.4
Net cash used in investing activities		**(2,047.6)**	**(3,798.3)**
FINANCING ACTIVITIES			
Capital increase		65.9	69.9
Dividends paid		(3,774.6)	(3,565.1)
Changes in financial debt	19	1,067.8	1,234.1
Net cash used in financing activities		**(2,641.0)**	**(2,261.1)**
Cash acquired or sold in the period (complete transfer of assets and liabilities)		—	18.8
Change in cash and cash equivalents		**2,126.8**	**(56.3)**
Net cash and cash equivalents at the beginning of the year	27	290.7	347.1
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**26**	**2,417.5**	**290.7**

6.5 Notes to the financial statements of L'Oréal SA

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Highlights of the financial year

Application of the new Regulation ANC 2022-06 on the modernisation of financial statements

L'Oréal SA has prepared its financial statements in accordance with the new Regulation ANC 2022-06 on the modernisation of financial statements, amending Regulation ANC 2014-03. The new regulation, effective 1 January 2025, sets out to modernise, simplify and clarify the presentation of financial statements. It:

- redefines non-recurring items;
- eliminates the transfer of charges technique;
- updates the chart of accounts accordingly;
- introduces a new presentation for disclosures in the notes to the financial statements.

Where necessary, the impact of this new regulation has been described in the relevant notes.

Disposal of Sanofi shares

L'Oréal Groupe announced on 3 February 2025 the signing of an agreement for the sale of approximately 29.6 million Sanofi shares, i.e. 2.14% of the share capital, to Sanofi at a price of €101.5 per share, i.e., a total consideration of €3 billion. The resulting €2,992.8 million net capital gain was recognised in non-recurring items. Following completion of the transaction and cancellation of the shares bought back, L'Oréal now holds 7.2% of Sanofi's share capital and 13.1% of the voting rights (see notes 8 and 31).

Bond issues

On the US market

On 13 May 2025, L'Oréal Groupe successfully completed its first bond issue on the US market, for a total nominal amount of USD 1 billion. The bonds issued have a 10-year maturity and pay a coupon of 5.00% per annum.

Under the EMTN programme

On 12 November 2025, L'Oréal placed a dual tranche bond offering for a total nominal amount of €3 billion (see note 19).

Exceptional tax levy in France

The French Finance Act of 14 February 2025 introduced an exceptional levy on the profits of large companies (Article 48). For 2025, this new levy applies to companies subject to corporate income tax generating sales of €1 billion or more in France, and is calculated based on the average taxable profit for financial years 2024 and 2025. As a result, L'Oréal SA recognised an income tax charge of €142.4 million in 2025.

Note 1 Accounting principles

The 2025 annual financial statements of L'Oréal SA have been prepared in accordance with French law and regulations, as set out in Regulation ANC 2014-03 (French Chart of Accounts) as amended by Regulation ANC 2022-06 and generally accepted accounting principles and basic assumptions designed to provide a true and fair view of the Company:

- going concern basis;
- consistency of methods between financial periods;
- accrual basis of accounting.

Items recorded in the financial statements are valued using the historical cost method, except for fixed assets that have been revalued for statutory purposes.

As this new regulation applies prospectively, its provisions have no impact on financial statements for previous years. Only the information that is relevant and necessary for an understanding of the changes brought about by this new regulation has been presented in the relevant notes to the financial statements.

The main accounting methods used are described below.

1.1 Sales

Sales have mainly comprised services and technology royalties.

1.2 Advertising and promotion expenses

Expenses relating to the advertisement and promotion of products to customers and consumers are recognised as expenses for the financial year in which the advertisement or promotional initiative takes place.

1.3 Research and innovation costs

Research and innovation costs are recognised in expenses in the period in which they are incurred.

1.4 Loan issue costs

Issuance costs of borrowings are expensed immediately in the financial year in which they are incurred.

1.5 Non-recurring items

Only income and expenses directly linked to a major and unusual event are recognised as non-recurring items (see note 8).

A major and unusual event is an event whose consequences can significantly influence the judgement made on the financial statements and which is not related to the entity's normal and ongoing business. An event is considered unusual when it has not occurred in recent accounting periods and is unlikely to recur in future accounting periods.

1.6 Income tax

The Company has opted for the French tax group regime. French subsidiaries included in the scope of tax consolidation recognise an income tax charge in their own accounts on the basis of their own taxable profits and losses.

L'Oréal, as the parent company of the tax group, recognises as tax income the difference between the aggregate tax charges recognised by the subsidiaries and the tax due on the basis of consolidated taxable profit or loss of the tax group.

Established by the OECD and transposed in December 2023 in France, the Pillar 2 global tax reform aims to establish a minimum taxation of multinational groups at 15% and is applicable from the 2024 financial year (see note 9).

1.7 Intangible assets

Intangible assets are recorded in the balance sheet at purchase cost, including acquisition costs.

Technical merger losses are allocated to the corresponding underlying assets and amortised where appropriate.

The value of newly acquired trademarks is calculated based on a multi-criteria approach taking into consideration their reputation and their future contribution to profits.

In accordance with Regulation No. 2004-06 on assets, certain trademarks have been identified as amortisable regarding their estimated useful life.

Non-amortisable trademarks are tested for impairment at least once a year on the basis of the valuation model used at the time of their acquisition. An impairment is recorded where appropriate. Initial trademark registration costs are recorded as expenses.

Patents are amortised over a period ranging from 2 to 10 years.

Business goodwill is not amortised. It is impaired whenever the present value of future cash flows is less than the carrying amount. Impairment tests are conducted at least once a year, even when there is no evidence of impairment loss.

Software is amortised using the straight-line method over its probable useful life, generally between three and eight years.

Other intangible assets are usually amortised over periods not exceeding 20 years.

1.8 Property, plant and equipment

Property, plant and equipment are recognised at purchase cost, including acquisition expenses.

The useful lives of property, plant and equipment are as follows:

	Duration (years)
Buildings	20-50
Fixtures and fittings	5-10
Industrial machinery and equipment	10
Other property, plant and equipment	3-10

Both straight-line and declining-balance depreciation is calculated over the actual useful lives of the assets concerned. Exceptional depreciation may be recognised where events and circumstances lead to a review of the asset's useful life.

1.9 Financial assets

1.9.1 Equity investments

These items are recognised in the balance sheet at purchase cost, excluding incidental expenses.

Their value is assessed annually by reference to their value in use, which is mainly based on the current and forecast profitability of the subsidiary concerned and the share of shareholders' equity owned. If the value in use falls below the carrying amount, an impairment is recognised.

1.9.2 Other financial assets

Loans and other receivables are valued at their nominal amount and those denominated in foreign currencies are translated at the exchange rate prevailing at the end of the financial year. If necessary, impairments are also recognised against them to reflect their value in use at the end of the financial year.

Treasury shares acquired in connection with buyback programmes with a view to being cancelled are recognised in other long-term investments.

At the end of the financial year, other long-term investments are compared with their probable sale price and a provision for impairment recognised where appropriate.

1.10 Trade accounts receivable and other receivables

Trade accounts receivable and other receivables are recorded at their nominal value. Where appropriate, an impairment is recognised based on an assessment of the risk of non-recovery.

1.11 Marketable securities and cash instruments

Cash instruments

Derivatives that are not designated as hedges are classified as isolated open positions. These are recognised at their fair value in the balance sheet, and offset a "Translation adjustments" account.

1.12 Translation of foreign currency transactions and exchange rate hedges

All receivables, payables, loans and borrowings denominated in foreign currencies are translated on the balance sheet at the exchange rate prevailing as of the reporting date for the financial year. These exchange rate variations, as well as those linked to the hedging instruments taken out to cover the said receivables, payables, loans and borrowings denominated in foreign currencies, are recorded in the balance sheet under the heading "Unrealised exchange losses/gains".

A provision is recognised if the sum of these translation adjustments shows a potential exchange loss based on the overall exchange position, calculated on a currency-by-currency basis. The overall foreign exchange position excludes translation differences of hedging instruments and hedged items.

In accordance with French accounting standards, the potential gain resulting from the overall foreign exchange position is not recognised as income in the income statement.

Exchange rate hedging instruments are contracted to hedge commercial transactions recognised in the balance sheet and future transactions that are considered to be highly probable. Gains and losses generated by these instruments are recognised symmetrically with the gains and losses arising on the hedged items, in the same aggregate as profit and loss. Option premium income/discounts are recognised in profit and loss when the hedged item is recognised in profit and loss.

Hedges have already been taken out in respect of forecasted operating transactions for the next financial year. The impact of such hedges on profit or loss will be recorded during the same financial year as the transactions hedged.

1.13 Accounting for interest rate instruments

In the case of interest-rate hedges, for gains and losses arising on interest rate swaps and caps, hedging financial liabilities are recorded on a pro rata basis symmetrically with the gains and losses on the items hedged.

1.14 Provisions for liabilities and charges

Provisions for liabilities and charges are recognised to cover probable outflows of resources to third parties, without receipt of equivalent consideration by the Company. They mainly concern risks and disputes of a commercial, financial, tax or employee-related nature.

The estimated amount included in provisions corresponds to the outflow of resources that the Company is likely to incur in the settlement of its obligation. Depending on the type of provision, the estimate takes account of the most probable assumptions of realisation, or is assessed in line with statistical methods.

Contingent liabilities are potential obligations arising from past events, whose existence will only be confirmed by the occurrence of future (uncertain) events that are not wholly within the control of the Company or probable liabilities for which the outflow of resources is also not within its control. Contingent liabilities are not recognised and are disclosed where applicable.

1.15 Employee retirement obligations and related benefits

The L'Oréal parent company operates pension, early retirement and other benefit schemes for employees and retirees depending on local legislation and regulations. Directors and corporate officers are regarded as employees for all additional benefits relating to their remuneration, and are therefore covered by the same employee benefit schemes.

These obligations are partially funded by an external scheme where the funds are gradually built up through contributions paid. The contributions are expensed as incurred under "Other purchases and external charges".

The related obligations are measured using an actuarial valuation method based on final salaries. The method takes account of length of service, life expectancy, turnover by category of personnel and economic assumptions such as inflation and discount rates. The Company has opted for the new method provided by recommendation ANC 2013-02 on the accounting treatment of pension obligations and similar benefits as amended on 5 November 2021. That is to say, the increase in the obligation for each employee is no longer recognised on a straight-line basis over his or her term of employment but straight-line only over the vesting period for his or her benefit rights.

No provision is recognised in the balance sheet for net unfunded obligations. These thus appear as off-balance sheet commitments.

Only obligations in respect of long-service awards are no longer recognised as an off-balance sheet commitment; instead, a provision is recognised in the balance sheet based on an actuarial valuation of the obligation (see note 18).

Note 2 Sales

€ millions	31.12.2025	31.12.2024
Services[1]	5,003.7	4,784.9
Other revenue	66.9	78.5
TOTAL	**5,070.6**	**4,863.4**

(1) Including invoicing of technological royalties.

The Company generated €960.8 million of its sales in France in 2025, compared with €908.5 million in 2024.

Note 3 Other revenue

This item mainly comprises brand royalties and foreign exchange gains from operations.

€ millions	31.12.2025	31.12.2024
Brand royalties	598.6	597.8
Foreign exchange gains from operations	150.9	93.1
Other[1]	68.5	64.4
TOTAL	**818.0**	**755.4**

(1) In accordance with the new Regulation ANC 2022-06, proceeds from disposals of property, plant and equipment and intangible assets are now included in operating items, whereas they were previously included in non-recurring items.

Note 4 Personnel costs

Personnel costs can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Wages	(800.0)	(778.3)
Social security contributions	(433.0)	(376.6)
TOTAL	**(1,233.0)**	**(1,154.9)**

Average workforce can be broken down as follows:

	2025	2024
Executives	5,413	5,277
Supervisors	1,161	1,197
TOTAL	**6,574**	**6,474**
Apprentices	401	421

Note 5 Depreciation, amortisation and charges to provisions – operating items

Depreciation, amortisation and charges to provisions relating to operating items can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Depreciation of intangible assets and property, plant and equipment	(141.7)	(112.7)
Impairment of non-current assets	(1.9)	—
Impairment of current assets	—	(0.2)
Provisions for liabilities and charges	(81.6)	(124.0)
TOTAL	**(225.2)**	**(236.9)**

Note 6 Other charges

This item mainly comprises royalties (brands, software, etc.) and foreign exchange losses from operations.

€ millions	31.12.2025	31.12.2024
Royalties	200.5	207.1
Foreign exchange losses from operations	169.3	121.8
Other[(1)]	11.8	2.1
TOTAL	**381.6**	**331.0**

(1) In accordance with the new Regulation ANC 2022-06, the net carrying amount of property, plant and equipment and intangible assets sold is now presented within operating items, and no longer under non-recurring items.

Note 7 Net financial income

Net financial income breaks down as follows:

€ millions	31.12.2025	31.12.2024
Dividends received[1]	5,859.2	5,052.4
Revenues on other receivables and marketable securities	182.7	143.7
Financial income from subsidiaries and equity investments	**6,041.9**	**5,196.0**
Interest expense on bonds	(173.1)	(168.7)
Other interest expense	(17.3)	(46.1)
Interest expense	**(190.4)**	**(214.8)**
Foreign exchange gains	203.9	198.8
Foreign exchange losses	(150.7)	(174.1)
Net foreign exchange gains	**53.2**	**24.7**
Reversals of provisions for impairment of securities[2]	12.7	106.4
Charges to provisions for impairment of securities[3]	(552.2)	(43.5)
Reversals of provisions for liabilities and charges[4]	57.8	17.9
Depreciation, amortisation and charges to provisions[5]	(50.0)	(58.7)
Change in depreciation, amortisation and provisions	**(531.7)**	**22.1**
Other financial income[6]	51.4	9.2
Other financial expenses[7]	(47.4)	—
Other financial income and expenses	**4.0**	**9.2**
NET FINANCIAL INCOME	**5,377.0**	**5,037.2**
Total financial income	**6,367.7**	**5,528.3**
Total financial expenses	**(990.7)**	**(491.1)**

(1) Of which dividends from related companies: €5,507.4 million in 2025 and €4,607.1 million in 2024.
(2) In 2024, reversal of provisions in the amount of €106.4 million chiefly concerned the liquidation of Atelier Cologne France (€42.5 million) and L'Oréal West Africa (€25.3 million), and the disposal of Canan Kozmetik (€27.4 million).
(3) In 2025, charges to provisions in the amount of €552.2 million relate mainly to shares in Aesop UK (€458 million), L'Oréal Travel Retail Americas (€44.4 million) and Bold (€29 million).
(4) This essentially concerns the reversal of the provision for foreign exchange losses, which amounted to €56.1 million in 2025, compared with €16.5 million in 2024.
(5) This essentially concerns the charge to the provision for foreign exchange losses, which amounted to €37.6 million in 2025, compared with €56.1 million in 2024.
(6) In accordance with the new Regulation ANC 2022-06, "Other financial income" in 2025 includes proceeds from the disposal of financial assets amounting to €42.3 million, previously recognised under non-recurring items.
(7) In accordance with the new Regulation ANC 2022-06, at 31 December 2025 "Other financial expenses" includes the net carrying amount of financial assets sold for €47.4 million, previously recognised under non-recurring items.

Note 8 Non-recurring items

In 2025, non-recurring items primarily include the net capital gain on the disposal of Sanofi shares, representing 2.14% of the capital held, at a price of €101.5 per share, or €2,992.8 million.

Note 9 Income tax

The income tax breaks down as follows:

€ millions	31.12.2025	31.12.2024
Tax on profit before tax and non-recurring items	(81.0)	(94.8)
Tax on non-recurring items and employee profit sharing	(78.4)	10.1
Pillar Two tax charge	(6.2)	(30.4)
Exceptional levy	(142.4)	—
INCOME TAX	**(308.0)**	**(115.2)**

In 2025, the tax charge recognised by L'Oréal included a tax consolidation loss of €137.7 million, due mainly to the impact of the non-recurring levy on subsidiaries included in the tax consolidation group.

In 2024, the tax charge recognised by L'Oréal included a tax consolidation loss of €0.9 million.

Tax credits can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Research tax credits	34.2	33.9
Tax credits on royalties under international tax treaties	51.5	49.9
Tax credits on dividends under international tax treaties	15.1	13.5
Other	12.1	20.5
TAX CREDITS	**112.9**	**117.8**

Note 10 Increases or reductions in future tax liabilities

	31.12.2024		Changes		31.12.2025	
€ millions	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
TEMPORARY DIFFERENCES						
Regulated provisions		3.5	0.7	0.8		3.6
Temporarily non-deductible charges	146.1		4.9	15.2	135.8	
Charges deducted (or revenue taxed) for tax purposes but not yet recognised		6.3	5.7			0.6
Temporarily non-taxable revenue						
DEDUCTIBLE ITEMS						
Tax losses, deferred items						
POTENTIALLY TAXABLE ITEMS						
Special reserve for long-term capital gains		137.0				137.0

These figures factor in the social contribution of 3.3% which is added to corporate income tax, both at normal and reduced rates.

Note 11 Research costs

Expenses booked for Research activities in 2025 totalled €1,374.3 million, compared with €1,356.9 million in 2024. They include personnel costs, outsourced scientific services and patent costs.

Note 12 Intangible assets

€ millions	31.12.2024	Acquisitions/ Depreciation	Disposals/ Reversals	Other movements	31.12.2025
Patents and trademarks[1]	1,242.9	12.1	(0.8)	16.0	1,270.2
Business goodwill[2]	2,660.2	41.3	(4.1)	—	2,697.4
IT solutions	666.9	43.5	(20.8)	105.6	795.2
Other intangible assets	369.4	—	—	—	369.4
Intangible assets in progress, prepayments to suppliers	600.3	216.2	(10.0)	(124.6)	681.9
Gross value	**5,539.7**	**313.1**	**(35.7)**	**(3.0)**	**5,814.1**
Patents and trademarks	234.0	21.9	(0.6)	—	255.2
Business goodwill	59.1	—	—	—	59.1
IT solutions	431.4	83.4	(19.4)	—	495.7
Other intangible assets	9.2	—	—	—	9.2
Amortisation	**733.7**	**105.3**	**(20.0)**	**—**	**819.0**
Patents and trademarks	77.3	1.3	—	—	78.5
Business goodwill	166.2	—	(4.1)	—	162.2
IT solutions	0.1	—	—	—	0.1
Other intangible assets	—	—	—	—	—
Impairment	243.6	1.3	(4.1)	—	240.8
NET VALUE	**4,562.3**	**206.5**	**(11.6)**	**(3.0)**	**4,754.2**

(1) Acquisitions of patents and trademarks in 2025 relate to the commissioning of Sylena technology and the acquisition of the Dr.G. brand and technology.
(2) Acquisitions in 2025 relate to Dr.G business goodwill.

At 31 December 2025, intangible assets relating to the information systems transformation programme included €158 million in net intangible assets and €608 million in intangible assets in progress.

Note 13 Property, plant and equipment

€ millions	31.12.2024	Acquisitions/ Depreciation	Disposals/ Reversals	Other movements	31.12.2025
Land	80.6	2.5	—	10.5	93.6
Buildings	699.5	10.9	(0.1)	22.2	732.6
Industrial machinery and equipment	197.5	8.7	(1.2)	12.4	217.4
Other property, plant and equipment	55.5	0.9	(0.5)	5.4	61.3
Property, plant and equipment in progress, prepayments to suppliers	67.7	29.7	—	(48.0)	49.4
Gross value	**1,100.8**	**52.8**	**(1.8)**	**2.5**	**1,154.4**
Land	2.7	0.3	—	—	3.0
Buildings	414.8	22.2	(0.1)	—	436.9
Industrial machinery and equipment	167.9	10.4	(1.0)	—	177.4
Other property, plant and equipment	44.8	3.6	(0.5)	—	47.9
Amortisation	**630.2**	**36.4**	**(1.6)**	**—**	**665.1**
Land	—	—	—	—	—
Industrial machinery and equipment	1.2	0.6	—	—	1.8
Impairment	**1.2**	**0.6**	**—**	**—**	**1.8**
NET VALUE	**469.4**	**15.8**	**(0.2)**	**2.5**	**487.5**

The annual straight-line depreciation and amortisation charge for property, plant and equipment and intangible assets in 2025 amounted to €141.7 million.

Note 14 Financial assets

€ millions	31.12.2024	Acquisitions/ Subscriptions	Disposals/ Reductions	Other movements	31.12.2025
Equity investments[1]	21,109.8	1,070.9	(153.4)	3.2	22,030.5
Loans and advances[2]	5,020.4	7,458.3	(4,340.9)	(3.2)	8,134.6
L'Oréal shares[3]	—	500.0	—	(500.0)	—
Other	6.4	1.4	(1.3)	—	6.5
Gross value	**26,136.5**	**9,030.6**	**(4,495.6)**	**(500.0)**	**30,171.5**
Equity investments[4]	2,726.8	552.2	(12.7)	—	3,266.3
Loans and advances	—	—	—	—	—
Other	0.2	—	—	—	0.2
Impairment	**2,727.0**	**552.2**	**(12.7)**	**—**	**3,266.5**
NET VALUE	**23,409.5**	**8,478.4**	**(4,482.9)**	**(500.0)**	**26,905.0**

(1) Acquisitions/subscriptions correspond mainly to shares in CSA Topco (Medik8) for €662.1 million, shares in Federici Brands (Color Wow UK) for €143.4 million, and the Sparlys capital increase for €174.0 million (see note 31).
Disposals/reductions correspond mainly to the carrying amount of Sanofi shares sold, i.e., €106.0 million. L'Oréal SA's stake in Sanofi was 7.27% at 31 December 2025.
Other movements mainly concern the capitalisation of prepayments made in 2023 to L'Oréal Pakistan for €3.2 million.

(2) Loans and advances correspond mainly to long-term investments with the Group's cash pool, amounting to €8,002.6 million (€5,000 million at 31 December 2024), with maturities between 2026 and 2036. Changes in this item correspond to short-term investments with the cash pool that we reimbursed during the year.

(3) On 13 March 2025, the Board of Directors resolved, in connection with the authorisation approved by the Annual General Meeting of 23 April 2024, to buy back L'Oréal shares in the maximum amount of €500 million. The shares thus bought back for €500 million were cancelled in line with the Board of Directors' decision on 29 July 2025.

(4) See note 7 "Net financial income".

The table of subsidiaries and holdings is included in note 31 to the parent company financial statements.

Note 15 Cash instruments

The balance of cash instruments was €45.6 million at 31 December 2025, compared with €45.5 million at 31 December 2024.

Note 16 Maturity of receivables

€ millions	1 year or less	More than 1 year	Gross	Impairment	Net
Loans and other receivables with equity investments[1]	**131.9**	**8,002.6**	**8,134.5**	**—**	**8,134.5**
Other financial assets	**6.2**	**—**	**6.2**	**—**	**6.2**
Trade accounts receivable	**539.3**	**—**	**539.3**	**—**	**539.3**
Tax and employee-related receivables[2]	178.6	—	178.6	—	178.6
Other receivables	48.6	—	48.6	—	48.6
Other receivables	**227.2**	**—**	**227.2**	**—**	**227.2**
Prepaid expenses	**49.9**	**—**	**49.9**	**—**	**49.9**
TOTAL	**954.5**	**8,002.6**	**8,957.1**	**—**	**8,957.1**

(1) Loans and advances correspond mainly to long-term investments with the Group's cash pool, amounting to €8,003 million (€5,000 million at 31 December 2024), with maturities between 2026 and 2036. This item also includes €30 million in accrued interest receivable at 31 December 2025.

(2) Including a corporate income tax receivable in the amount of €95.9 million.

Accrued receivables included in receivables and current assets break down as follows:

€ millions	31.12.2025	31.12.2024
Trade accounts receivable	11.1	0.9
Other receivables	0.8	3.3
TOTAL	**11.9**	**4.2**

Note 17 Free shares – Employee share ownership plan

17.1 Free shares

The table below summarises data relating to the free share plans.

Grant date	Vesting date	Number of shares granted	Number of shares issued/ allotted	Number of shares not fully vested
STOCK SUBSCRIPTION PLANS				
14.10.2020	15.10.2024	713,660	661,270	—
07.10.2021	08.10.2025	588,750	549,595	—
13.10.2022	14.10.2026	700,000	2,025	675,800
12.10.2023	13.10.2027	650,580	—	636,655
10.10.2024	11.10.2028	700,000	—	696,421
10.10.2025	11.10.2029	703,500	—	703,500

For the conditional grant of shares, the plan provides for a four-year vesting period after which vesting is effective and final, subject to meeting the conditions of the plan.

The performance conditions for the 7 October 2021 plan are:

- for 50%, growth in comparable cosmetics sales in 2022, 2023 and 2024 versus a panel of competitors for the period covered by the plan.
- for 50% of shares granted, the increase over the same period in the Group's consolidated operating profit.

The calculation will be made on the basis of the arithmetic average of the performance for financial years 2022, 2023 and 2024, using a predefined allocation scale based on the performance percentage achieved. No performance condition applies below a block of 200 shares.

For the 13 October 2022, 12 October 2023, 10 October 2024 and 10 October 2025 plans, the performance conditions comprise the following:

- for 80%, based on financial performance criteria that include:
  - for one half, the growth in comparable cosmetics sales – in relation to those of a panel of competitors – for the financial years:
    - 2023, 2024 and 2025 for the 2022 plan,
    - 2024, 2025 and 2026 for the 2023 plan,
    - 2025, 2026 and 2027 for the 2024 plan,
    - 2026, 2027 and 2028 for the 2025 plan,
  - for the other half, the increase over the same period in the Group's consolidated operating profit. The calculation will be made on the basis of the arithmetic average of the performances for financial years:
    - 2023, 2024 and 2025 for the 2022 plan,
    - 2024, 2025 and 2026 for the 2023 plan,
    - 2025, 2026 and 2027 for the 2024 plan,
    - 2026, 2027 and 2028 for the 2025 plan,
- for 20%, based on non-financial performance criteria that include:
  - 15% associated with the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme;
  - 5% associated with the gender balance within strategic positions, including the Executive Committee.

No performance condition applies below a block of 100 shares.

As at 31 December 2025, the performance conditions of the plans in progress were deemed achieved.

17.2 Capital increase reserved for employees

June 2024 plan

In June 2024, Group employees had the opportunity to join a share ownership plan based on a traditional format with discount and matching contribution.

The subscription price was set at €358.71, representing 80% of the average share price over the 20 trading sessions prior to the Chief Executive Officer's decision to set the subscription period from 5 June to 19 June 2024, during which 199,641 shares were subscribed giving entitlement to 72,795 matching shares. This number does not include the subscription reserved for a Trustee under the laws of England and Wales, as part of a Share Incentive Plan established for Group employees in the United Kingdom, in respect of which the final number of subscribed shares will not be known until April 2025.

For French employees, free matching shares were offered upon subscription in proportion to their personal contribution to the plan with a maximum of three shares offered for six shares subscribed.

For employees in other countries, shares were offered under a free share plan with a continued employment condition for the employee and proportionate to how much the employee contributes to the plan, with a maximum of three shares offered for six subscribed shares. The shares will be allocated to employees on 31 July 2029 provided they are still with the Group on that date.

The capital was increased on 30 July 2024 by 230,423 shares including matching shares for French employees.

2025 plan

In June 2025, Group employees had the opportunity to join a share ownership plan based on a traditional format with discount and matching contribution.

The subscription price was set at €301.66, representing 80% of the average share price over the 20 trading sessions prior to the Chief Executive Officer's decision to set the subscription period from 11 June to 25 June 2025, during which 218,322 shares were subscribed giving entitlement to 59,087 matching shares. This number does not include the subscription reserved for a Trustee under the laws of England and Wales, as part of a Share Incentive Plan established for Group employees in the United Kingdom, in respect of which the final number of subscribed shares will not be known until April 2026.

For French employees, free matching shares were offered upon subscription in proportion to their personal contribution to the plan with a maximum of three shares offered for six shares subscribed.

For employees in other countries, shares were offered under a free share plan with a continued employment condition for the employee and proportionate to how much the employee contributes to the plan, with a maximum of three shares offered for six subscribed shares. The shares will be allocated to employees on 30 July 2030 provided they are still with the Group on that date.

The capital was increased on 29 July 2025 by 246,115 shares including matching shares for French employees.

Grant date	Vesting date France	Vesting date outside France	Number of shares granted	Number of shares issued/allotted	Number of shares not fully vested
02.10.2020	02.10.2020	03.10.2025	496,991	487,149	—
22.06.2022	22.06.2022	23.06.2027	494,433	451,651	38,243
19.06.2024	19.06.2024	20.06.2029	276,236	231,391	41,299
25.06.2025	25.06.2025	26.06.2030	277,409	246,115	31,167

Note 18 Provisions for liabilities and charges

€ millions	31.12.2024	Charges	Reversals (used)	Reversals (not used)	Reclassifications	31.12.2025
Provisions for foreign exchange losses	57.2	38.2	(57.2)	—	—	38.2
Other provisions for liabilities[1]	135.4	74.3	(18.6)	(25.2)	18.8	184.5
Total provisions for liabilities	**192.6**	**112.5**	**(75.8)**	**(25.2)**	**18.8**	**222.7**
Provisions for expenses[2]	173.8	65.6	(66.2)	(16.0)	(18.8)	138.6
Total provisions for charges	**173.8**	**65.6**	**(66.2)**	**(16.0)**	**(18.8)**	**138.6**
TOTAL	**366.5**	**178.1**	**(142.0)**	**(41.3)**	**—**	**361.3**

(1) This caption mainly includes provisions set aside to cover risks related to government bodies, commercial and financial risks.
(2) This caption includes provisions for employee-related expenses.

The changes in provisions for liabilities and charges impact the 2025 income statement as follows:

€ millions	Charges	Reversals (used)	Reversals (not used)
Operating profit	81.6	(85.8)	(19.8)
Net financial income	42.5	(56.2)	(1.6)
Non-recurring items	54.1	—	(19.8)
TOTAL	**178.2**	**(142.0)**	**(41.3)**

Note 19 Borrowings and debt

L'Oréal obtains financing through medium-term bond loans and issues short-term marketable instruments in France and the United States. The amounts of the programmes are €5,000 million and $5,000 million respectively. None of the Group's borrowings or debt contain an early repayment clause linked to financial ratios (covenants).

Liquidity on the short-term marketable instruments issues is provided by confirmed undrawn short-term credit facilities with banks, which amounted to €7,000 million at 31 December 2025, compared to €5,000 million at 31 December 2024.

An undrawn confirmed credit line of €4,000 million with a maturity of less than one year was also set up in December 2025.

All borrowings and debt are denominated in euros and can be broken down as follows:

BREAKDOWN BY TYPE OF DEBT

€ millions	31.12.2025	31.12.2024
Bonds	8,928.5	6,080.1
Bank overdrafts and financing with the Group's cash pool	0.1	1,807.3
Other borrowings and debt	1.0	3.1
TOTAL	**8,929.6**	**7,890.4**

BONDS AND EMTNS

Tranche amount *(In millions)*		Type of issue	Issue date	Type of rate	Coupon	Issue price*	Maturity	Interest accrued	31.12.2025	31.12.2024
EUR	1,250	SLB[1]	March 2022	Fixed	0.875%	99.741%	June 2026	5.5	1,260.3	1,255.5
EUR	1,000	EMTN	May 2023	Fixed	3.125%	99.646%	May 2025			1,019.4
EUR	1,000	EMTN	May 2023	Fixed	2.875%	99.323%	May 2028	17.9	1,017.9	1,017.9
EUR	800	EMTN	November 2023	Fixed	3.375%	99.739%	January 2027	25.3	825.3	829.8
EUR	700	EMTN	November 2023	Fixed	3.375%	99.754%	November 2029	2.5	702.5	702.5
EUR	750	EMTN	November 2024	Fixed	2.500%	99.551%	November 2027	2.8	752.8	752.8
EUR	500	EMTN	November 2024	Fixed	2.875%	99.812%	November 2031	2.2	502.2	502.2
USD	1,000	Bond[2]	May 2025	Fixed	5.000%	99.132%	May 2035	5.0	857.5	—
EUR	850	EMTN	November 2025	Variable	—	99.850%	November 2027	2.3	852.3	—
EUR	1,000	EMTN	November 2025	Fixed	2.750%	99.776%	November 2030	3.2	1,003.2	—
EUR	1,150	EMTN	November 2025	Fixed	3.375%	99.805%	January 2036	4.6	1,154.6	—
								71.2	**8,928.5**	**6,080.1**

* *Net of fees.*
(1) Sustainability-linked Bond
(2) Bond issue on the US market.

Bonds have notably been issued under a "Euro Medium-Term Notes" programme with a cap of €15,000 million at 31 December 2025.

BREAKDOWN BY MATURITY DATE

€ millions	31.12.2025	31.12.2024
Less than 1 year	1,327.0	2,889.5
1 to 5 years	5,100.0	4,500.9
More than 5 years	2,502.6	500.0
TOTAL	**8,929.6**	**7,890.4**

AVERAGE INTEREST RATE ON BORROWINGS AND DEBT

For 2025, the average rate of the debt in euros was 2.75% including the bond issue, compared to 2.66% in 2024, while the average rate of the debt in dollars in the United States stands at 3.59% versus 2.38% in 2024.

Note 20 Maturity of payables

€ millions	1 year or less	More than 1 year	Total
Trade accounts payable	**676.1**	**—**	**676.1**
Other current liabilities, of which	**626.9**	**—**	**626.9**
Payables related to non-current assets	52.8	—	52.8
Tax and employee-related payables	527.6	—	527.6
Other liabilities	46.4	—	46.4

Accrual accounts included in trade accounts payable and other current liabilities are as follows:

€ millions	31.12.2025	31.12.2024
Trade accounts payable	**228.1**	**184.1**
Payables related to non-current assets	**17.5**	**13.7**
Tax and employee-related payables, of which	**468.5**	**420.6**
Provision for employee profit sharing	44.7	43.4
Provision for incentives	111.6	107.5
Other liabilities	**0.2**	**0.6**
TOTAL	**714.3**	**619.0**

Note 21 Unrealised currency translation gains/losses and valuation differences

The revaluation of foreign currency receivables and payables at the exchange rates prevailing at 31 December, taking account of hedging instruments, led to the recognition of the following translation adjustments:

	Assets		Liabilities	
€ millions	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Financial receivables	44.5	0.1	0.5	0.4
Trade accounts receivable	0.5	0.8	—	0.1
Financial payables	—	—	42.5	—
Trade accounts payable	0.2	0.3	—	—
Valuation differences on financial instruments	54.8	63.4	42.4	39.8
TOTAL	**100.0**	**64.5**	**85.4**	**40.3**

The overall foreign exchange position, calculated on a currency-per-currency basis at 31 December 2025, is an unrealised loss of €38.2 million recorded as a provision for unrealised foreign exchange losses (see note 18).

At 31 December 2024, the overall foreign exchange position was an unrealised loss of €57.2 million.

Note 22 Derivative financial instruments

Foreign exchange derivative financial instruments can be broken down as follows:

	Notional		Market value	
€ millions	31.12.2025	31.12.2024	31.12.2025	31.12.2024
CURRENCY FUTURES				
Purchase of EURO against foreign currencies				
EUR/AUD	—	24.9	—	0.4
EUR/BRL	245.6	172.7	(12.1)	14.5
EUR/CAD	—	20.4	—	(0.1)
EUR/CLP	1.1	13.0	—	0.1
EUR/CNY	1,364.2	1,390.6	8.7	(33.2)
EUR/CZK	0.6	14.1	—	—
EUR/DKK	—	24.3	—	(0.1)
EUR/GBP	—	95.9	—	(2.8)
EUR/IDR	67.7	64.5	0.6	(3.4)
EUR/INR	11.4	32.9	0.1	(2.0)
EUR/KRW	66.5	68.0	3.3	1.3
EUR/PEN	22.0	23.3	(1.4)	(1.8)
EUR/PHP	11.4	14.6	0.3	(0.4)
EUR/PLN	—	21.4	—	(0.3)

	Notional		Market value	
€ millions	31.12.2025	31.12.2024	31.12.2025	31.12.2024
EUR/RSD	21.2	21.5	(0.3)	(0.1)
EUR/THB	83.4	82.5	(1.8)	(6.5)
EUR/TWD	51.4	64.7	3.7	(0.6)
EUR/VND	48.1	—	(0.4)	—
EUR/ZAR	36.9	50.1	(3.2)	(1.7)
EUR/Other currencies	2.0	18.7	—	(1.0)
Sale of EUR against foreign currencies				
EUR/JPY	31.7	3.7	(3.3)	0.1
EUR/MXN	49.6	—	3.1	—
EUR/SGD	180.3	175.0	(3.5)	3.1
EUR/USD	693.6	136.8	(59.5)	2.6
EUR/Other currencies	39.3	2.2	0.2	—
Purchase of USD against foreign currencies				
USD/BRL	78.6	84.9	(5.5)	9.6
USD/CNY	143.5	164.2	(2.7)	4.6
USD/INR	20.5	15.4	0.3	0.2
USD/KRW	27.3	20.4	0.2	1.5
USD/PEN	37.2	38.2	(2.4)	(0.3)
USD/PHP	12.5	12.4	0.3	0.5
USD/THB	39.5	57.0	(1.3)	(1.7)
USD/TWD	10.2	10.2	0.5	0.5
USD/VND	34.2	—	(0.1)	—
USD/Other currencies	6.6	6.5	(0.6)	—
Sale of USD against foreign currencies				
USD/IDR	15.0	26.5	(0.5)	(1.2)
USD/Other currencies	—	—	—	—
Purchase of CNY against foreign currencies				
CNY/IDR	22.7	21.4	0.4	(0.3)
CNY/INR	19.5	18.7	0.5	(0.7)
CNY/PHP	9.7	10.4	0.3	(0.3)
CNY/THB	17.8	17.5	(0.2)	(0.1)
CNY/Other currencies	9.3	7.5	0.6	0.1
Sale of CNY against foreign currencies				
CNY/GBP	16.6	—	(0.2)	—
CNY/JPY	53.2	44.4	(4.2)	(3.5)
CNY/KRW	2.6	12.3	(0.3)	(0.9)
CNY/SGD	5.7	3.8	(0.1)	—
CNY/Other currencies	0.7	5.0	—	0.1
Other currencies pairs	—	—	—	—
INR/SGD	14.3	6.1	0.1	(0.2)
Other	14.3	14.6	(0.2)	(0.4)
Currency futures total	**3,639.5**	**3,133.2**	**(80.6)**	**(24.4)**
TOTAL INSTRUMENTS	**3,639.5**	**3,133.2**	**(80.6)**	**(24.4)**

Note 23 Transactions and balances with related entities and parties

All material related-party transactions were entered into on an arm's length basis.

Note 24 Off-balance sheet commitments

24.1 Lease commitments

Operating lease commitments amounted to €19.3 million due in less than one year, €27.3 million due between one and five years and €2.1 million due after five years.

24.2 Other off-balance sheet commitments

Confirmed credit facilities are set out in note 19.

Purchase commitments relating to equity investments are detailed in notes 29 and 30.

Other off-balance sheet commitments can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Commitments in connection with employee retirement obligations and related benefits[1]	(283.7)	(242.9)
Commitments to buy out non-controlling interests[2]	354.6	15.1
Guarantees given[3]	1,797.2	2,011.8
Capital expenditure orders and service contracts[4]	782.1	472.9

(1) The discount rate used in 2025 to measure commitments was 4.00% for plans providing for the payment of capital and 4.25% for annuity plans, compared with 3.50% and 3.50% respectively in 2024. Interest rate levels resulted in a funding surplus for pension liabilities in the amount of €251.0 million at end-2025 versus €218.7 million at end-2024.
An agreement for the pooling of employee-related liabilities was set up in 2004. Pursuant to this agreement, commitments are allocated among the French companies in the Group and their financing is organised in proportion to their respective payroll costs (customised for each plan) so that the companies are joint and severally liable for meeting the aforementioned commitments within the limit of the collective funds built up.

(2) At 31 December 2025, commitments to buy out non-controlling interests mainly include the put option granted to the non-controlling shareholders of CSA Topco (Medik8) for €347.3 million.

(3) This caption includes various sureties and guarantees on behalf of direct and indirect subsidiaries amounting to €1,733.1 million at 31 December 2025, versus €1,961.6 million at 31 December 2024. It also includes funding commitments to a philanthropic fund that supports vulnerable women, and to the L'Oréal Climate Emergency Fund.

(4) Including irrevocable commitments for IT contracts and energy purchases (these services will be re-billed to Group entities).

24.3 Contingent liabilities

In the normal course of its activities, the Company is involved in legal proceedings and is subject to fiscal, customs and administrative controls. The Company sets aside a provision when a risk is found to exist and the related cost can be reliably estimated.

No non-recurring event or dispute is highly likely to have a material impact on the Company's earnings, financial position, assets or operations.

Note 25 Changes in working capital

Changes in working capital can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Inventories	1.5	—
Accounts receivable	81.3	187.9
Accounts payable	201.2	15.9
TOTAL	**283.9**	**203.7**

Note 26 Changes in other financial assets

This caption mainly comprises long-term investments with the Group's cash pool.

Note 27 Net cash and cash equivalents at the end of the year

Cash and cash equivalents can be broken down as follows:

€ millions	31.12.2025	31.12.2024
Cash[1]	2,417.6	290.7
Overdrafts	(0.1)	—
NET CASH AND CASH EQUIVALENTS	**2,417.5**	**290.7**

(1) Cash held with the Group's cash pool.

Note 28 Other information

Statutory audit fees are presented in note 16 to the consolidated financial statements.

Note 29 Acquisition in progress

Strategic partnership with Kering

On 19 October 2025, Kering and L'Oréal announced that they were entering a long-term strategic partnership in luxury beauty and wellness. This binding agreement encompasses the acquisition of all of the shares of Kering Beauté, which owns the House of Creed, and the beauty and fragrance licences of iconic Houses of Kering including Gucci, Balenciaga and Bottega Veneta.

Creed stands among the leading high-end luxury fragrance Houses, celebrated for its craftsmanship and mastery of rare natural ingredients. As part of L'Oréal Luxe, Creed will be best positioned to accelerate even further its global development across both men's and women's markets.

The partnership includes the right to enter into a 50-year licence for Gucci, commencing after expiration of the current licence with Coty, and respecting the Kering group's obligations as per the existing licence agreement. The other two licences were also granted for a 50-year period, starting upon closing of the transaction.

Building on the success of Yves Saint Laurent Beauté, this partnership consolidates the long history of collaboration between two global leaders with complementary strengths: Kering's iconic luxury brands and L'Oréal's unrivalled expertise in beauty, to accelerate the development of these brands and create significant value in these fast-growing segments.

The agreement is valued at €4 billion, payable in cash at closing, expected in the first half of 2026. L'Oréal will also pay royalties to Kering for the use of its licensed brands.

Note 30 Subsequent events

Bond issue

On 7 January 2026, L'Oréal placed a dual tranche bond offering for a total nominal amount of €1,750 million. The offering comprised three tranches:

- a €650 million tranche with a 2-year maturity, with a fixed-rate coupon of 3-month Euribor +20 bps per year;
- a €500 million tranche with a 3-year maturity, with a fixed-rate coupon of 2.5% per year;
- a €600 million tranche with a 6-year maturity, with a fixed-rate coupon of 2.875% per year.

The net proceeds of the bonds will be used for general corporate purposes, in particular to partly fund the acquisition of the additional 10% stake in Galderma announced in December 2025. The bonds were delivered on 12 January 2026.

Acquisition of 10% of Galderma

On 8 December 2025, L'Oréal announced it had acquired an additional 10% in Galderma Group AG. The transaction, expected to close in the first quarter of 2026, will increase L'Oréal's total shareholding in Galderma to 20%. In connection with this additional investment, Galderma's Board of Directors will consider the appointment of two non-independent director candidates representing L'Oréal to replace the members of the EQT-led consortium, with effect from the 2026 Annual General Meeting. This additional investment was finalised on 10 February 2026 for €4.2 billion.

Note 31 Table of subsidiaries and equity investments

DETAILED INFORMATION

In thousands of euros	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends[1] booked during the financial year
				Gross	Net		
A. MAIN FRENCH SUBSIDIARIES (MORE THAN 50% INTEREST)							
Azzaro Mugler Beauté France	78,723	1,058	100.00%	78,723	78,723	945	1,015
Beauté, Recherche & Industries	1,069	17,829	100.00%	9,495	9,495	(3,179)	6,510
BOLD (Business Opportunities for L'Oréal Development)	197,719	70,597	100.00%	329,603	300,623	(42,993)	—
Cosmétique Active International	19	13,947	88.97%	15,100	15,100	170,532	133,094
Cosmétique Active Production	186	27,149	80.13%	5,081	5,081	12,515	15,608
EpiSkin	13,609	12,891	99.93%	18,002	18,002	218	—
Fapagau & Cie	15	7,267	79.00%	12	12	16,760	16,316
Faproreal	11,944	6,209	100.00%	11,953	11,953	6,996	5,823
Finval	19,516	142,683	100.00%	75,677	75,677	63,662	74,410
Gemey Paris – Maybelline New York	35	8,682	99.96%	46	46	7,232	5,100
Holdial	1	11,101	98.88%	11,101	11,101	1,762	1,168
L & J Ré	27,500	15,620	100.00%	27,500	27,500	2,458	—
La Roche-Posay Laboratoire Dermatologique	380	4,437	99.98%	27,579	27,579	65,883	60,580
LOA15	50	(10)	99.98%	50	50	(3)	—
L'Oréal France	127,919	653,903	100.00%	772,495	772,495	164,801	171,549
L'Oréal Fund For Nature Regeneration	32,722	(8,008)	100.00%	27,603	25,372	(965)	—
L'Oréal International Distribution	6,414	6,841	100.00%	11,642	11,642	40,844	32,891
L'Oréal Produits de Luxe International	98	—	99.85%	2,556	2,556	14,628	7,509
L'Oréal Travel Retail	51,791	89,459	99.80%	90,977	90,977	168,776	197,015
Magic Holdings Group Limited	37	291	100.00%	63,411	11	182	991
Mugler Fashion	8	2,099	100.00%	3,929	2,962	(22)	—
Soproréal	6,525	112,482	100.00%	108,384	108,384	17,992	18,661
Noveal	9,102	49,516	100.00%	64,501	55,362	(1,815)	—
Nutricos Technologies	1,070	(378)	50.00%	38,125	—	(3)	—
Prestige & Collections International	78	7,465	99.81%	98,364	98,364	519,248	577,425
Real Campus by L'Oréal	7,205	(9,093)	100.00%	7,205	5	(1,228)	—
Sciencemd	13,005	(12,095)	100.00%	13,005	—	(1,622)	—
Sicôs & Cie	375	13,927	100.00%	1,076	1,076	16,386	12,963
Soprocos	8,250	9,893	100.00%	12,165	12,165	6,043	8,164
Sparlys	12,899	177,329	100.00%	192,553	192,553	2,416	4,977
B. MAIN FRENCH INVESTMENTS (LESS THAN 50% INTEREST)							
Euroapi	95,590		5.47%	74,535	11,669		—
Sanofi[2]	2,438,854		7.27%	317,916	317,916		347,589

(1) Including profits distributed by the SNCs (general partnership), and Sociétés civiles (non-trading companies), that are not tax consolidated.
(2) Listed company. At 31 December 2025, L'Oréal held 88,670,657 shares with a stock market value of €7,334,837 thousand.

In thousands of euros	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends recognised during the financial year
				Gross	Net		
A. MAIN FOREIGN SUBSIDIARIES (MORE THAN 50% INTEREST)[1]							
Aesop UK Limited (United Kingdom)	—	20,660	100.00%	967,224	346,398	(33,835)	—
Beautylux International Cosmetics (Shanghai) Co. Ltd (China)	7,182	(1,503)	100.00%	16,871	4,871	144	—
Biotherm (Monaco)	152	16	99.80%	3,545	3,545	7,056	7,485
Cosmelor Ltd (Japan)	543	17,163	100.00%	35,810	27,370	7,843	10,719
Cosmephil Holdings Corporation (Philippines)	174	(131)	100.00%	400	14	—	—
CSA Topco Ltd (United Kingdom)	849,280	(3,852)	77.40%	662,101	662,101	(6,095)	—
Egyptelor LLC (Egypt)	1	75	99.80%	7	7	325	398
Elebelle (Proprietary) Ltd (South Africa)	345	20,250	100.00%	61,123	18,523	3,467	1,716
Erwiton SA (Uruguay)	117	1,408	100.00%	3	3	17,871	15,626
Federici Brands Ltd (United Kingdom)	1	38,883	100.00%	143,444	143,444	8,878	—
Kosmepol Sp. z.o.o. (Poland)	43,208	58,470	99.73%	48,965	48,965	9,756	8,517
L'Oréal Adria d.o.o. (Croatia)	133	3,613	100.00%	1,503	1,503	24,307	24,338
L'Oréal Argentina SA (Argentina)	35,867	37,315	96.82%	183,864	61,964	8,073	35,841
L'Oréal Australia Pty Ltd	2,707	1,734,140	100.00%	33,867	33,867	160,373	—
L'Oréal Balkan d.o.o. (Serbia)	876	(125)	100.00%	1,285	1,285	5,120	3,005
L'Oréal Baltic SIA (Latvia)	370	47	100.00%	529	529	2,975	2,111
L'Oréal Bangladesh Ltd (Bangladesh)	2,794	(2,767)	100.00%	3,749	—	—	—
L'Oréal Belgilux SA (Belgium)	16,124	17,201	98.93%	77,150	77,150	16,101	17,729
L'Oréal Brasil Comercial de Cosmeticos Ltda	87,770	(65,585)	100.00%	164,599	164,599	70,101	151,940
L'Oréal Brasil Pesquisas e Inovacao Ltda	25,673	2,260	99.99%	45,654	45,654	1,000	4,733
L'Oréal Bulgaria EOOD	102	730	100.00%	102	102	9,413	5,396
L'Oréal Canada Inc.	3,980	87,735	100.00%	146,517	146,517	114,963	106,333
L'Oréal Central America SA (Panama)	9	(8)	100.00%	8	—	(166)	—
L'Oréal Central West Africa (Nigeria)	7	(5)	99.91%	18,106	8	—	—
L'Oréal Ceska Republika s.r.o (Czech Republic)	4,414	(1,144)	100.00%	4,983	4,983	44,031	40,579
L'Oréal Chile SA (Chile)	4,383	1,861	100.00%	43,784	43,784	39,704	29,585
L'Oréal China Co Ltd (China)	55,460	(408,607)	100.00%	345,733	345,733	615,385	571,716
L'Oréal Colombia SA (Colombia)	2,942	48,630	100.00%	80,419	49,419	3,686	—
L'Oréal Cosmetics Industry S.A.E. (Egypt)	12,184	14,742	52.72%	58,363	23,363	11,693	—
L'Oréal Danmark A/S (Denmark)	269	34,468	100.00%	8,336	8,336	85,653	71,138
L'Oréal Deutschland G.m.b.H. (Germany)	12,647	59,569	100.00%	76,855	76,855	293,590	285,499
L'Oréal East Africa Ltd (Kenya)	3	(1,444)	99.98%	70,150	420	(4,985)	—
L'Oréal Espana S.A.U. (Spain)	59,911	69,398	100.00%	361,454	361,454	151,027	146,139

In thousands of euros	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends recognised during the financial year
				Gross	Net		
L'Oréal Finland Oy (Finland)	673	3,274	100.00%	1,280	1,280	3,339	3,804
L'Oréal Guatemala SA	1,174	1,224	100.00%	2,162	2,162	68	114
L'Oréal Hellas SA (Greece)	9,736	3,421	100.00%	35,307	35,307	32,768	29,443
L'Oréal Hong Kong Ltd	3	(47,941)	100.00%	24,276	24,276	100,762	74,845
L'Oréal India Private Ltd (India)	28,170	(25,075)	100.00%	75,987	75,987	34,667	64,401
L'Oréal Israel Ltd (Israel)	6,125	13,569	96.48%	45,794	45,794	21,335	22,381
L'Oréal Italia Spa	1,680	51,338	100.00%	226,469	226,469	104,400	98,501
L'Oréal Kazakhstan Llp (Kazakhstan)	130	1,164	100.00%	422	422	9,148	5,246
L'Oréal Korea Ltd (South Korea)	2,091	28,080	100.00%	506,932	506,932	(5,263)	—
L'Oréal Liban SAL	—	208	100.00%	4,136	6	2,322	1,987
L'Oréal Magyarorszag Kosmetikai Kft (Hungary)	291	(182)	100.00%	787	787	5,173	4,995
L'Oréal Malaysia SDN BHD	4,993	(1,890)	100.00%	6,762	6,762	29,781	14,119
L'Oréal Mexico SA de CV (Mexico)	1,579	110,958	100.00%	8,443	8,443	101,504	98,112
L'Oréal Middle East (United Arab Emirates)	9,751	11,965	100.00%	54,379	54,379	55,474	48,118
L'Oréal Nederland B.V. (Netherlands)	1,178	41,220	100.00%	22,014	22,014	60,070	43,365
L'Oréal New Zealand Ltd (New Zealand)	42	3,735	100.00%	6,110	6,110	2,746	2,449
L'Oréal Norge A/S (Norway)	979	1,729	100.00%	4,050	4,050	4,433	5,521
L'Oréal Osterreich G.m.b.H. (Austria)	2,915	950	100.00%	3,818	3,818	3,827	4,407
L'Oréal Pakistan	13,177	(12,820)	100.00%	26,934	3,200	1,666	—
L'Oréal Panama SA	171	(413)	100.00%	168	168	29,545	28,449
L'Oréal Peru S.A. (Peru)	2,544	509	100.00%	3,739	3,739	10,579	11,318
L'Oréal Philippines Inc.	2,324	655	99.53%	39,107	6,697	176	—
L'Oréal Polska Sp. Z.O.O. (Poland)	447	267	100.00%	707	707	72,201	73,288
L'Oréal Portugal Unipessoal Lda	495	542	100.00%	6,459	6,459	6,138	6,069
L'Oréal Romania SRL (Romania)	529	1,342	100.00%	974	974	27,173	29,176
L'Oréal Saudi Arabia	7,131	8,575	78.16%	12,999	12,999	8,251	5,008
L'Oréal Singapore Pte Ltd (Singapore)	3,655,899	(93,916)	100.00%	6,394,939	4,656,039	(74,868)	100,318
L'Oréal Suisse SA	529	18,981	100.00%	160,311	145,311	(6,595)	6,382
L'Oréal Sverige AB (Sweden)	1,710	(814)	100.00%	2,247	2,247	10,608	15,375
L'Oréal Taiwan Co. Ltd (Taiwan Region)	217	16,655	100.00%	17,881	17,881	20,353	6,476
L'Oréal Thailand Ltd	5,413	1,126	100.00%	5,238	5,238	44,383	28,570
L'Oréal Travel Retail Americas Inc. (USA)	43	15,283	100.00%	100,317	55,870	54,513	18,512
L'Oréal Turkiye Kozmetik Sanayi Ve Ticaret Anonim Sirketi	36,047	(6,208)	100.00%	55,093	14,243	32,351	19,218
L'Oréal UAE General Trading LLC (United Arab Emirates)	21,385	10,749	100.00%	34,523	34,523	7,244	7,591

In thousands of euros	Share capital	Reserves and retained earnings before appropriation of net profit	% interest	Carrying amount of shares held		Profit or loss in last financial year	Dividends recognised during the financial year
				Gross	Net		
L'Oréal UK Ltd (United Kingdom)	116,277	(98,341)	100.00%	145,573	145,573	222,365	215,827
L'Oréal Ukraine	547	30,284	100.00%	2,990	—	23,368	16,265
L'Oréal Uruguay SA	356	5,204	100.00%	2,718	2,718	6,135	1,107
L'Oréal USA Inc.(2)	622,895	3,259,619	100.00%	4,851,879	4,851,879	1,088,213	1,416,795
L'Oréal Vietnam Co. Ltd	11,560	212	100.00%	13,646	13,646	19,506	14,933
Masrelor LLC (Egypt)	2,584	29	100.00%	17,573	17,573	(36)	—
Nihon L'Oréal KK (Japan)	543	123,454	100.00%	351,504	351,504	28,123	25,998
P.T. L'Oréal Indonesia	821	832	99.00%	2,305	2,305	5,186	3,992
P.T. Yasulor Indonesia	42,069	20,717	99.99%	110,022	79,022	2,406	2,284
Procosa Productos de Beleza Ltda (Brazil)	79,578	(12,800)	100.00%	223,938	103,138	12,903	25,942
Scental Limited (Hong Kong)	5	188	100.00%	8	8	—	—
B. MAIN NON-FRENCH INVESTMENTS (LESS THAN 50% INTEREST)							
Galderma (Switzerland)	1,784		10.00%	1,798,506	1,798,506		3,783
LIPP Distribution (Tunisia)	6,336	14,720	49.00%	9,009	9,009	(2,634)	—
L'Oréal South Africa Holdings	35	12,720	36.00%	9,590	9,590	(1,531)	965

(1) For non-French subsidiaries and investments, the capital, reserves and retained earnings have been translated into thousands of euros on the basis of year-end exchange rates, while profits and losses have been translated at average rate.
It is specified that the list above is not exclusive.
(2) Data from the L'Oréal USA Inc. sub-consolidation group.

GLOBAL INFORMATION RELATING TO SUBSIDIARIES AND INVESTMENTS

	Subsidiaries		Other investments	
In thousands of euros	**French**	**Foreign**	**French**	**Foreign**
BOOK VALUE OF SHARES HELD:				
• Gross (after revaluation)	2,117,929	17,282,144	404,914	1,817,105
• Net	1,954,882	14,261,422	342,048	1,817,105
Amount of loans and advances granted[1]	8,002,624	8,000		
Amount of guarantees and security granted[2]	3,908	1,729,222		
Amount of dividends booked	1,351,806	4,141,249	347,910	4,749

(1) These are long-term loans granted to Finval, the Group's cash pool entity.
(2) This mainly concerns a guarantee issued for L'Oreal USA Inc. for €1,705.2 million.

6.6 Other information relating to the financial statements of L'Oréal SA

6.6.1 Expenses and charges falling under Article 223 *quater* of the French Tax Code

The total amount of expenses and charges falling under Article 223 *quater* of the French Tax Code ("sumptuary expenses") and the amount of tax applicable to such expenses and charges are as follows:

Expenses and charges	€2.0 million
Corresponding tax	€0.6 million

6.6.2 Past due invoices issued and received but not paid at the closing date

In accordance with the French law on the Modernisation of the Economy of 4 August 2008 and Articles L. 441-14 and D. 441-6 of the French Commercial Code, past due invoices issued and received but not paid at 31 December 2023 are broken down as follows:

	Article D. 441-6 I.-1°: Past due invoices received but not paid at the closing date						Article D. 441-6 I.-2°: Past due invoices issued but not paid at the closing date					
	0 days (indicative)	1 - 30 days	31 - 60 days	61 - 90 days	91 days or more	Total (1 day or more)(1)	0 days (indicative)	1 - 30 days	31 - 60 days	61 - 90 days	91 days or more	Total (1 day or more)(1)
A. LATE PAYMENT TRANCHES												
Number of invoices concerned	159					1,297	26					6,993
Total amount of invoices concerned, including taxes(2)	2,565,051	11,961,536	(85,962)	(1,123,499)	608,338	11,360,414	(443,018)	32,855,065	8,179,918	5,451,715	31,705,009	78,191,707
Percentage of total amount of purchases (including taxes) for the financial year(2)	0.06%	0.28%	0.00%	-0.03%	0.01%	0.27%						
Percentage of sales (including tax) for the financial year(2)							-0.01%	0.59%	0.15%	0.10%	0.57%	1.40%
B. INVOICES EXCLUDED FROM A. BECAUSE OF DISPUTED OR UNRECOGNISED PAYABLES AND RECEIVABLES												
Number of invoices excluded						468						134
Total amount of invoices excluded						4,137,506						288,976
C. BENCHMARK PAYMENT TERMS USED (CONTRACTUAL OR STATUTORY TERM, ARTICLE L. 441-6 OR L. 443-1 OF THE FRENCH COMMERCIAL CODE)												
Benchmark payment terms used to calculate late payments	Contractual payment terms: 45 days from end of month Statutory payment terms: 45 days from end of month											

(1) Including amount of invoices due to L'Oréal Groupe companies (intra-group): €16,077,686 for invoices received; €77,462,482 for invoices issued.
(2) The negative amounts and percentages in the table below correspond to credit notes received by the Company.

6.6.3 Sales (excluding taxes)

€ millions

Sales	2025	2024	% change
First quarter	1,292.2	1,201.8	7.52%
Second quarter	1,266.1	1,249.8	1.31%
Third quarter	1,224.4	1,172.4	4.44%
Fourth quarter	1,287.9	1,239.5	3.91%
TOTAL	**5,070.6**	**4,863.4**	**4.26%**

Sales comprise services and technology royalties.

6.7 Five-year financial summary

L'ORÉAL (EXCLUDING SUBSIDIARIES)

€ millions (except for earnings per share, shown in €)	2021	2022	2023	2024	2025
I. FINANCIAL SITUATION AT FINANCIAL YEAR-END					
a) Share capital	111.5	107.0	106.9	106.9	106.8
b) Number of shares	557,672,360	535,186,562	534,725,475	534,312,021	533,783,028[1]
c) Number of convertible bonds	-	-	-	-	-
II. OVERALL RESULTS OF OPERATIONS					
a) Pre-tax sales	5,255.4	6,282.0	5,982.7	4,863.4	5,070.6
b) Pre-tax profit before depreciation, amortisation, provisions and reversals of provisions (including provisions for investment activities and profit-sharing reserves)	4,174.1	12,579.2	6,058.7	5,874.8	9,758.3
c) Income tax	(1.7)	(250.4)	(164.1)	(115.2)	(308.0)
d) Net profit	3,860.5	12,343.1	3,826.3	5,678.0	8,724.8
e) Amount of distributed profits	2,596.7	3,248.4	3,564.0	3,779.2	3,882.2[2]
III. RESULTS OF OPERATIONS PER SHARE					
a) Profit after tax and profit-sharing, but before charges to depreciation, amortisation and provisions	7.43	22.98	10.95	10.70	17.62
b) Net profit	6.92	23.06	7.16	10.63	16.35
c) Dividend paid on each share (not including tax credit)	4.80	6.00	6.60	7.00	7.20[2]
IV. PERSONNEL					
a) Number of employees	9,134	9,543	8,219	6,474	6,574
b) Total salaries	860.9	945.8	879.3	778.3	800.0
c) Amount paid for welfare benefits (social security, provident schemes, etc.)	415.8	430.5	428.4	376.6	432.9

(1) The share capital comprises 533,783,028 shares with a par value of €0.2, following the issue of 279,923 shares under the employee share ownership plan, the delivery of the 2021 ACAs Plan representing 547,720 shares and the cancellation of 1,356,636 shares.
(2) The dividend will be proposed to the General Meeting of 24 April 2026.

6.8 Equity investments (main changes and threshold crossings)

EQUITY INVESTMENTS

(Main changes and threshold crossings of more than 5%)

€ millions	31 December 2024 (including revaluation)		Acquisitions	Subscriptions	Other	31 December 2025	
Heading	**Amount**	**%**	**Amount**	**Amount**	**Amount**	**Amount**	**%**
BOLD	299.6	100.0	—	30.0	—	329.6	100.0
CSA Topco Ltd	—	—	—	662.1	—	662.1	77.4
Federici Brands Ltd	—	—	143.4	—	—	143.4	100.0
L'Oréal Fund For Nature Regeneration	75.0	100.0	—	—	(47.4)[1]	27.6	100.0
Novéal	21.5	100.0	—	43.0	—	64.5	100.0
Sanofi	423.9	9.4	—	—	(106.0)[2]	317.9	7.3
Sparlys	18.6	100.0	—	174.0	—	192.6	100.0

(1) Share acquisition.
(2) Share disposal.

6.9 Statutory auditors' report on the financial statement

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or the verification of the management report and the other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'Oréal

Year ended December 31, 2025

To the Annual General Meeting of L'Oréal,,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of L'Oréal for the year ended December 31, 2025.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2025 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2025 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of Matter

We draw your attention to the impacts of the first-time application of ANC Regulation No. 2022-06 set out in the notes to the financial statements. Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments and intangible assets (excluding IT solutions and assets in progress, advances and prepayments)

See notes "1.7 - Accounting principles - Intangible assets", "1.9.1 – Investments", "12 - Intangible assets", "14 - Financial fixed assets" and "31 - List of subsidiaries and investments" to the financial statements

Risk identified	Our response
As at December 31, 2025, investments and intangible assets (excluding IT solutions and assets in progress, advances and prepayments) were recorded in your Company's balance sheet for a net book value of € 18.8 billion and € 3.8 billion, respectively, i.e. 64% of the balance sheet total. They were recorded at their date of entry at acquisition cost. An impairment loss is recognized if their value in use falls below their net book value. As described in notes 1.7 and 1.9 to the financial statements, their value is examined annually by reference to their value in use, which takes into account: • for investments: the current and projected profitability of the concerned holding and the share of equity held; • for intangible assets: discounted future cash flows (goodwill) or a multi-criteria valuation approach (brands). Estimating the value in use of these assets requires Management's judgment in determining future cash flow projections and key assumptions used. Given the weight of investments and intangible assets in the balance sheet and the uncertainties inherent in certain items, including the realization of forecasts used in the valuation of the value in use, we considered the valuation of these assets to be a key audit matter with a risk of material misstatements.	We examined the methodology employed by Management to estimate the value in use of investments and intangible assets (excluding IT solutions and assets in progress, advances and prepayments). Our work mainly consisted in examining, on the basis of the information provided to us, that the estimated values determined by Management were supported by appropriate justification of the valuation method, and in assessing the quality of these estimates by considering the data, assumptions and calculations used. We focused our work primarily on investments and intangible assets with a value in use close to their net book value. We assessed the appropriateness of the key estimates, and more specifically: • the consistency of revenue projections and the margin rate, compared to past performance and to the economic and financial context; • the corroboration of the growth rates used with the performance analyses of the global cosmetics market, taking into account the specificities of the local markets and the distribution channels in which your Company operates; • the discount rates applied to future cash flows by comparing their underlying parameters with external references, by including valuation experts into our team.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Information relating to corporate governance

We attest that the section of the Board of Directors' management report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code *(Code de commerce)* relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (Code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of L'Oréal by your Annual General Meeting of April 29, 2004 for DELOITTE & ASSOCIES and of April 21, 2022 for ERNST & YOUNG Audit.

As at December 31, 2025, DELOITTE & ASSOCIES was in the twenty-second year of total uninterrupted engagement and ERNST & YOUNG Audit in the fourth year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense , March 9, 2026

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
David Dupont-Noel	Céline Eydieu-Boutté

Information on the Company and the share capital

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AFR *This information is an integral part of the Annual Financial Report.*

L'Oréal is a French *société anonyme* (limited company) listed in Paris.

This chapter sets out the information relating to the Company, its share capital and the main details of its legal form and its Articles of Association.

Information about the L'Oréal share and changes therein is also provided in this chapter.

7.1 Information relating to the Company

7.1.1 General information about the Company

L'Oréal is a French limited company (société anonyme) governed by French law. It is registered in the Paris Trade and Companies Register under number 632 012 100.

The Company's term shall be ninety-nine years, which began to run on 1 January 1963 and which shall therefore expire on 31 December 2061, except in the event of early dissolution or of extension (Article 5 of the Articles of Association). Each fiscal year shall have a duration of 12 months, beginning on 1 January and ending on 31 December of each year (Article 14 of the Articles of Association).

LEI (Legal Entity Identifier) Code: 529900JI1GG6F7RKVI53.

7.1.2 Corporate purpose (excerpts from Article 2 of the Articles of Association)

The Company's corporate purpose, both in France and/or at any other location anywhere throughout the entire world, includes:

- the manufacturing and the sale of cosmetic products in general; of all devices intended for the same uses as the products listed above; of all household maintenance products; of all products and articles relating to feminine and/or child hygiene and to the embellishment of human beings; the demonstration and advertising of such products; the manufacturing of packaging articles;
- the filing and the acquisition of all patents, licences, processes and manufacturing trademarks, their exploitation, assignment and/or contribution;
- all diversification transactions and all commercial, industrial, financial, movable property and/or real property transactions, made in the Company's interest, under any form whatsoever;
- the direct or indirect involvement in all transactions such as those listed above, in particular by means of the creation of companies, the contribution to pre-existing companies, merger or alliance with such companies.

7.1.3 General Management (Article 11 of the Articles of Association)

1. "In accordance with legal provisions, the General Management of the Company is assumed, under its responsibility, either by the Chairman of the Board of Directors, or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

   The choice between these two modes of exercising General Management is made by the Board of Directors each time a Chairman of the Board of Directors or a Chief Executive Officer is appointed or has his tenure renewed. The Board of Directors must inform shareholders and third parties of this choice in accordance with the statutory provisions.

   The choice of the Board of Directors concerning the mode of exercise of the General Management is made on the basis of a majority vote of the Directors present or represented.

   Changing the mode of exercise of the General Management does not involve a modification of the Articles of Association.

   The Chief Executive Officer must leave office no later than the end of the Ordinary Annual General Meeting that follows his 65th birthday.
2. Depending on the choice made by the Board of Directors in accordance with the provisions of §1 above, the General Management is carried out either by the Chairman, or by a natural person, appointed by the Board of Directors and bearing the title of Chief Executive Officer.
3. The Chief Executive Officer is granted the most extensive powers to act in any circumstance on behalf of the Company. He exercises these powers within the limitations of the object of the Company, and subject to the powers expressly granted by law to Shareholders' Meetings.

   The Chief Executive Officer represents the Company in its relations with third parties. The Company is bound even by actions of the Chief Executive Officer which are outside the object of the Company, unless the Company can prove that the third party was aware that the action was outside the object of the Company, or that the third party could not be unaware of this in view of the circumstances, it being stated however that the mere publication of the Articles of Association does not constitute such proof.

4. On the proposal of the Chief Executive Officer, whether this office is assumed by the Chairman of the Board of Directors or by another person, the Board of Directors may appoint one or more natural persons in charge of assisting the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

   In agreement with the Chief Executive Officer, the Board of Directors determines the extent and duration of the powers granted to the Deputy Chief Executive Officers."

7.1.4 General Meeting

General Meetings are governed by all the legal provisions and regulations laid down in this connection. It is specified that, in accordance with Article 12 of the Company's Articles of Association, if the Board of Directors so decides when the General Meeting is called, any shareholder may take part in the meeting by videoconference or by any other telecommunication or remote transmission means including the Internet, in the conditions stipulated by the applicable regulations at the time it is used. If this decision is taken, it is communicated in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (BALO), the French legal gazette.

Since the Annual General Meeting of 29 April 2004, double voting rights have been eliminated. Applying the provisions of French law No. 2014-384 of 29 March 2014, the Annual General Meeting of 22 April 2015 confirmed that each share entitles the holder to only one vote at General Meetings.

7.1.5 Statutory distribution of profits (Article 15 of the Articles of Association)

"**A**. From the distributable profits, the following amounts shall be withheld, in the following order:

1. The amount required to pay the "primary dividend" to the shareholders equal to five percent (5%) of the amounts paid up on the unredeemed securities in accordance with calls for funds, provided however that (where the profits for a given year do not allow such dividend to be paid) the shareholders shall not be entitled to claim such dividend from out of the profits of subsequent years.
2. From the available remainder, the Ordinary General Meeting, upon a proposal by the Board of Directors, shall have the authority to resolve to withhold the amounts that it deems appropriate (and even the entire amount of such available remainder), either to be carried forward to the next fiscal year, or to be paid into a "prudential fund" or into one or more ordinary, extraordinary or special reserve funds. Such reserve fund(s), which shall not bear any interest, may be distributed to the shareholders, or allocated to complete the 5% primary dividend for the shareholders, in the event of insufficient results during one or more fiscal years, or to acquire and to cancel treasury shares, or to redeem in whole or in part such shares.
3. The remaining balance (if any) shall be divided up among all the shareholders, without any discrimination, and each share shall entitle its holder to receive the same income.

   However, any shareholder who can prove at the end of a financial year, that shares have been registered in his name for at least two years and that they continue to be registered in his name at the date of payment of the dividend paid for such financial year, will be entitled to a preferential dividend on the shares that are thus registered, equal to 10% of the dividend (initial dividend and additional dividend) paid on the other shares, including in the event of payment of the dividend in new shares, the preferential dividend thus paid being rounded down to the nearest lower cent, if necessary.

   Similarly, any shareholder who can prove, at the end of a financial year, that shares have been registered in his name for at least two years and that they continue to be registered in his name at the date of completion of an increase in capital carried out through capitalisation of reserves, profits or share premiums by the distribution of bonus shares, shall be entitled to an increase in the number of bonus shares to be distributed to him, equal to 10%, this number being rounded down to the nearest lower unit in the event of fractional share rights.

   The new shares created in this manner will be identical, for the purposes of calculating the rights to the preferential dividend and to the increased share allocations, to the old shares from which they result.

   The number of shares eligible for these preferential dividends may not exceed 0.5% of the share capital at the closing date of the past financial year, for the same shareholder.

B. The losses (if any) shall be charged to the retained earnings from preceding fiscal years or to the reserve funds, and the balance shall be booked into a special "carry forward" account."

7.1.6 Statutory share capital ownership thresholds (extracts from Article 7 of the Articles of Association)

"Any person, acting alone or in concert, who comes to hold, directly or indirectly, a number of shares or voting rights representing a fraction of the share capital or voting rights, taking into account equivalent securities under the meaning of Article L. 233-9 of the French Commercial Code, equal to 1% or a multiple of this percentage, and lower than 5%, must inform the Company of the total number of shares, voting rights and securities giving access to the share capital that it holds, as well as of equivalent securities under the meaning of Article L. 233-9 of the French Commercial Code, within a period of five trading days, from the date of the threshold crossing, pursuant to the notification and content conditions stipulated by the legal and regulatory provisions applicable to declarations of legal threshold crossings, and, notably by declaring the information that must be provided when a legal threshold is crossed to the French Financial Markets Authority (AMF), in accordance with its General Regulations. Such notice must also be given to the Company when a shareholder's ownership falls below one of the thresholds set forth above." This provision of the Articles of Association supplements the legal requirements covering disclosures concerning the crossing, upwards or downwards, of thresholds relating to one-twentieth, one-tenth, three-twentieths, one-fifth, one-quarter, three-tenths, one-third, one-half, two-thirds, eighteen-twentieths or nineteen-twentieths of share capital or of voting rights.

"If not disclosed in accordance with the conditions stipulated by law or by the Articles of Association, the shares of the offending shareholder exceeding the fraction which should have been disclosed are deprived of voting rights, in accordance with the conditions stipulated in the French Commercial Code, if during a General Meeting the failure to disclose is noted and if one or more shareholders together holding at least 5% of the share capital so request during said meeting."

7.1.7 Consultation of documents relating to the Company

The Company's Articles of Association are available in full at www.loreal-finance.com.

The Articles of Association, financial statements, reports and information for shareholders can be consulted, in the conditions provided for by law, during business hours, preferably by appointment, at 41 rue Martre, 92117 Clichy Cedex, France. See also the corporate website at www.loreal-finance.com (not incorporated by reference in the Universal Registration Document).

7.2 Information concerning the share capital AFR

7.2.1 Statutory requirements governing changes in the share capital and shareholders' rights

None.

7.2.2 Issued share capital and authorised unissued share capital

The share capital amounted to €106,756,605.60 at 31 December 2025. It was divided into 533,783,028 shares with a par value of €0.20 each, all of the same class and with the same dividend rights.

The following table summarises the currently valid authorisations granted to the Board of Directors by the Annual General Meeting[1] concerning the capital. It shows the use made of such authorisations over the financial year and presents the authorisations that are to be put to the vote at the Annual General Meeting on 24 April 2026.

(1) In application notably of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code.

	Authorisations in force				Authorisations proposed to the General Meeting of 24 April 2026		
	Date of the Annual General Meeting (resolution number)	Duration (expiry date)	Maximum authorised amount	Use of the authorisation in 2025	Resolution No.	Duration	Maximum ceiling
SHARE CAPITAL INCREASES							
Capital increase through the issue of shares with maintenance of preferential subscription rights	29 April 2025 (18th)	26 months (28 June 2027)	Increase the share capital to €149,607,365.58(1)	None			
Capital increase through the capitalisation of premiums, reserves, profits or other amounts	29 April 2025 (19th)	26 months (28 June 2027)	Increase the share capital to €149,607,365.58(1)	None			
Capital increase reserved for L'Oréal employees participating in the employee savings scheme (PEE)	29 April 2025 (21st)	26 months (28 June 2027)	1% of the share capital on the grant decision date (i.e., as an indication, 5,343,120 shares at 31 December 2024)	134,759	19	26 months (23 June 2028)	1% of the share capital on the date of the Annual General Meeting (i.e., as an indication, 5,337,830 shares at 31 December 2025)(2)
Capital increase reserved for employees of foreign subsidiaries	29 April 2025 (22nd)	18 months (28 October 2026)	1% of the share capital on the grant decision date (i.e., as an indication, 5,343,120 shares at 31 December 2024)	114,697	20	18 months (23 October 2027)	1% of the share capital on the date of the Annual General Meeting (i.e., as an indication, 5,337,830 shares at 31 December 2025)(2)
Share capital increase in order to remunerate the contributions in kind of equity securities or securities giving access to the share capital of third party companies	29 April 2025 (20th)	26 months (28 June 2027)	2% of the share capital on the date of the decision to increase the share capital (i.e., as an indication, 10,686,240 shares at 31 December 2024)	None			
BUYBACK BY THE COMPANY OF ITS OWN SHARES							
Buyback by the Company of its own shares	29 April 2025 (17th)	18 months (28 October 2026)	10% of the share capital on the date of the buybacks (i.e., as an indication, 53,431,202 shares at 31 December 2024)	1,356,636(3)	16	18 months (23 October 2027)(3)	10% of the share capital on the date of the buybacks (i.e., as an indication, 53,378,302 shares at 31 December 2025)
REDUCTION IN THE SHARE CAPITAL THROUGH THE CANCELLATION OF SHARES							
Cancellation of shares purchased by the Company under Article L. 22-10-62 of the French Commercial Code	23 April 2024 (18th)	26 months (22 June 2026)	10% of the share capital on the date of the buybacks (i.e., as an indication, 53,472,547 shares at 31 December 2023)	1,356,636	17	26 months (23 June 2028)	10% of the share capital on the date of the buybacks (i.e., as an indication, 53,378,302 shares at 31 December 2025)
FREE SHARE GRANTS							
Grant of existing free shares or shares to be issued to the employees	23 April 2024 (19th)	26 months (22 June 2026)	0.6% of the share capital on the grant decision date (i.e., as an indication, 3,208,352 shares at 31 December 2023)	579,150	18	26 months (23 June 2028)	0.6% of the share capital on the grant decision date (i.e., as an indication, 3,202,698 shares at 31 December 2025)

(1) Total ceiling on capital increases, for all authorisations combined. It corresponds to maximum increases of 40% of the capital.

(2) The cumulative amount of increases in share capital that may be carried out pursuant to the 19th and 20th resolutions submitted for approval at the Annual General Meeting on 24 April 2026 may not exceed the total amount of 1% of the share capital, which constitutes a ceiling that applies jointly to these two resolutions, a ceiling that was also common to the 21st and 22nd resolutions adopted by the General Meeting of 29 April 2025.

(3) Subject to approval, the authorisation put to the vote at the 2026 General Meeting would come into effect on 29 October 2026, i.e., on expiry of the current authorisation on 28 October 2026 (see the draft resolutions in chapter 8). It should be noted that the shares bought back in 2025 were purchased in accordance with the authorisation given by the General Meeting of 23 April 2024 (see section 7.3.6).

Since 22 June 2013, the Board of Directors no longer has the authority to grant stock options to purchase or subscribe to shares.

On 31 December 2025, no subscription options had been granted or exercised as the most recent L'Oréal stock option plan expired in 2021 (see section 7.4.2.). Furthermore, 2,712,376 conditional shares had been granted to Group employees subject to performance conditions not yet met. These shares will be issued when necessary and, where applicable, through the capitalisation of reserves. Accordingly, the Company's potential share capital would amount to €107,299,080.80, divided into 536,495,404 shares with a par value of €0.20.

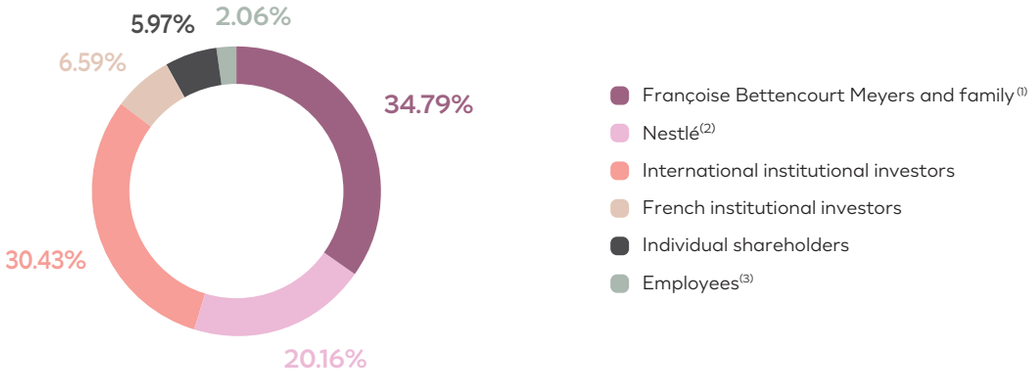
The Company has not issued any securities that grant indirect access to the share capital.

7.2.3 Changes in share capital over the last five years

Date	Nature of transaction	Amount of the change in share capital	Share premiums	Amount of share capital on completion of the transaction	Number of shares created or cancelled	Number of shares after the transaction
31.12.2020				€111,974,316.00		
01.01.2021 to 13.01.2021	Exercise of share subscription options	€40.00	€16,598.00	€111,974,356.00	200	559,871,780
14.01.2021 to 21.02.2021	Conditional share grant	€30.00		€111,974,386.00	150	559,871,930
22.02.2021 to 28.02.2021	Exercise of share subscription options	€94.00	€39,005.30	€111,974,480.00	470	559,872,400
01.03.2021 to 03.03.2021	Employee share ownership plan	€2.40		€111,974,482.40	12	559,872,412
04.03.2021 to 20.04.2021	Exercise of share subscription options	€10,345.40	€4,292,823.73	€111,984,827.80	51,727	559,924,139
21.04.2021	Conditional share grant	€148,455.20		€112,133,283.00	742,276	560,666,415
22.04.2021 to 29.07.2021	Employee share ownership plan	€1,066.60	€1,472,489.34	€112,134,349.60	5,333	560,671,748
30.07.2021	Cancellation of shares	€(600,000.00)		€111,534,349.60	(3,000,000)	557,671,748
31.07.2021 to 12.09.2021	Employee share ownership plan	€1.60		€111,534,351.20	8	557,671,756
13.09.2021 to 17.11.2021	Conditional share grant	€120.00		€111,534,471.20	600	557,672,356
18.11.2021 to 31.12.2021	Employee share ownership plan	€0.80		€111,534,472.00	4	557,672,360
01.01.2022 to 09.02.2022	Employee share ownership plan	€2.40		€111,534,474.40	12	557,672,372
10.02.2022	Cancellation of shares	€(4,452,000)		€107,082,474.40	(22,260,000)	535,412,372
11.02.2022 to 18.04.2022	Employee share ownership plan	€2.40		€107,082,476.80	12	535,412,384
19.04.2022	Conditional share grant	€173,645		€107,256,121.80	868,225	536,280,609
26.07.2022	Employee share ownership plan	€89,653.40	€104,667,182.00	€107,345,775.20	448,267	536,728,876
27.07.2022 to 19.10.2022	Employee share ownership plan	€2.60		€107,345,777.80	13	536,728,889
20.10.2022 to 13.11.2022	Conditional share grant	€108.00		€107,345,885.80	540	536,729,429
14.11.2022 to 30.11.2022	Employee share ownership plan	€0.80		€107,345,886.60	4	536,729,433
01.12.2022 to 31.12.2022	Cancellation of shares	€(308,574.20)		€107,037,312.40	(1,542,871)	535,186,562
01.01.2023 to 19.04.2023	Conditional share grant	€155,305.00		€107,192,617.40	776,525	535,963,087
20.04.2023 to 24.07.2023	Employee share ownership plan	€5,875.40		€107,198,492.80	29,377	535,992,464
25.07.2023 to 09.10.2023	Employee share ownership plan	€928.60	€1,505,724.90	€107,199,421.40	4,643	535,997,107
10.10.2023 to 31.12.2023	Cancellation of shares	€(254,326.40)		€106,945,095.00	(1,271,632)	534,725,475
01.01.2024 to 31.07.2024	Employee share ownership plan	€46,084.60	€71,573,294.90	€106,991,179.60	230,423	534,955,898
01.08.2024 to 09.08.2024	Conditional share grant	€1,164.00		€106,992,343.60	5,820	534,961,718
11.10.2024	Cancellation of shares	€(261,711.40)		€106,730,632.20	(1,308,557)	533,653,161
15.10.2024	Conditional share grant	€131,757.00		€106,862,389.20	658,785	534,311,946
16.10.2024 to 31.12.2024	Conditional share grant	€15.00		€106,862,404.20	75	534,312,021
01.01.2025 to 23.04.2025	Employee share ownership plan	€0.40		€106,862,404.60	2	534,312,023
23.04.2025	Employee share ownership plan	€668.20	€1,151,041.32	€106,863,072.80	3,341	534,315,364
23.04.2025 to 29.07.2025	Conditional share grant	€14.00		€106,863,086.80	70	534,315,434
29.07.2025	Employee share ownership plan	€49,223.00	€65,815,350.12	€106,912,309.80	246,115	534,561,549
30.07.2025	Cancellation of shares	€(271,327.20)		€106,640,982.60	(1,356,636)	533,204,913
08.10.2025	Conditional share grant	€109,530.00		€106,750,512.60	547,650	533,752,563
08.10.2025 to 03.11.2025	Employee share ownership plan	€1.40		€106,750,514.00	7	533,752,570
03.11.2025	Employee share ownership plan	€6,090.80		€106,756,604.80	30,454	533,783,024
03.11.2025 to 31.12.2025	Employee share ownership plan	€0.80		€106,756,605.60	4	533,783,028

7.3 Ownership structure AFR

STRUCTURE OF SHARE OWNERSHIP AS AT 31 DECEMBER 2025



(1) Consisting of Françoise Bettencourt Meyers, Jean-Pierre Meyers, Jean-Victor Meyers and Nicolas Meyers, in addition to the companies Téthys SAS and Financière L'Arcouest SAS.

(2) Nestlé's stake is owned by Nestlé Equity Holdings Limited, a company owned by NTC Europe S.A. and by Société des Produits Nestlé SA, themselves directly or indirectly wholly owned by Nestlé SA.

(3) With regard to employees and former employees of L'Oréal, the percentage also includes the performance shares granted in accordance with Article L. 225-197-1 of the French Commercial Code. Of which 1.11% of the share capital as part of the L'Oréal employee savings scheme and employee investment funds as defined by Article L. 225-102 of the French Commercial Code.

7.3.1 Legal entities or individuals acting in concert to the Company's knowledge

The Bettencourt Meyers family consists of Françoise Bettencourt Meyers, Jean-Pierre Meyers, Jean-Victor Meyers and Nicolas Meyers, along with the companies Téthys SAS and Financière L'Arcouest SAS.

The following Nestlé group companies act in concert: Nestlé Equity Holdings Limited, Nestlé S.A., Société des Produits Nestlé S.A. and NTC-Europe S.A. (see 7.3.2.).

As a reminder, following the expiry of the agreement concluded in 2004 between the Bettencourt Meyers family on the one hand and Nestlé SA on the other, these two shareholders have not acted in concert since 21 March 2018.

7.3.2 Changes in allocation of the share capital and voting rights over the last three years

Over the last three years, the allocation of the share capital and the voting rights has changed as follows:

	31.12.2025			31.12.2024			31.12.2023		
	Number of shares	% of capital	% of voting rights[5]	Number of shares	% of capital	% of voting rights[5]	Number of shares	% of capital	% of voting rights[5]
Françoise Bettencourt Meyers and her family[1]	185,715,079	34.79	34.79[2]	185,715,079	34.76	34.76	185,715,079	34.73	34.73
Nestlé[3]	107,621,021	20.16	20.16	107,621,021	20.14	20.14	107,621,021	20.13	20.13
Employees[4]	11,002,810	2.06	2.06	10,693,845	2.00	2.00	10,124,011	1.89	1.89
Public	229,444,118	42.99	42.99	230,282,076	43.10	43.10	231,265,364	43.25	43.25
Treasury shares	0	0	0	0	0	0	0	0	0
TOTAL	**533,783,028**	**100**	**100**	**534,312,021**	**100**	**100**	**534,725,475**	**100**	**100**

(1) Including, at 31 December 2025, 152,514,292 L'Oréal shares held in absolute ownership by Téthys SAS, a company controlled by Françoise Bettencourt Meyers and her family, 27,650,000 L'Oréal shares held in absolute ownership by Financière L'Arcouest SAS, also controlled by Françoise Bettencourt Meyers and her family, 5,532,455 shares held in absolute ownership by Françoise Bettencourt Meyers, 15,332 shares held in absolute ownership by Jean-Pierre Meyers, 1,500 shares held in absolute ownership by Jean-Victor Meyers and 1,500 shares held in absolute ownership by Nicolas Meyers.

(2) On 8 December 2021, the French Financial Markets Authority (Autorité des marchés financiers - AMF) granted the Bettencourt Meyers family a waiver from the obligation to file a draft public offer for the L'Oréal shares (AMF decision no. 221C3388). Accordingly, the Bettencourt Meyers family undertook, for a period expiring at the end of the Annual General Meeting of L'Oréal called in 2025 to approve the financial statements for the financial year ending 31 December 2024, in particular to refrain from exercising the proportion of voting rights in excess of 33.33% of L'Oréal's voting rights. These commitments expired at the close of the 29 April 2025 Annual General Meeting.
Within the context of Françoise Bettencourt Meyers' transfer on 29 December 2023 of 27,650,000 L'Oréal shares to the company Financière L'Arcouest SAS, on 12 December 2023, the AMF granted the Bettencourt Meyers family a waiver from the obligation to file a draft public offer for the L'Oréal shares (AMF decision no. 223C2036) following this internal reclassification within the Bettencourt Meyers family group.

(3) The 107,621,021 shares are held by Nestlé Equity Holdings Limited. Nestlé Equity Holdings Limited is owned by NTC Europe S.A. and Société des Produits Nestlé S.A., both of which are directly or indirectly wholly owned by Nestlé S.A.

(4) Concerns current and former employees of L'Oréal. Pursuant to law no. 2015-990 of 6 August 2015, the percentage also includes the performance shares granted in accordance with Article L. 225-197-1 of the French Commercial Code. Of which 1.11% of the share capital in the L'Oréal employee savings scheme (PEE) as defined by Article L. 225-102 of the French Commercial Code.

(5) Calculated in accordance with Article 223-11 of the General Regulations of the AMF.

At 31 December 2025, the Company did not hold any of its own shares. The number of shares held by each member of the Board of Directors is detailed in section 2.2.2.

The Company is authorised to trade in its own shares on or off the Stock Exchange in accordance with Articles L. 22-10-62 *et seq.* and L. 225-210 to L. 225-217 of the French Commercial Code, within the limits and in accordance with the purposes defined by the authorisations granted to it by the Annual General Meeting.

7.3.3 Employee share ownership

The employees and former employees of L'Oréal and its affiliates held 11,002,810 shares at 31 December 2025, representing 2.06%[1] of the share capital, 1.11% of which is held in the employee savings scheme and the employee investment fund. At that date, within the meaning of Article L. 225-102 of the French Commercial Code, this stake in the share capital was held by 27,909 employees in the employee investment fund, of which 14,734 participating in the employee savings scheme.

L'Oréal set up its first global employee share ownership plan in 2018. After the 2018, 2020 and 2022 plans, the aim was to issue a new plan every year as from 2024. In 2025, the employee share ownership plan was rolled out in 62 countries, with a preferential discount (20%) and matching contributions (employer matching share contribution of up to 3 free shares).

(1) Concerns current and former employees of L'Oréal. The percentage also includes the performance shares granted in accordance with Article L. 225-197-1 of the French Commercial Code.

7.3.4 Disclosures to the Company of legal thresholds crossed and declarations of intent addressed to the Company during the financial year

On 26 May 2025, Nestlé Equity Holdings Limited[1] declared (AMF declaration no. 225C0880) that, individually and in concert with Nestlé S.A., Société des Produits, Nestlé S.A. and NTC-Europe S.A., it had exceeded the thresholds of 5%, 10%, 15% and 20% of the Company's capital and voting rights (see 7.3.1. and 7.3.2.).

This disclosure states in particular that "*These crossings above the thresholds result from the off-market intra-group acquisition by Nestlé Equity Holdings Limited of all the L'Oréal shares previously held directly by Nestlé SA and form part of an internal reclassification within the Nestlé group.*"

It should be noted that, apart from the concerted action with the Nestlé group companies, these companies are not acting in concert with any third party with regard to L'Oréal.

A declaration of intent was issued pursuant to the regulations. In particular, it states that the companies do not intend to acquire L'Oréal shares or control of the Company, that they do not intend to modify Nestlé SA's support for the strategy implemented by L'Oréal's management team and Board of Directors, and that they do not intend to request their appointment or that of any other person as a director. It should be noted that two L'Oréal directors are linked to Nestlé.

7.3.5 Shareholders' agreements relating to the securities comprising the Company's share capital

Collective lock-up agreements concluded pursuant to the French Tax Code

L'Oréal was informed that on 16 December 2016, the members of the Bettencourt Meyers family group, and Jean-Paul Agon for 100 shares, signed lock-up agreements under the Dutreil law for 185,704,189 L'Oréal shares representing 33.065% of the capital and of the voting rights of the Company on the date of the agreement.

The lock-up agreements were concluded in application of Articles 787 B and 885 I *bis* of the French Tax Code for a period of two years, tacitly renewable for one-year periods. They do not include any preferential rights for sales or acquisitions for the benefit of the signatories and do not constitute a concerted action vis-à-vis the Company.

On 29 December 2023, the agreements concluded in 2016 were terminated and a new lock-up agreement was concluded pursuant to Article 787 B of the French Tax Code, representing the same number of L'Oréal shares and similar to those concluded in 2016, with the addition of the company Financière L'Arcouest (controlled by Françoise Bettencourt Meyers and her family) as a signatory.

Reminder: The undertakings made by the Bettencourt Meyers family pursuant to the exemption granted to them in 2021 by the AMF from the obligation to file a public offer for L'Oréal shares expired at the close of the Annual General Meeting on 29 April 2025[2]

In 2021, the AMF granted the Bettencourt Meyers family an exemption from the obligation to file a public offer for L'Oréal shares, after L'Oréal exceeded the thresholds of one-third of the capital and voting rights as a result of its buyback of 4% of its own shares held by Nestlé, and the consequent cancellation in February 2022 of the 22,260,000 shares thus bought back by L'Oréal.

Accordingly, the Bettencourt Meyers family undertook, for a period expiring at the end of the General Meeting of 29 April 2025:

- not to acquire shares in L'Oréal beyond those they held on the date of the AMF's waiver decision;
- to refrain from participating in decisions of L'Oréal's governance bodies that could lead to a passive increase in the capital and voting rights of L'Oréal; and
- to refrain from exercising the proportion of its voting rights in excess of 33.33% of the voting rights of L'Oréal.

These undertakings expired at the close of the 29 April 2025 Annual General Meeting.

In addition, in 2023, the AMF granted the Bettencourt Meyers family an exemption from the obligation to file a public offer for L'Oréal shares following the transfer by Françoise Bettencourt Meyers of 27,650,000 L'Oréal shares to Financière L'Arcouest[3]. Financière L'Arcouest, as a member joining the Bettencourt Meyers family group, was therefore also bound by the above undertakings.

The Company is not aware of any shareholders' agreements affecting shares and its capital other than those described above.

(1) *Based on the information provided in this disclosure of legal thresholds crossed, Nestlé Equity Holdings Limited is a subsidiary owned as to 36.7% by Société des Produits Nestlé S.A., itself wholly owned by Nestlé S.A., and as to 63.3% by NTC Europe S.A., itself wholly owned by Société des Produits Nestlé S.A.*
(2) *AMF decision no. 221C3388.*
(3) *AMF decision no. 223C2036.*

7.3.6 Buybacks and cancellations by the Company of its own shares

During the 2025 financial year, the Company bought back 1,356,636 of its own shares, in accordance with the authorisation approved by the Annual General Meeting of 23 April 2024.

The table below summarises by purpose the transactions carried out in this context and the use made of the securities redeemed:

Date of authorisation of the General Meeting	17th resolution of 23 April 2024
Authorisation expiry date	20 October 2025
Maximum amount of authorised buybacks	10% of the share capital on the date of the buybacks (i.e., as an indication, 53,472,547 shares at 31 December 2023)
Maximum purchase price per share (excluding expenses)	€700
Authorised purposes	Cancellation Employee shareholding Free share grants Liquidity and market stabilisation External growth, merger, demerger or contribution
Board of Directors' meeting that decided on the buybacks	13 March 2025
Purpose of buybacks	Cancellation
Period of buybacks made	From 2 April 2025 to 24 June 2025
Number of shares bought back	1,356,636
Average purchase price per share	€368.56*
Use of shares bought back	Cancellation

* *Excluding expenses.*

1,356,636 shares were cancelled in 2025[1]. Over the last 24 months, 2,665,193 shares have been cancelled.

As of 31 December 2025, the Company does not hold any of its own shares.

Renewal by the Annual General Meeting of the authorisation given to the Board to trade in the Company's shares

By approving a new resolution, the Annual General Meeting could give the Board of Directors the means to enable it to continue with the buyback policy.

This authorisation would be given for a maximum period of 18 months as from the date of the Annual General Meeting and the purchase price per share could not exceed €700 (excluding expenses); provided that in the event a public offer is filed by a third party for the Company's securities, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the Annual General Meeting.

The Company would be able to buy its own shares for the following purposes:

- cancelling them;
- selling them within the scope of employee share ownership plans and allocating them to free share grants for the benefit of employees and corporate officers of the Group;
- market-making under a liquidity agreement; and/or
- retaining the shares and subsequently using them as payment in connection with external growth, merger, demerger or contribution transactions.

The authorisation would concern up to 10% of the share capital, i.e., as an indication, 53,378,302 shares for a maximum amount of €37,364,811,400 at 31 December 2025; it being specified that the Company may not at any time hold more than 10% of its own share capital.

The purchase, sale, exchange or transfer of these shares may be carried out by any means on one or more occasions, on or off the stock market, including in whole or in part, through the acquisition, sale, exchange or transfer of blocks of shares. These means include the use of all financial instruments and derivatives (see Resolution 16).

(1) *The main aim of L'Oréal's share buyback policy is to neutralise, by cancelling shares, the dilution resulting for all shareholders from the issue of new shares in connection with employee share ownership and performance share plans, and thereby keep the number of shares in issue at a relatively stable level (notwithstanding exceptional strategic transactions).*

7.4 Long-term Incentive Plans AFR

7.4.1 Presentation of the stock option plans for the purchase or subscription of shares and conditional grants of shares for employees (ACAs)

Policy

For several years, L'Oréal has set up long-term incentive plans in favour of its employees and corporate officers in an international context, in the form of performance share grants.

These grants serve a dual purpose:

- motivate and reward those who make significant contributions to future increases in the Group's financial and non-financial results; and
- strengthen involvement and the sense of belonging of its beneficiaries by fostering long-term loyalty in a context of increased competition for talent.

Since the 2022 ACAs Plan, performance conditions have included the non-financial criteria described below. These criteria serve L'Oréal's dual goal: economic and social excellence to create sustainable value for all.

History

Until 2009, L'Oréal's Board of Directors exclusively granted stock subscription or purchase options to the senior executives and corporate officers whom L'Oréal wished to reward for their performance and their important role, wherever they might be geographically located.

In 2009, L'Oréal's Board of Directors enlarged its policy by introducing an ACAs vehicle.

The objective was:

- to provide a long-term incentive offering greater motivation to all those who received stock options only occasionally or in limited numbers; and
- to reach out to a broader population of potential beneficiaries, particularly internationally, in a context of increased competition for talent.

In 2011, L'Oréal's Board of Directors decided to make ACAs the main vehicle for its long-term incentive policy by extending the grant of shares to the main senior executives of the Group who, until then, had only received stock options. In 2012, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors went one step further in this policy and decided to replace the grant of stock options with conditional grants of shares for all beneficiaries as of the 2013 Plan.

Grant process

The plans are proposed by General Management[1] to the Board of Directors which decides, after receiving the opinion of the Human Resources and Remuneration Committee, the principle of these plans and the applicable conditions and rules.

In accordance with the recommendation of the AFEP-MEDEF Code, these grants are made over the same period each year: between 2009 and 2019 they were put in place following the approval of the financial statements for the previous year by the Annual General Meeting, and since 2020 they have been put in place at the end of the year, it being specified that the first year the performance conditions are assessed is the financial year following the year of the grant.

The decision with regard to each individual grant is, in every case, contingent upon the quality of the performance rendered at the time of implementation of the plan, with particular attention being paid to the main talents for the future. According to the eligibility criteria linked to the position held by the beneficiary and the size of the entity or the country in which the beneficiary works, to ensure global fairness, these grants are made every year, on a recurring basis every two to three years, or more occasionally.

General Management and the Board of Directors reiterate the importance that is given to bringing together the interests of the beneficiaries of conditional grants of shares and those of the shareholders themselves.

The beneficiaries (employees and corporate officers) and shareholders all have confidence in the Company's strong and steady growth over the medium- and long-term.

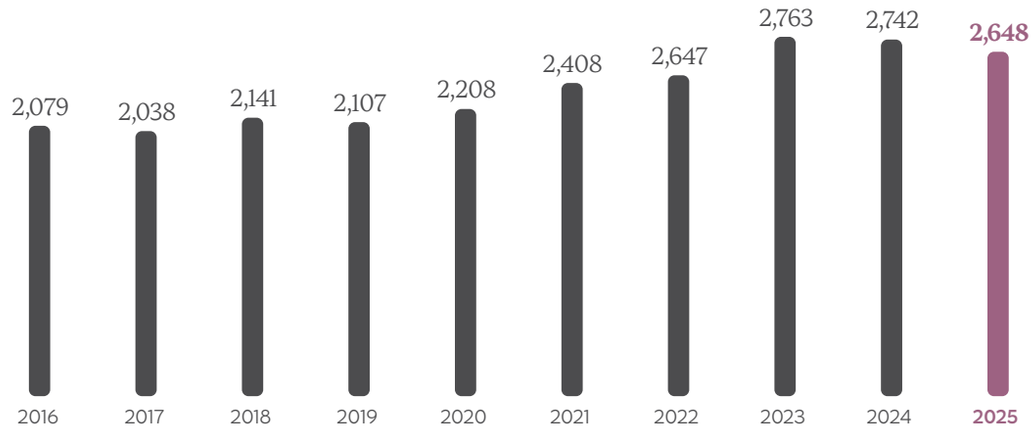
Beneficiaries of conditional share grants are informed of the regulations in force concerning persons who have inside information. The beneficiaries of conditional share grants undertake to read and comply with L'Oréal's Stock Market Code of Ethics, as referred to in the plan rules.

Number of beneficiaries

55% of the beneficiaries of the 10 October 2025 Plan are women. Nearly 3,600 employees, representing 10% of the managers around the world, nearly 53% of whom are in international subsidiaries, benefit or have benefited from at least one conditional grants of shares plan since 2021 and were still employees of the Company on 31 December 2025.

(1) *As part of its long-term incentive plans, and outside the ACA scope, in 2022, L'Oréal also set up the L'Oréal Retention Plan (LOREP) for local talent not yet eligible for the ACA share plans. The plan takes the form of a deferred bonus over three years, and does not generate any rights to shares for the beneficiaries. Historically, L'Oréal very quickly sought to involve employees in the company's performance and results, setting up a Group profit-sharing agreement in France in 1968, followed by a Group incentive agreement in 1988, both of which have been regularly renewed. At the international level, in 2001, the Group put in place the Worldwide Profit Sharing (WPS) programme in all the Group's subsidiaries in which employees do not benefit from statutory or contractual profit-sharing schemes.*

CHANGES IN THE NUMBER OF ACAS BENEFICIARIES SINCE 2016



7.4.2 Absence of stock option plans for Company shares

On 31 December 2025, there was no stock option plan in place for the purchase of Company[1] shares, the last plan having expired in 2021.

7.4.3 Conditional grants of shares (ACAs)

7.4.3.1 Authorisation of the Ordinary and Extraordinary General Meeting of 23 April 2024

The Annual General Meeting of 23 April 2024 gave the Board of Directors the authorisation to carry out free grants of existing shares and/or shares to be issued to employees and corporate officers of the Company and of its French or foreign subsidiaries under the conditions of Article L. 225-197-2 of the French Commercial Code.

The Annual General Meeting set the period of validity of the authorisation, which may be used on one or more occasions, at 26 months.

The total number of free shares thus granted may not represent more than 0.6% of the share capital recorded on the date of the Board of Directors' decision.

The number of free shares granted to the Company's corporate officers may not represent more than 10% of the total number of free shares granted during a financial year pursuant to this resolution.

The Board of Directors will determine the identity of the beneficiaries of the free shares and the number granted to each of them. It will also determine the conditions to be met in order for the shares to fully vest, in particular the financial and non-financial performance conditions.

Financial and non-financial performance conditions

The financial performance criteria are based on:

- change in L'Oréal's comparable cosmetics sales compared to a panel of L'Oréal's major direct competitors[2]; and
- change in L'Oréal's consolidated operating profit;

The non-financial performance criteria are based on:

- the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme (% of renewable energy; % of plastic in packaging that comes from either recycled or biobased sources; number of people benefitting from the Group's brands' social commitment programmes); and
- gender balance within strategic positions including the Executive Committee.

The Board of Directors considers that both these types of criteria, assessed over a period of three full financial years and reapplied to several plans, are complementary, in line with the objectives and specificities of the Group and likely to promote continuous, balanced and sustainable long-term growth. They are exacting but remain a source of motivation for the beneficiaries. The grant of such shares to the beneficiaries, for all or part of the shares granted, will become final provided that the other conditions set at the time of grant are met, at the end of a minimum vesting period of four years.

Pursuant to the criterion related to sales, in order for all the free shares granted to beneficiaries to fully vest at the end of the vesting period, L'Oréal must outperform the average growth in sales of the panel of competitors. If this is not achieved, the grant is reduced. If L'Oréal's comparable growth in sales is lower than the average growth in sales of the panel of competitors, no shares will be fully vested under this criterion.

(1) There are no stock option plans in L'Oréal subsidiaries.
(2) The panel consists of the following companies: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.

Pursuant to the **criterion related to operating profit**, a certain level of growth, defined by the Board, but not made public for confidentiality reasons, must be met or exceeded in order for all free shares granted to fully vest to the beneficiaries at the end of the vesting period. Below this level, the number of shares that fully vest is reduced. If the operating profit does not increase in absolute value over the period, no shares will fully vest in relation to this criterion.

With regard to the criterion of fulfilling commitments made under the L'Oréal for the Future programme, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, a certain average level of achievement of the L'Oréal for the Future Commitments, defined by the Board and made public, must be reached over the vesting period. If this is not achieved, the grant is reduced. No shares will fully vest if the average of the results for the L'Oréal for the Future Commitments fall below the minimum level defined by the Board and made public.

Pursuant to the criterion relating to gender balance in strategic positions, including the Executive Committee, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, the average gender quota in strategic positions must be a minimum of 40% of members that are the same gender. Below this level, the number of shares that fully vest is reduced. No shares will vest in relation to this criterion if the average representation of one of the genders is below 35% over the vesting period.

These performance conditions will apply, for all individual grants greater than 100 free shares per plan, to all shares above the hundredth share, with the exception of grants to corporate officers and members of the Executive Committee, for which they will apply to all shares. The free grant of shares may be carried out for all Group employees without performance conditions, or for shares allocated on the basis of cash subscriptions carried out as part of an increase in share capital reserved for Group employees.

The Board of Directors will be able to settle vesting and holding periods which are longer than the minimum periods set above. This mechanism for the conditional grant of shares complies with the AFEP-MEDEF Code.

Any allocations of shares to the corporate officers will be decided by the Board of Directors on the basis of the proposals of the Human Resources and Remuneration Committee after assessment of their performance. The corporate officers of L'Oréal will be required to hold 50% of their fully vested shares in registered form until they cease to hold office.

7.4.3.2 Conditional grants of shares within the framework of the authorisation of 23 April 2024 (ACAs Plan of 10 October 2025)

On the basis of the proposals made by General Management and examined by the Human Resources and Remuneration Committee, the Board of Directors decided, at its meeting on 10 October 2025, to make a conditional share grant within the scope of the authorisation granted by the Annual General Meeting on 23 April 2024.

The share capital at 10 October 2025 comprised 533,752,563 shares, and 3,202,515 shares could therefore be issued.

The Board of Directors used this authorisation at its meeting of 10 October 2025 by granting 703,500 shares to 2,648 beneficiaries. This is a free grant of shares to be issued.

Vesting of the shares is subject to a dual condition:

- presence: the shares granted will only vest after a period of four years at the end of which the beneficiary must still be an employee of the Group (except in the cases provided by the law or the Plan rules[1]); and
- performance, evaluated as follows:

Financial criteria represent 80% of the performance conditions, split evenly between:

- the change in L'Oréal's comparable cosmetics sales compared to a panel of L'Oréal's major direct competitors[2], and
- the change in L'Oréal's consolidated operating profit;

Non-financial criteria represent 20% of performance conditions and are based on:

- for 15%, the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme (% of renewable energy achieved by sites operated by the Group; % of plastic in packaging that comes from either recycled or biobased sources; number of people benefitting from the Group's brands' social commitment programmes), and
- for 5%, gender balance in strategic positions, including the Executive Committee.

The calculation will be made on the basis of the arithmetic average of the performances for financial years 2026, 2027 and 2028.

Pursuant to the criterion relating to sales, in order for all the free shares granted to beneficiaries to fully vest at the end of the vesting period, L'Oréal must outperform the average growth in sales of the panel of competitors. Below this level, the grant is reduced. If L'Oréal's comparable growth in sales is lower than the average growth in sales of the panel of competitors, no shares will be fully vested under this criterion. The Board of Directors defines a threshold, not made public for confidentiality reasons, below which no shares will fully vest in relation to this criterion.

(1) See also section 2.4 on the remuneration policy for directors and corporate officers.
(2) The panel consists of the following companies: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.

Pursuant to the criterion related to operating profit, a certain level of growth, defined by the Board, but not made public for confidentiality reasons, must be met or exceeded in order for all free shares granted to fully vest to the beneficiaries at the end of the vesting period. Below this level, the number of shares that fully vest is reduced. If the operating profit does not increase in absolute value over the period, no shares will fully vest in relation to this criterion.

With regard to the criterion of fulfilling commitments made under the L'Oréal for the Future programme, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, an average of 80% of the L'Oréal for the Future Commitments must be reached over the vesting period. If this is not achieved, the grant is reduced. If the average level of achievement for the L'Oréal for the Future Commitments falls below 70%, no shares will fully vest in relation to this criterion.

Pursuant to the criterion relating to gender balance in strategic positions, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, the average gender quota in strategic positions must be a minimum of 40% of members that are the same gender. If this is not achieved, the grant is reduced. No shares will vest in relation to this criterion if the average gender quota is below 35% over the vesting period.

The Human Resources and Remuneration Committee is responsible for communicating to the Board of Directors the level of indicators recorded for the years to be used for the calculation of the performance conditions. The Board of Directors records, at the appropriate time, the level of performance achieved on which the number of shares that fully vests depends.

The figures recorded each year to determine the levels of performance achieved are published in section 7.4.3.6.

The vesting of the first 100 conditional grants of shares is not subject to achievement of the performance conditions, except for beneficiaries who were members of the Executive Committee at the grant date, including the Chief Executive Officer.

7.4.3.3 Shares granted to the 10 employees other than corporate officers to whom the largest number of shares have been granted

The total number of shares granted in 2025 to the 10 employees other than corporate officers who received the largest number of shares was 76,685 shares.

7.4.3.4 Existing conditional share grants at 31 December 2025

Date of authorisation by the Extraordinary General Meeting	21.04.2022	21.04.2022	23.04.2024	23.04.2024
Date of grant by the Board of Directors	13.10.2022	12.10.2023	10.10.2024	10.10.2025
Total number of shares conditionally granted	700,000	650,580	700,000	703,500
Of which the 10 employees other than corporate officers granted the largest number of shares[1]	78,400	70,650	73,175	76,685
Number of beneficiaries	2,647	2,763	2,742	2,648
Performance conditions	• 80% based on financial performance criteria, split evenly between: ◦ change in comparable cosmetics sales compared to a panel of competitors[2] and, ◦ change in L'Oréal's consolidated operating profit. • 20% based on non-financial performance criteria, of which: ◦ 15% based on the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme, ◦ 5% based on gender balance within strategic positions including the Executive Committee.			
Vesting date	14.10.2026	13.10.2027	11.10.2028	11.10.2029
End of lock-in period	N/A	N/A	N/A	N/A

(1) Employees who are not Directors or corporate officers of L'Oréal or employees of companies included within the scope of the share grant.
(2) The panel consists of the following companies: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.

7.4.3.5 Shares fully vested under the 13 October 2022 ACAs plan

At its meeting on 12 February 2026, the Board of Directors found that 100% of the performance conditions were achieved during the three years taken into consideration by the ACAs plan of 13 October 2022, namely 2023, 2024 and 2025. Accordingly, the beneficiaries who fulfil the conditions of the plan on 13 October 2026 and, in particular, that relating to the condition of presence in the Company, will receive 100% of the shares that were granted to them. For the record, 20,000 shares were granted to Nicolas Hieronimus, Chief Executive Officer, under the 13 October 2022 Plan. After application of the plan terms, 20,000 shares will fully vest to Nicolas Hieronimus.

TABLE MONITORING THE PERFORMANCE CONDITIONS OF THE ACAS PLAN OF 13 OCTOBER 2022

ACAs plan of 13 October 2022	2023	2024	2025	Arithmetic average of performances for financial years 2023, 2024 and 2025
• **80% based on financial performance criteria, split evenly between:**				
• 40% growth in comparable sales compared to a panel of competitors*	**+5.8 points** (+11.0%/+5.2%)	**+2 points** (+5.1%/+3.1%)	**+3 points** (+4%/+1%)	**+3.6 points**
• 40% growth in the Group's operating profit**	**+9.20%** (7,456.9/8,143.3)	**+6.68%** (8,143.3/8,687.5)	**+5.4%** (8,438.8/8,891.9)	**+7.09%**
• **20% based on non-financial performance criteria, of which:**				
• 15% based on the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme				
– *% of sites achieving 100% renewable energy (formerly referred to as "carbon neutral")*[1]	*77%*	*96%*	96%	**≥65% achieved**
– *% of our formula ingredients that are biobased, traceable and come from sustainable sources*	*93%*	*92%*	93%	
– *% of plastic packaging that comes from either recycled or biobased sources*[2]	*32%*	*37%*	50%	
– *number of people benefitting from the Group's brands' social commitment programmes in relation to the target of 3 million by 2030*[3]	*>4 million*	*>4.5 million*	*>5 million*	
• *5% based on gender balance within strategic positions including the Executive Committee*	*48% women*	*49% women*	48.5% women	**Proportion of each gender ≥40%**

(1) A site must meet the following criteria: Direct CO_2 (Scope 1) = 0, with the specific exception of the gas used for catering, the fuel oil used for sprinkler tests, the fuel oil (or diesel) used temporarily by backup units, fossil energy consumed during maintenance of on-site renewable facilities and cooling gas leaks if they are lower than 130 tonnes CO_2 eq./year; and indirect market-based CO_2 (Scope 2) = 0. It should be noted that renewable energy sources no longer need to be located less than 500 kilometres from the site.

(2) Note: following the realignment in 2025 of the L'Oréal for the Future programme, this objective has been revised, and is now to, "by 2030, source 50% of all materials used in product packaging either from recycled or biobased sources". In line with the "Use 100% recycled or biobased plastics in packaging by 2030" target (including an interim target of 50% by 2025) as published in the 2024 report, the Group used 50% recycled or biobased plastics in its packaging in 2025.

(3) The original objective, cumulatively since 2020, the year the L'Oréal for the Future programme was launched.

** The panel consists of the following companies: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.*

*** Excluding foreign exchange impact from 2025.*

7.4.3.6 Summary tables of performance conditions for ongoing ACAs plans

ACAS PLAN OF 12 OCTOBER 2023	2024	2025	2026
• **80% based on financial performance criteria, split evenly between:** • change in comparable sales compared to a panel of competitors* • change in the Group's consolidated operating profit**	**+2 points** (+5.1%/+3.1%) **+6.68%** (8,143.3/8,687.5)	**+3 points** (+4%/+1%) **+5.4%** (8,438.8/8,891.9)	pending
• **20% based on non-financial performance criteria, of which:**			
• 15% based on the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme			
– % of sites achieving 100% renewable energy (formerly referred to as "carbon neutral"[1])	96%	96%	pending
– % of our formula ingredients that are biobased, traceable and come from sustainable sources	92%	93%	pending
– % of plastic packaging that comes from either recycled or biobased sources[2]	37%	50%	pending
– number of people benefitting from the Group's brands' social commitment programmes in relation to the target of 12 million by 2026[3]	>4.5 million	>5 million	pending
• 5% based on gender balance within strategic positions including the Executive Committee	49%	48.5%	pending

ACAS PLAN OF 10 OCTOBER 2024	2025	2026	2027
• **80% based on financial performance criteria, split evenly between:** • change in comparable sales compared to a panel of competitors* • change in the Group's consolidated operating profit**	**+3 points** (+4%/+1%) **+5.4%** (8,438.8/8,891.9)	pending	pending
• **20% based on non-financial performance criteria, of which:**			
• 15% based on the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme			
– % of renewable energy achieved by sites operated by the Group	100%	pending	pending
– % of plastic packaging that comes from either recycled or biobased sources[2]	50%	pending	pending
– number of people benefitting from the Group's brands' social commitment programmes in relation to the target of 18 million by 2027[3]	>5 million	pending	pending
• 5% based on gender balance within strategic positions including the Executive Committee	48.5%	pending	pending

ACAS PLAN OF 10 OCTOBER 2025	2026	2027	2028
• **80% based on financial performance criteria, split evenly between:** • change in comparable sales compared to a panel of competitors* • change in the Group's consolidated operating profit	pending	pending	pending
• **20% based on non-financial performance criteria, of which:**			
• 15% based on the fulfilment of environmental and social responsibility commitments made by the Group as part of the L'Oréal for the Future programme	pending	pending	pending
– % of renewable energy achieved by sites operated by the Group	pending	pending	pending
– % of plastic packaging that comes from either recycled or biobased sources[2]	pending	pending	pending
– number of people benefitting from the Group's brands' social commitment programmes in relation to the target of 22 million by 2028[3]	pending	pending	pending
• 5% based on gender balance within strategic positions including the Executive Committee	pending	pending	pending

(1) A site must meet the following criteria: Direct CO_2 (Scope 1) = 0, with the specific exception of the gas used for catering, the fuel oil used for sprinkler tests, the fuel oil (or diesel) used temporarily by backup units, fossil energy consumed during maintenance of on-site renewable facilities and cooling gas leaks if they are lower than 130 tonnes CO_2 eq./year; and indirect market-based CO_2 (Scope 2) = 0. It should be noted that renewable energy sources no longer need to be located less than 500 kilometres from the site.

(2) Note: following the realignment in 2025 of the L'Oréal for the Future programme, this objective has been revised, and is now to, "by 2030, source 50% of all materials used in product packaging either from recycled or biobased sources". In line with the "Use 100% recycled or biobased plastics in packaging by 2030" target (including an interim target of 50% by 2025) as published in the 2024 report, the Group used 50% recycled or biobased plastics in its packaging in 2025.

(3) Cumulative objective since 2020, the year the L'Oréal for the Future programme was launched. Following the achievement of this target in 2023, a new objective has been defined, starting in 2023 (for the 2023 Plan), then renewed in 2024 and 2025: 2 million people will benefit annually from our brands' social commitment programmes. For information purposes, by the end of 2025, approximately 17 million people had benefitted from the Group's brands' social commitment programmes since 2020.

** The panel consists of the following companies: Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Kenvue, Henkel, LVMH, Kao, Coty.*

*** Excluding foreign exchange impact from 2025.*

7.4.4 Renewal of the authorisation for the conditional grant of shares submitted to the Ordinary and Extraordinary General Meeting of 24 April 2026

The authorisation given to the Board of Directors by the General Meeting of 23 April 2024 to allocate free shares to Group employees and certain corporate officers expires in 2026. A new authorisation for this purpose will be submitted to the General Meeting of 24 April 2026 (18th resolution).

7.5 L'Oréal share price performance

7.5.1 The L'Oréal share

7.5.1.1 Information on the L'Oréal share

ISIN code: FR0000120321.

Loyalty bonus codes:

- Shares that already benefit from preferential dividend rights: FR0011149590.
- Dividend up 10% in 2026: FR01400M8G9.
- Dividend up 10% in 2027: FR001400UH43.
- Dividend up 10% in 2028: FR0014013RC7.

Quantity: 1 share.

Par value: €0.2.

Trading on the spot market of Euronext Paris.

Eligible for the Deferred Settlement Service (SRD).

Unsponsored American Depositary Receipts are freely traded in the United States through certain banks operating in the United States.

7.5.1.2 Stock market data

Share price at 31 December 2025	€366.60
Average of closing share prices for the last 30 trading days of 2025	€367.96
Low	€323.70 on 15.01.2025
High	€408.35 on 28.08.2025
Annual share price increase at 31 December 2025	
• L'Oréal	+7.24%
• CAC 40	+10.42%
• Euronext 100	+18.37%
• DJ Euro Stoxx 50	+18.29%
• Euro Stoxx Consumer Products and Services	-0.46%
Market capitalisation at 31 December 2025	€195.7 billion(1)
At 31 December 2025, the weighting of the L'Oréal share was:	
• in the CAC 40	4.9%
• in the DJ Euro Stoxx 50	3.6%
• in the Stoxx Europe 600 Personal and Household Goods	13.6%

(1) Out of the number of shares at 31 December 2025, i.e., 533,783,028 shares.

7.5.1.3 Dynamic and regular shareholder return policy

Earnings per share: €12.71(1).

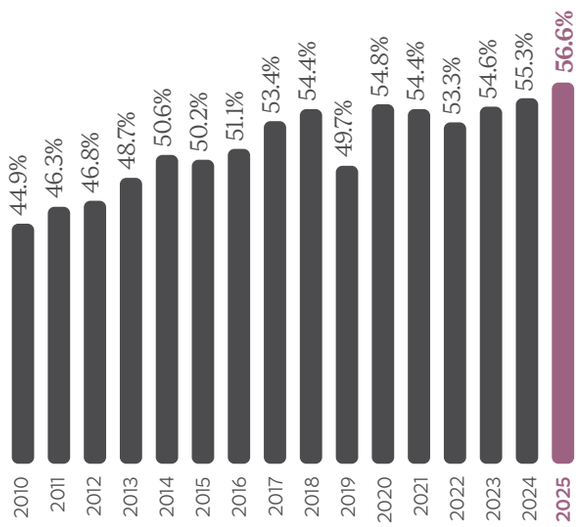
Dividend per share: €7.20(2).

STEADY INCREASE IN DIVIDEND PER SHARE
(€)



(1) The L'Oréal Board of Directors met on 12 May 2020 and, in the exceptional context of the Covid-19 health crisis, decided not to proceed with the planned 10.4% dividend increase and to propose a dividend of €3.85 to the General Meeting, identical to the amount paid in 2019.
(2) Dividend that will be proposed to the General Meeting of 24 April 2026.

SHARE OF PROFITS DEDICATED TO DIVIDENDS: 56.6%



(1) Diluted earnings per share attributable to owners of the Company excluding non-recurring items.
(2) Dividend that will be proposed to the General Meeting of 24 April 2026.

7.5.2 Share market

7.5.2.1 Trading volumes and change in the price of the Company's share

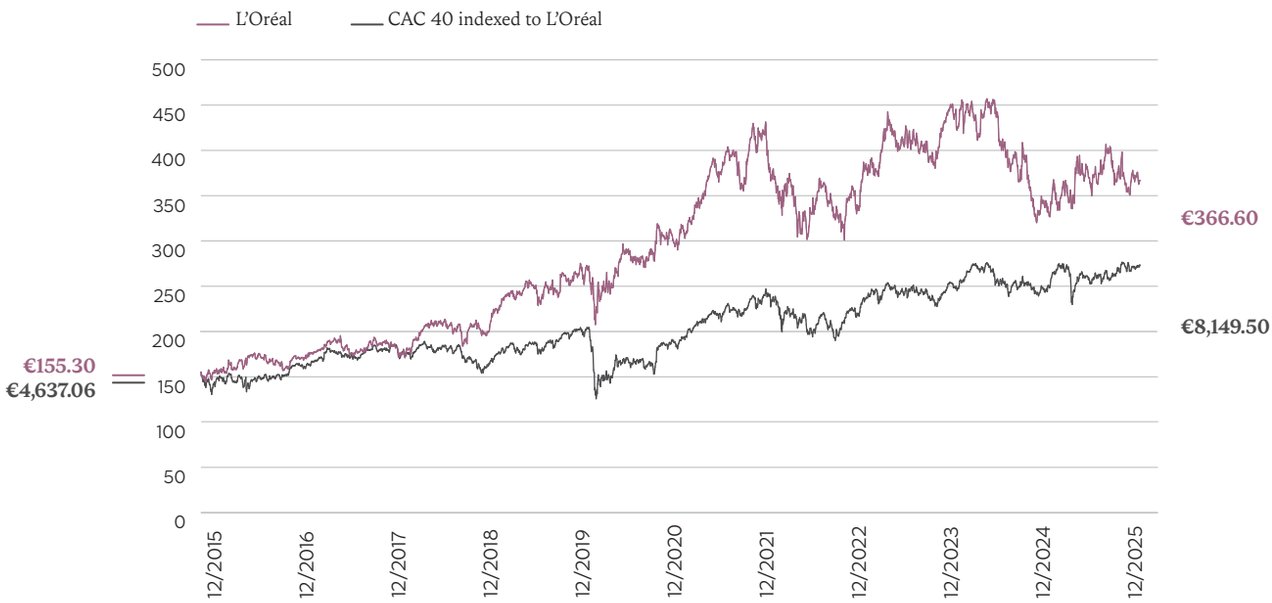
According to Euronext data, the only stock market for which reliable retrospective statistics could be collected.

Date	Price (€) High	Low	Average	Average daily trading volume (€ millions)
2023				
January	388.40	334.30	370.64	128.25
February	393.60	364.20	381.50	143.21
March	413.55	365.80	385.98	150.45
April	442.60	409.05	424.96	161.66
May	440.00	396.80	417.15	124.63
June	428.80	395.05	408.53	134.11
July	427.85	397.20	412.91	115.57
August	426.25	393.55	407.22	102.96
September	413.20	385.65	399.79	141.87
October	400.90	372.00	390.83	126.32
November	435.00	389.80	419.71	137.32
December	460.00	433.65	444.89	123.25

Date	Price (€) High	Low	Average	Average daily trading volume (€ millions)
2024				
January	454.05	417.00	435.32	112.56
February	460.60	417.10	443.81	134.21
March	457.50	428.10	442.05	121.55
April	449.05	407.85	426.06	145.09
May	458.40	432.90	448.66	118.61
June	461.85	407.05	443.83	136.77
July	416.95	387.10	403.39	128.08
August	400.65	374.00	387.47	132.70
September	413.20	364.55	381.60	164.33
October	400.50	337.15	374.67	145.82
November	353.45	316.30	332.48	138.48
December	352.65	322.80	340.34	147.89

Date	Price (€) High	Low	Average	Average daily trading volume (€ millions)
2025				
January	368.70	323.70	343.45	112.56
February	355.15	332.05	344.95	134.21
March	370.80	337.70	355.63	121.55
April	389.80	326.65	357.24	145.09
May	394.68	364.85	378.59	118.61
June	388.40	348.35	369.76	136.77
July	399.00	360.40	372.87	128.08
August	408.35	369.15	390.24	132.70
September	407.85	360.25	382.42	164.33
October	398.00	360.55	376.25	145.82
November	377.25	349.05	360.40	138.48
December	381.65	360.80	369.90	134.45

CHANGE IN THE L'ORÉAL SHARE PRICE COMPARED TO THE CAC 40 INDEX FROM 31 DECEMBER 2015 TO 31 DECEMBER 2025



7.5.2.2 Total shareholder return

Amongst the various economic and financial indicators used to measure value creation, L'Oréal has chosen to apply the criterion of Total Shareholder Return (TSR). This indicator is a synthetic measurement that takes into account not only the value of the share but also the dividend income received.

5-year change of a portfolio of approximately €15,000 invested in L'Oréal shares with reinvestment of dividends

Date of transaction	Nature of transaction	Investments (€)	Income (€)	Number of shares after the transaction
31.12.2020	Purchase of 49 shares at €310.80	15,229		49
29.04.2021	Dividend: €4.00 per share		196	49
	Reinvestment: purchase of 1 share at €343.10	343		50
29.04.2022	Dividend: €4.80 per share		240	50
	Reinvestment: purchase of 1 share at €348.90	349		51
28.04.2023	Dividend: €6.00 per share		306	51
	Reinvestment: purchase of 1 share at €432.75	433		52
30.04.2024	Dividend: €6.60 per share		343	52
	Reinvestment: purchase of 1 share at €439.65	440		53
07.05.2025	Dividend: €7.00 per share		371	53
	Reinvestment: purchase of 1 share at €374.40	374		54
TOTAL AT 31.12.2025		**17,168**	**1,456**	**54**
TOTAL NET INVESTMENT		**15,712**		

Portfolio value at 31 December 2025 (54 shares at €366.60, price at 31 December 2025): €19,796.

The initial capital has thus been multiplied by 1.3 over 5 years (5-year inflation rate = 13.35% - Source: INSEE) and the final capital is 1.3 times the total net investment.

The Total Shareholder Return of the investment is thus 4.8% per year (assuming that the shares are sold on 31 December 2025, excluding tax on capital gains).

Note: Any income tax that may be paid by the investor as a result of the successive dividend payments is not taken into account.

10-year and 20-year change of a portfolio of approximately €15,000 with reinvestment of dividends

Over 10 years

Based on the same methodology as that detailed for the 5-year time horizon, portfolio value at 31 December 2025 (118 shares at €366.60, price at 31 December 2025): €43,259.

The initial capital has thus been multiplied by 2.9 over 10 years (10-year inflation rate = 18.16% - Source: INSEE) and the final capital is 2.6 times the total net investment.

The Total Shareholder Return of the investment is thus 10.6% per year (assuming that the shares are sold on 31 December 2025, excluding tax on capital gains).

Note: Any income tax that may be paid by the investor as a result of the successive dividend payments is not taken into account.

Over 20 years

Based on the same methodology as that detailed for the 5-year time horizon, portfolio value at 31 December 2025 (348 shares at €366.60, price at 31 December 2025): €127,577.

The initial capital has thus been multiplied by 8.5 over 20 years (20-year inflation rate = 32.72% - Source: INSEE) and the final capital is 7.5 times the total net investment.

The Total Shareholder Return of the investment is thus 11.1% per year (assuming that the shares are sold on 31 December 2025, excluding tax on capital gains).

Note: Any income tax that may be paid by the investor as a result of the successive dividend payments is not taken into account.

7.5.2.3 Dividends

The limitation period for dividends is five years. Any dividends for which payment has not been requested are paid to the French Deposits and Consignments Fund (*Caisse des Dépôts et Consignations*).

7.6 Information and shareholder dialogue policy

L'Oréal is committed to improving the quality of financial information and takes steps to ensure it maintains a regular dialogue with its shareholders and with French and international investors. In addition to its legal obligations, a range of information and communication tools is made available to all stakeholders to give them a better understanding of L'Oréal's business model and the potential of the beauty market. These comprise documentation, including digital media on the L'Oréal Finance website, shareholder events and meetings either organised physically or virtually, as well as investor conferences and roadshows.

7.6.1 Additional communication tools

Keen on transparency and accessibility of information, in 2025 the Financial Communications Department shared a wealth of complete financial and non-financial information with the entire financial community. It relies on communication tools with a high emphasis on digital:

- L'Oréal makes available two comprehensive and complementary publications each year, the Annual Report and the Universal Registration Document, and one interim publication, the Half-Year Financial Report. These documents can be consulted and downloaded at www.loreal-finance.com. The Universal Registration Document was also published in an interactive format to improve user-friendliness and access to content.
- The www.loreal-finance.com website contains the main financial and non-financial information. Its content and ergonomics evolve regularly to provide quicker and easier access to information.
- The L'Oréal Finance mobile app, available on the App Store and Google Play, makes it possible to keep L'Oréal Finance news close to hand. Downloaded more than 97,000 times since it was created, it is highly appreciated by professionals and individual shareholders.
- The Letter to Shareholders and e-newsletters make it possible to keep shareholders and subscribers regularly informed of all the Group's major events.
- The shareholder brochure describes five good reasons to become a L'Oréal shareholder and explains the advantages of registered shares in order to answer questions that current and future shareholders may have about this shareholding method.
- For a number of years, L'Oréal has been involved in financial education for various audiences on financial matters, helping them to learn, inform themselves and build up their assets. In 2025, L'Oréal sponsored the Nextwise virtual stock market challenge for students at business and engineering schools and also partnered Perspectives de Vie in a series of YouTube videos on the themes of "Budget and savings" and "Stock market and shareholding".
- Several "best-of" films featuring the main events of the year have been posted on the L'Oréal Finance website, so our shareholders can relive these moments.
- Testifying to the loyalty of the shareholders who support the Group's development over the long term, more and more shareholders are showing an interest in becoming registered shareholders. Thanks to preferential dividends and the advantages related to this method of shareholding, becoming a registered shareholder enables shareholders to be known to the Group, to have systematic and regular access to information, and to be closely involved in the Group's development.

In 2025, the Group and the Financial Communications Department were recognised for their achievements:

- The digital Annual Report regularly wins awards, including the Gold Trophy in the "Corporate Communication Tools - Institutional Communication" category at the 2025 **Grands Prix Stratégies de la Beauté**, and the Bronze Award in the "Digital Responsibility" category at the **Grands Prix des Stratégies Digitales**. The Grands Prix Stratégies reward the most creative, innovative and effective communication and marketing campaigns in a wide range of sectors, as well as the brands and agencies behind them.
- On 4 November, L'Oréal received the Prix de la Pédagogie for the third year running at the 24th Investor Awards, organised by Boursorama, in recognition of its best practices in financial communications.

7.6.2 Numerous and regular shareholder events in 2025

In 2025, events were organised, some in digital format, to maintain relationships and promote dialogue:

- The Financial Communications Department and the Investor Relations Department organised a financial information meeting and telephone conferences intended for analysts and institutional investors, with journalists specialising in the cosmetics sector also invited along. The presentations of the Group's financial results and the business activities of the Operational Departments were broadcast live online at www.loreal-finance.com. All the information presented was made available on this site, on the day of its publication, when the annual and half-yearly results were published, as well as at investor conferences. A Capital Markets Day dedicated to the North American region was also organised from 1 to 3 December, for analysts and institutional investors.
- The Annual General Meeting was broadcast live and on demand, in French and English, on the L'Oréal Finance website. For several years, shareholders have had the option to vote remotely before the meeting via the Votaccess platform. In order to encourage dialogue with shareholders, and in addition to the legal framework for written questions, L'Oréal set up a dedicated online chat platform to receive all shareholder questions to be put directly to Management, in the days preceding the Annual General Meeting(1). Shareholders also had the opportunity to ask questions both before and during the Annual General Meeting. This broadcast was viewed by around 1,700 shareholders.
- L'Oréal once again took part as preferred partner in Boursorama's digital e-show, BoursoLive, on 23 and 24 June. Vianney Derville, then Chief Executive Officer, Europe Region, presented the strategy and performance of the Region. Attended by many shareholders, it has since gained nearly 293,000 views.
- Nicolas Hieronimus, in an exclusive YouTube interview with financial content creator Nicolas Chéron, explained how L'Oréal embodies all things beauty by placing technology, AI and pioneering Research & Innovation at the heart of its unique Beauty Tech model. This interview generated 48,000 views.
- L'Oréal met just over 550 shareholders at two dedicated meetings on 22 September in Toulouse and 13 October in Nantes, as well as at the Rendez-vous ExtraOrdinaires.
- On 14 November, L'Oréal took part in the 1st edition of Paris Investor Week at the Palais Brongniart in Paris, organised and supported by 80 financial content creators and their community to talk about investment via a series of round tables, master classes and meetings. In total, 200 speakers, 76 exhibitors and more than 9,000 visitors took part in this unique and innovative event.
- In total, the various conferences organised in 2025 received close to 350,000 views on demand.
- The Individual Shareholder Consultation Committee is a true body for consultation and dialogue with individual shareholders, and consists of 12 shareholders appointed for three years. As a representative of L'Oréal's individual shareholders, this Committee actively participates, through its reflections and work, in the development and enhancement of the Group's financial communication and acts as an ambassador. In 2025, the Consultation Committee met three times.
- The Investor Relations Department organises numerous meetings throughout the year with institutional investors of the main international financial marketplaces. They met with around 1,000 investors in total.
- Finally, a free phone service is available to L'Oréal shareholders calling from France (0 800 66 66 66) or other countries (+33 1 40 14 80 50). An interactive voice server gives shareholders 24/7 access to information on share prices, key dates or a summary of the latest press release. The Shareholder Services Department can also be contacted using this number during business hours (8:45 a.m. - 6:00 p.m. Paris time).

The Company's teams - notably Financial Communications, the Board Secretary and the Legal and Compliance Department - also held discussions with investors and proxy advisors during governance roadshows, as described in Chapter 2.

(1) *Within the framework of the Annual General Meeting (for more information see section 7.1.4. "Annual General Meeting").*

7.6.3 2026 financial calendar

13.02.2026	2025 annual results
22.04.2026	First-quarter 2026 sales
24.04.2026	Ordinary and Extraordinary General Meeting
July 2026*	First-half 2026 sales and results
October 2026*	Third-quarter 2026 sales

* *The exact date will be detailed on the website www.loreal-finance.com.*

7.6.4 Financial press releases published in 2025

03.02.2025	Agreement between L'Oréal and Sanofi for the repurchase by Sanofi of 2.3% of its own shares held by L'Oréal
06.02.2025	2024 Annual Results
07.02.2025	L'Oréal signed an exclusive agreement with Jacquemus
24.03.2025	Procedures for the Ordinary and Extraordinary General Meeting of 29 April 2025/2024 Universal Registration Document
01.04.2025	L'Oréal announced to have today entered into a mandate with an investment services provider for the purchase of its own shares
17.04.2025	First quarter 2025 sales
29.04.2025	Ordinary and Extraordinary General Meeting and Board of Directors' Meeting of 29 April 2025
07.05.2025	Delphine Viguier Hovasse appointed as L'Oreal's first ever Chief Innovation & Prospective Officer
14.05.2025	L'Oréal successfully completes inaugural US dollar bond issuance of $1 billion
09.06.2025	L'Oréal to acquire a majority stake in Medik8
10.06.2025	L'Oréal announces the launch of a fifth employee share ownership plan
30.06.2025	L'Oréal signs an agreement to acquire Color Wow, one of the world's fastest growing and most innovative professional haircare brands
29.07.2025	2025 Half-Year Results
01.08.2025	Availability of the 2025 Half-Year Financial Report
24.09.2025	L'Oréal Executive Committee appointments
19.10.2025	Kering and L'Oréal forge an alliance in beauty and wellness
21.10.2025	Sales at 30 September 2025
08.12.2025	L'Oréal to reinforce its strategic investment in Galderma with an additional 10% bringing its total participation to 20%

The www.loreal-finance.com website contains all regulatory information published in 2025.

General Meeting

8

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8.1 Draft resolutions and Report of the Board of Directors to the Ordinary and Extraordinary General Meeting to be held on Friday 24 April 2026

Agenda

Ordinary resolutions

1. Approval of the 2025 parent company financial statements
2. Approval of the 2025 consolidated financial statements
3. Allocation of the Company's net profit for financial year 2025 and setting of the dividend
4. Appointment of Pablo Isla as a Director
5. Appointment of Anna Lenz as a Director
6. Appointment of Christel Bories as a Director
7. Re-appointment of Jean-Paul Agon as a Director
8. Re-appointment of Patrice Caine as a Director
9. Establishment of the total maximum amount allotted to Directors as remuneration for their office
10. Approval of the information on the remuneration of each of the Directors and corporate officers required by Article L. 22-10-9, I of the French Commercial Code
11. Approval of the fixed and variable components of the total remuneration and benefits paid during financial year 2025 or allocated for that year to Jean-Paul Agon, in his capacity as Chairman of the Board of Directors
12. Approval of the fixed and variable components of the total remuneration and benefits paid during financial year 2025 or allocated for that year to Nicolas Hieronimus, in his capacity as Chief Executive Officer
13. Approval of the remuneration policy for Directors
14. Approval of the remuneration policy for the Chairman of the Board of Directors
15. Approval of the remuneration policy for the Chief Executive Officer
16. Authorisation for the Company to buy back its own shares

Extraordinary resolutions

17. Authorisation granted to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under Article L. 22-10-62 of the French Commercial Code
18. Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued, with cancellation of shareholders' preferential subscription rights, to employees and directors and corporate officers
19. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of shareholders' preferential subscription rights
20. Delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of non-French subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan
21. Amendments to Article 12 of the Articles of Association relating to the "General rules" about General Meetings in order to align them with France's "Attractiveness Act" (Decree no. 2026-94 of 13 February 2026)
22. Powers for formalities

8.1.1 Ordinary meeting

Resolutions 1, 2 and 3: Approval of the annual (parent company and consolidated) financial statements for 2025, allocating the Company's net profit and setting the dividend

EXPLANATORY STATEMENT

Having reviewed the Reports of the Board of Directors and the Statutory Auditors, the General Meeting is called on to approve:

- the parent company financial statements for 2025, with an income statement showing net profit of €8,724,755,982.30 in 2025, compared to €5,677,952,150.95 in 2024; and
- the 2025 consolidated financial statements.

  The details of these financial statements are set out in Chapters 5 and 6, respectively, of the 2025 Universal Registration Document and the main data included in the package containing the notice convening the General Meeting.

The Board of Directors proposes to the General Meeting:

- **an ordinary dividend** of €7.20 per share, representing an increase of 2.9% over the dividend for the previous financial year.

  The payout rate of the ordinary dividend (ordinary dividend paid/diluted earnings per share excluding non-recurring items, attributable to owners of the Company) would be 56.6% in 2025. Over the last five financial years, this rate was:

Year	2020	2021	2022	2023	2024
Payout rate	54.8%	54.4%	53.3%	54.60%	55.30%

- **a preferential dividend** of €7.92 per share, corresponding to a 10% increase over the ordinary dividend.

  The preferential dividend will be granted to the shares held in registered form since 31 December 2023 at the latest, and which continuously remain in registered form until the dividend payment date in 2026. The number of shares eligible for this preferential dividend may not exceed, for the same shareholder, 0.5% of the share capital.

If the General Meeting approves this proposal, the ex-dividend date for the dividends (both ordinary and preferential) will be 29 April 2026 at 00:00 hours (Paris time), and they will be paid on 4 May 2026.

For individuals domiciled in France, the dividend is subject to income tax at a flat rate but may be taxed, at the shareholder's option, at a progressive rate. In such cases, the dividend is eligible for the tax deduction provided for in Article 158 3.2° of the French Tax Code.

First resolution: approval of the 2025 parent company financial statements

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, approves the Report of the Board of Directors and the financial year 2025 parent company financial statements, as presented, and the transactions reported in these financial statements and summarised in these Reports, showing net profit of €8,724,755,982.30 versus €5,677,952,150.95 for financial year 2024.

Second resolution: approval of the 2025 consolidated financial statements

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, approves the financial year 2025 consolidated financial statements and the transactions included in these financial statements and summarised in these Reports.

Third resolution: allocation of the Company's net profit for financial year 2025 and setting of the dividend

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, on the proposal of the Board of Directors, decides to allocate the net profit for 2025, amounting to €8,724,755,982.30 as follows:

No charge to the legal reserve, which already represents over one-tenth of the share capital	-
Amount allocated to shareholders in dividends[(1)] (including preferential dividend)	€3,882,234,845.52
Balance that will be allocated to the "Other reserves" item	€4,842,521,136.78

(1) Including a primary dividend equal to 5% of the amounts paid up on shares, i.e., the total amount of the share capital.

This amount is calculated on the basis of the number of shares forming the capital at 31 December 2025 and will be adjusted to reflect:

- the number of shares issued between 1 January 2026 and the payment date of this dividend following the full vesting of new free shares granted and giving rights to said dividend; and
- the final number of shares eligible for the preferential dividend, taking into account sales or transfers to a bearer account between 1 January 2026 and the dividend payment date.

The General Meeting therefore sets the ordinary dividend at €7.20 per share and the preferential dividend at €7.92 per share. The preferential dividend will be granted to the shares held in registered form since 31 December 2023 at the latest, and which continuously remain in registered form until the dividend payment date, it being specified that the number of shares giving entitlement to such a preferential dividend cannot exceed 0.5% of the share capital for any one shareholder. The ex-dividend date for the dividends (both ordinary and preferential) will be 29 April 2026 at 00:00 hours (Paris time) and they will be paid on 4 May 2026.

In the event that, at the time of payment of the dividend, the Company holds treasury shares, the distributable profit corresponding to the unpaid dividend due to the holding of such shares would be allocated to the "Other reserves" item.

For individuals domiciled in France, the dividend is subject to income tax at a flat rate but may be taxed, at the shareholder's option, at a progressive rate. In such cases, the dividend is eligible for the tax deduction provided for in Article 158 3.2° of the French Tax Code.

The table below shows the amount of the dividends distributed that were fully eligible for the tax deduction provided for in Article 158 3.2° of the French Tax Code, for the last three financial years:

	2022	2023	2024
Ordinary dividend per share	€6.00	€6.60	€7.00
Preferential dividend per share	€0.60	€0.66	€0.70

Resolutions 4, 5, 6, 7 and 8: Offices of Directors

EXPLANATORY STATEMENT

1 Composition of the Company's Board of Directors at 31 December 2025

The Directors of L'Oréal come from different backgrounds. They complement one another due to their different professional experience, skills and nationalities. They have good knowledge of the Company. The Directors are present, active and closely involved. These are all useful assets that contribute to the preparation and conduct of the Board of Directors' discussions and deliberations in the context of the decisions it is called on to make.

The Directors are attentive and vigilant and carry out their duties with complete freedom of judgement. This freedom of judgement enables them in particular to participate, in complete independence, in the decisions or work of the Board of Directors and its Committees.

Jean-Paul Agon, 69, joined the Group in 1978. Following an international career as General Manager of the Consumer Products Division in Greece and of L'Oréal Paris in France, International Managing Director of Biotherm, General Manager of L'Oréal Germany, General Manager of the Asia Zone, Chairman and Chief Executive Officer of L'Oréal USA, Jean-Paul Agon was appointed as Deputy Chief Executive Officer of L'Oréal in 2005, and then Chief Executive Officer in April 2006, and finally Chairman and Chief Executive Officer from 2011 to 2021. Since 1 May 2021, Jean-Paul Agon has been the Chairman of the Board of Directors. Jean-Paul Agon has been a Director of L'Oréal since 2006 and is the Chairman of the Strategy and Sustainability Committee. Jean-Paul Agon is also the Chairman of the L'Oréal Corporate Foundation.

Nicolas Hieronimus, 61, joined the Group in 1987 and was appointed Marketing Director of Laboratoires Garnier in 1993. After an international career as a General Manager of the Garnier Maybelline Division in the United Kingdom, General Manager in France, then International General Manager of L'Oréal Paris and General Manager of L'Oréal Mexico, Nicolas Hieronimus was appointed as the General Manager of the L'Oréal Professional Products Division and joined the Executive Committee in 2008. In 2011, he was appointed President of L'Oréal Luxe, a role that he held until the end of 2018. In 2013, Nicolas Hieronimus became President of Selective Divisions (Luxe, Active Cosmetics, Professional Products). He was appointed Deputy Chief Executive Officer in charge of Divisions in May 2017. Nicolas Hieronimus was appointed Chief Executive Officer of L'Oréal on 1 May 2021. He has been a Director of L'Oréal since April 2021 and is also Chairman of the L'Oréal Fund for Women and Director of the L'Oréal Corporate Foundation.

Jean-Victor Meyers, 39, son of Françoise Bettencourt Meyers and Jean-Pierre Meyers, has been a member of the Supervisory Board of the family-owned holding company Téthys since January 2011 and member of the Supervisory Board of the investment subsidiary Téthys Invest. Jean-Victor Meyers has been a Director of L'Oréal since 2012 and Vice-Chairman of the Board of Directors since 2025. Jean-Victor Meyers is also a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee and the Human Resources and Remuneration Committee.

Paul Bulcke, 71, a Belgian and Swiss national, pursued an international career at the highest level within the Nestlé group, holding various positions in Europe and Latin America. Then, in 2004, he was appointed Executive Vice President and Region Director for the Americas of Nestlé SA before becoming Chief Executive Officer of Nestlé SA from 2008 to 2016. Paul Bulcke served as Chairman of the Board of Directors of Nestlé from 2017 until 1 October 2025. He was a Director of L'Oréal from 2012 to June 2014 and then again since 2017. Paul Bulcke has been Vice-Chairman of the Board of Directors since 2017, and is a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee, and the Human Resources and Remuneration Committee.

Sophie Bellon, 64, is Chairwoman of the Sodexo Board of Directors. After a career in finance in the United States, she joined Sodexo in 1994, where she held various positions, including as the Chief Executive Officer of the Corporate Services business unit of Sodexo France and as Research, Development and Innovation Strategy Manager of Sodexo. She was appointed Chairwoman of the Board of Directors in 2016 and then interim Chief Executive Officer of Sodexo from October 2021, before being appointed Chairwoman and Chief Executive Officer from February 2022 to November 2025. Sophie Bellon has been a Director of L'Oréal since 2015 and is the Chairwoman of the Human Resources and Remuneration Committee and a member of the Nominations and Governance Committee.

Patrice Caine, 55, has been Chairman and Chief Executive Officer of the Thales group since December 2014, after holding management positions in various operating units (Air and Naval, Communication, Navigation and Identification, Air Systems, Radio-Communication Products, Network and Infrastructure Systems, and Protection Systems) from 2002 to 2013. Patrice Caine has been a Director of L'Oréal since 2018 and is the Chairman of the Nominations and Governance Committee and a member of the Strategy and Sustainability Committee.

Fabienne Dulac, 58, was Deputy Chief Executive Officer and a member of the Executive Committee at emeis from 2023 to 2025, after a 26-year career at Orange where she served as Chief Executive Officer of Orange France from 2015 to 2023, then Chief Transformation Officer of Orange group and Chairwoman of Orange Business. Fabienne Dulac has been a Director of L'Oréal since 2019 and is a member of the Audit Committee and the Human Resources and Remuneration Committee. She is also a member of the Board of Directors of La Française des Jeux.

Béatrice Guillaume-Grabisch, 61, was HR/IT & Integrated Business Services Director in charge of special projects for the Nestlé group until end-October 2025. She joined the Nestlé group in 2013 after a career in various consumer goods groups (Colgate-Palmolive, Beiersdorf, Johnson & Johnson, L'Oréal and The Coca-Cola Company). Within the Nestlé group, she previously held the positions of Chief Executive Officer of Nestlé Germany until December 2018, then Group Executive Vice President and Global Head of Human Resources and Business Services until December 2024. Béatrice Guillaume-Grabisch has been a Director of L'Oréal since 2016 and is a member of the Audit Committee.

Thierry Hamel, 71, joined the Group in 1979. He has spent a large part of his career in the Professional Products Division, where he serves as Project Manager – Sales Excellence, Onboarding and Training for the sales functions of the Professional Products Division in France. In April 2022, Thierry Hamel was appointed as a Director representing employees by the CFE-CGC union for a four-year term. He is also a member of the Human Resources and Remuneration Committee.

Aurélie Jean, 43, has a PhD in science, is a graduate of Sorbonne University, ENS Paris Saclay and Mines ParisTech, and trained at the Massachusetts Institute of Technology (MIT). She has spent a large part of her career in applied digital sciences (Michelin, MIT, ParaSim – a virtual reality-based simulator – and Bloomberg). In 2016, she founded In Silico Veritas, an algorithmic and data development and consulting company, where she is Chief Executive Officer and Chairwoman. Aurélie Jean is also a co-founder of INFRA, a start-up that uses artificial intelligence to promote preventive health for women, where she serves as Chairwoman and Chief Artificial Intelligence Officer. Aurélie Jean has been a Director of L'Oréal since 2025.

Ilham Kadri, 56, a French and Moroccan national, is Chairwoman of the Executive Committee of the World Business Council for Sustainable Development (a non-profit member-led organisation). A science-driven industrial leader, she was Chief Executive Officer at the Solvay group and chaired its Executive Committee from 2019 to 2023. She led the transformative turnaround of Solvay, which resulted in a spin-off and the creation of Syensqo, an international speciality chemicals group focused on innovation and sustainability. She then served as Chief Executive Officer of Syensqo from December 2023 until end-December 2025. Prior to joining Solvay, she was CEO and President of Diversey in the USA, having previously held executive positions in research and development, sales, marketing, strategy, management and digital transformation at Shell, UCB, Dow and Sealed Air. Ilham Kadri has been a Director of L'Oréal since 2020 and is a member of the Strategy and Sustainability Committee. She is also a Director of A.O. Smith Corporation.

Nicolas Meyers, 37, son of Françoise Bettencourt Meyers and Jean-Pierre Meyers, has been a member of the Supervisory Board of the family-owned holding company, Téthys, since 2011, a member of the Supervisory Board of the investment subsidiary, Téthys Invest, since 2016 and Director of the Bettencourt Schueller Foundation since 2012. Nicolas Meyers has been a Director of L'Oréal since 2020 and is a member of the Nominations and Governance Committee and the Human Resources and Remuneration Committee.

Alexandre Ricard, 53, has been Chairman and Chief Executive Officer of Pernod Ricard since February 2015. He joined Pernod Ricard in 2003 after seven years as a strategy consultant at Accenture and as an M&A consultant at Morgan Stanley. In 2004, he was appointed Director of Finance and Administration of Irish Distillers, and then in 2006, Chief Executive Officer of Pernod Ricard Asia Duty Free. In 2008, he was appointed Chairman and Chief Executive Officer of Irish Distillers and joined the Executive Committee of Pernod Ricard. In 2011, he joined Pernod Ricard's General Management as Managing Director in charge of the Distribution Network, before being appointed Deputy Chief Executive Officer in 2012. Alexandre Ricard has been a Director of L'Oréal since 2021 and is a member of the Audit Committee and the Human Resources and Remuneration Committee.

Jacques Ripoll, 59, has been Chief Executive Officer of Kommunalkredit Austria AG since September 2025. He has spent a large part of his career in banking and finance. He worked at Société Générale from 1991 to 2013, then joined Banco Santander as Chief Executive Officer responsible for investment banking. In 2018, he was appointed Deputy Chief Executive Officer of Crédit Agricole in charge of the "Key accounts" division. From 2022 to 2025, he was a member of the Supervisory Board of Eren Groupe, which puts technological innovation to the service of the natural resources economy by supporting entrepreneurs developing innovative technological solutions to help advance the transition to clean energy. Jacques Ripoll has been a Director of L'Oréal since 2024 and is Chairman of the Audit Committee and a member of the Human Resources and Remuneration Committee.

Isabelle Seillier, 65, Chairwoman of the Supervisory Board of the Fondation pour la Recherche Médicale (FRM, French Foundation for Medical Research) since October 2025, after having served as Vice-Chairwoman since May 2024, Isabelle Seillier has worked in investment banking for most of her career. After spending the first six years of her career with Société Générale, she joined JP Morgan from 1993 to 2024. In 2008, she became Chairwoman for France and North Africa at JP Morgan, and in 2016 she was appointed Vice-Chairwoman of Investment Banking for Europe, the Middle East and Africa. In 2019, she took up the position of Chairwoman of Investment Banking, serving in this role until January 2024. Isabelle Seillier has been a Director of L'Oréal since 2025 and is a member of the Audit Committee and the Nominations and Governance Committee.

Téthys, the Bettencourt Meyers family's holding company, is L'Oréal's main shareholder. Téthys is chaired by Françoise Bettencourt Meyers, while Jean-Pierre Meyers serves as its Chief Executive Officer. Téthys has been a Director of L'Oréal since 2025 and is represented on the Board of Directors by its Deputy Chief Executive Officer, Alexandre Benais. Téthys is a member of L'Oréal's Strategy and Sustainable Development Committee as well as the Audit Committee.

Benny de Vlieger, 61, having previously worked at Delhaize group, joined L'Oréal Belgium in 1989. He is a Sales Representative for the Consumer Products Division in Belgium. In April 2022, Benny de Vlieger was appointed Director representing employees by L'Oréal's European Works Council for a four-year term and is a member of the Audit Committee.

Departures at the close of the General Meeting of 24 April 2026

The Board of Directors took note of the decision of **Paul Bulcke** to end his term of office as a Director at the end of the General Meeting on 24 April 2026. Paul Bulcke, Director from 2012 to 2014 and since 2017, is Vice-Chairman of the Board of Directors and a member of the Strategy and Sustainability Committee, the Nominations and Governance Committee, and the Human Resources and Remuneration Committee.

The Board of Directors paid tribute to Paul Bulcke for his unwavering commitment and outstanding contribution to the work of L'Oréal's Board and Committees over more than a decade.

Paul Bulcke has enhanced the Board's expertise with his strategic vision, enlightened multicultural outlook, deep understanding of global consumer dynamics and his constant commitment to innovation. His extensive range of input has been particularly valuable in addressing the major challenges of recent years.

The Board of Directors took note of the decision of **Béatrice Guillaume-Grabisch** to end her term of office as a Director at the end of the General Meeting on 24 April 2026. She has been a member of the Audit Committee since 2016.

The Board thanked Béatrice Guillaume-Grabisch for her dedicated work on the Board and the Audit Committee during her ten years in office. In particular, she has brought to the Board the benefits of her leadership experience in the consumer goods sector, her marketing expertise and her extensive knowledge of international markets. Her recognised skills in steering IT transformation management and human resources were also major assets for the Board during her directorship.

2 Resolutions submitted for approval to the General Meeting of 24 April 2026

2.1 Appointment of new Directors in 2026

Appointment of Pablo Isla as a Director

On the proposal of Nestlé and on the recommendation of the Nominations and Governance Committee, the Board of Directors will propose to the General Meeting the appointment of Pablo Isla as a Director for a four-year term.

Pablo Isla, 62, a Spanish national, has been Chairman of the Board of Directors of Nestlé SA since October 2025. He has been a member of Nestlé's Board since 2018 and served as Deputy Chairman and Lead Director since 2024. He is also a member of the Supervisory Board of Bertelsmann SE & Co. KGaA and Chairman of Fonte Film SL.

After starting out as a lawyer in the Spanish Ministry of Transport, Tourism and Communications, Pablo Isla became General Counsel of the Banco Popular Español group in 1992. In 1996, he was appointed General Manager, National Heritage Department of the Spanish Treasury Ministry, before returning to Banco Popular Español in 1998 in the role of General Secretary. He joined the Altadis group in 2000 as Co-Executive Chairman. In 2005, he was appointed Chief Executive Officer and Vice-Chairman of Inditex SA (an international fashion group that owns several brands, including Zara) where he subsequently served as Chairman and Chief Executive Officer of the company from 2011 to 2022.

Pablo Isla will bring to the Board his proven ability to develop and execute a strategic vision that combines transformative change and international growth. He will also contribute his expertise in e-commerce, as well as in-depth understanding of regulatory and risk management issues, together with extensive knowledge of corporate governance.

Subject to his appointment as a Director, the Board of Directors has decided to appoint Pablo Isla as Vice-Chairman of the Board of Directors, alongside Jean-Victor Meyers, who is also Vice-Chairman, effective from the close of the General Meeting of 24 April 2026.

Appointment of Anna Lenz as a Director

On the proposal of Nestlé and on the recommendation of the Nominations and Governance Committee, the Board of Directors will propose to the General Meeting the appointment of Anna Lenz as a Director for a four-year term.

Anna Lenz, 46, a Swiss and German national, has been Executive Vice President, Global Head of Human Resources of Nestlé SA and a member of Nestlé's Executive Board since January 2025.

Anna Lenz joined Nestlé in 2004, within the Audit Division in Switzerland. After holding various positions in finance in the UK, Italy and Switzerland, Anna Lenz became Business Executive Director of Nestlé Nespresso in Portugal in 2017 and then Chief Executive Officer of Nestlé Nespresso for Europe in 2020. In 2022, she was appointed Chief Executive Officer of Nestlé Portugal.

She will bring to the Board a holistic understanding of an international group. Her expertise in human resources management, together with her proven track record of steering financial performance and managing operations in complex environments, will be major assets.

Appointment of Christel Bories as a Director

On the recommendation of the Nominations and Governance Committee, the Board of Directors will propose to the General Meeting the appointment of Christel Bories as a Director, for a four-year term.

Aged 61, Christel Bories – a French national – is Chairwoman of the Board of Directors of Eramet, where she has been acting as Interim Chief Executive Officer since February 2026. She is also a Director of Forvia.

After beginning her career as a strategy consultant (with Booz-Allen & Hamilton and Corporate Value Associates), Christel Bories joined Umicore, where she held the post of Strategy and Control Director from 1993 to 1995. She then held a number of leadership roles within the Pechiney group. After Pechiney was taken over by the Alcan group in 2003, Christel Bories was appointed Chair and Chief Executive Officer of Alcan Packaging, and then Chair and Chief Executive Officer of Alcan Engineered Products and finally Chief Executive Officer of Constellium (formerly Alcan), until her departure in 2012. Christel Bories was Deputy Chief Executive Officer at Ipsen between 2013 and 2016. She joined Eramet in 2017, serving as Chair and Chief Executive Officer from May of that year until May 2025, and then as Chair from then onwards.

Christel Bories will bring to the Board her leadership experience in international companies across a wide range of sectors such as manufacturing, packaging and healthcare. She will contribute her recognised ability to drive far-reaching transformations while anchoring her work in a sustainable and responsible vision. Her in-depth knowledge of raw materials and industrial value chains, together with her extensive experience of issues across the world, particularly in Africa, will be a valuable addition to the Board's work.

2.2 Re-appointment of two Directors: Jean-Paul Agon and Patrice Caine

Re-appointment of Jean-Paul Agon as a Director

As Jean-Paul Agon's term of office as a Director is set to expire in 2026, his re-appointment for a further four-year term will be submitted to the General Meeting.

Jean-Paul Agon has been a Director of L'Oréal since 2006. He was appointed Chief Executive Officer of L'Oréal in 2006, then served as Chairman and Chief Executive Officer from 2011 to May 2021. Since then he has been Chairman of L'Oréal's Board of Directors and Chairman of the Strategy and Sustainability Committee. He is also the Chairman of the L'Oréal Corporate Foundation.

Jean-Paul Agon has been involved in L'Oréal's growth and success for 48 years. His in-depth knowledge of the Group, thorough understanding of the beauty market in all its diversity, and his ability to anticipate changes in the operating environment are major assets for the Board's discussions and decisions. The Board of Directors can rely on his experience, his total engagement, and his expertise in governance to respond to the growing expectations of the Group's stakeholders. Jean-Paul Agon is also deeply attached to L'Oréal's values and the transmission of its culture.

Over the last four years as a Director, Jean-Paul Agon's attendance rate has been 100%, both for meetings of the Board of Directors and meetings of the Strategy and Sustainability Committee, which he chairs. In addition, the Board decided to maintain the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer. Subject to the approval of his re-appointment as Director at the General Meeting, Jean-Paul Agon will be re-appointed Chairman of the Board of Directors at the close of the General Meeting of 24 April 2026.

Re-appointment of Patrice Caine as a Director

As Patrice Caine's term of office as a Director is set to expire in 2026, his re-appointment for a further four-year term will be submitted to the General Meeting.

Patrice Caine has been a Director of L'Oréal since 2018. He is the Chairman of the Nominations and Governance Committee and a member of the Strategy and Sustainability Committee.

Patrice Caine has been Chairman and Chief Executive Officer of the Thales group since 2014, after holding management positions between 2002 and 2013 in various operating units (Air and Naval, Communication, Navigation and Identification, Air Systems, Radio-Communication Products, Network and Infrastructure Systems and Protection Systems).

Patrice Caine is an independent Director. He is highly involved in the work of the Committees of which he is a member, and in the discussions of the Board of Directors. He brings to the Board his strategic vision, his understanding of major geopolitical issues, his industrial expertise and his in-depth knowledge of new technologies and cybersecurity. Over the four years of his term of office as Director, his attendance rate has been 97%[1] for meetings of the Board of Directors, 100% for meetings of the Nominations and Governance Committee, and 100% for meetings of the Strategy and Sustainability Committee.

3 Composition of the Board of Directors after the General Meeting of 24 April 2026

3.1 Independence of Directors

Every year, the Nominations and Governance Committee proposes to the Board of Directors that the situation of each of the Directors with regard to their independence be reviewed on a case-by-case basis according to the criteria set out in the AFEP-MEDEF Code.

The review of the independence of these Directors was carried out by the Board of Directors on the basis, in particular, of a study of the relationships existing between the Company and the companies in which the Directors hold offices.

If the General Meeting approves the appointments and re-appointments that are proposed by the Board of Directors, the number of Independent Directors will be nine out of sixteen, i.e., an independence rate of 56% (excluding Directors representing employees in accordance with the AFEP-MEDEF Code).

3.2 Balanced gender representation on the Board of Directors

If the General Meeting approves the appointments and re-appointments submitted to it, the number of women on the Board of Directors will be seven out of the sixteen Directors appointed by the General Meeting, i.e., 44% women (excluding Directors representing employees in accordance with the French Commercial Code).

3.3 Length of office and minimum number of shares held

The term of office of the Directors appointed by the Company's General Meeting is four years or less to allow a staggered renewal of the terms of office of Directors. The term of office of a Director who is not appointed by the General Meeting is four years.

Directors appointed by the General Meeting must each hold a minimum of 250 L'Oréal shares: at least 125 shares on the date of their appointment by the General Meeting and the remaining 125 shares no later than 24 months after this date (see section 3.7 of the Internal Rules of the Board of Directors, which appears in section 2.3.6. of the 2025 Universal Registration Document). The complete list of the duties of the Directors is set out in section 2.2.2. of the 2025 Universal Registration Document.

3.4 Available time

The Board of Directors has also verified that the Directors whose appointment or re-appointment has been submitted to the General Meeting would have the necessary available time to carry out their duties, and that the number of directorships they hold outside the Company complies with the rules of the French Commercial Code and the AFEP-MEDEF Code.

(1) This attendance rate would have been 100% had it not been for an additional Board meeting scheduled in 2025, which Patrice Caine was unable to attend.

3.5 Summary of the composition of the Board of Directors after the General Meeting of 24 April 2026

If the General Meeting approves the appointments and re-appointments, the expiry dates of the terms of office of the Company's 18 Directors would be as follows:

Composition of the Board of Directors (at the close of the 2026 General Meeting[1])		Age	W/M	Nationality	Expiry of term of office	Board Committees			
						S&S	Audit	Gov.	HR & Rem.
Corporate officers	**Jean-Paul Agon** – Chairman of the Board	69	M	French	2030	C			
	Nicolas Hieronimus – Chief Executive Officer	62	M	French	2029				
Bettencourt Meyers family	**Jean-Victor Meyers -** Vice-Chairman	39	M	French	2028	●		●	●
	Nicolas Meyers	37	M	French	2028			●	●
	Téthys – represented by Alexandre Benais	50	M	French	2029	●	●		
Directors linked to Nestlé	**Pablo Isla** – Vice-Chairman	62	M	Spanish	2030	●		●	●
	Anna Lenz	46	W	Swiss-German	2030		●		
Independent Directors ■	**Sophie Bellon**	64	W	French	2027			●	C
	Christel Bories	61	W	French	2030				
	Patrice Caine	56	M	French	2030	●		C	
	Fabienne Dulac	58	W	French	2027		●		●
	Aurélie Jean	43	W	French	2029				
	Ilham Kadri	57	W	French-Moroccan	2028	●			
	Alexandre Ricard	53	M	French	2029		●		●
	Jacques Ripoll	60	M	French	2028		C		●
	Isabelle Seillier	66	W	French	2029		●	●	
Directors representing employees	**Benny de Vlieger**	61	M	Belgian	2030		●		
	Catherine Olivry	60	W	French	2030				●
Independence						N/A	67%*	50%	57%*

(1) If the proposed appointments and re-appointments are approved at the 24 April 2026 General Meeting.
■ Independence within the meaning of the criteria of the AFEP-MEDEF Code as assessed by the Board of Directors.
C Chairman/Chairwoman of the Committee.
● Committee Member.
* *Excluding Directors representing employees, in accordance with the AFEP-MEDEF Code.*

The terms of office of the director representing employees Benny de Vlieger and Thierry Hamel are set to expire at the close of the General Meeting of 24 April 2026[1].

The European Works Council has decided that, at the close of the 2026 General Meeting, it will re-appoint Benny de Vlieger as a Director representing employees for a further four-year term.

The CFE-CGC union has decided that, at the close of the 2026 General Meeting, it will appoint Catherine Olivry as a Director representing employees for a four-year term[2]. On her appointment to the Board, Catherine Olivry will become a member of the Human Resources and Remuneration Committee.

Their four-year terms of office begin at the end of the General Meeting of 24 April 2026.

(1) Thierry Hamel was appointed as a Director representing employees by the CFE-CGC union. He is a Project Manager for Sales Excellence, Onboarding and Training for the sales teams in the Professional Products Division in France. Benny de Vlieger was appointed as a Director representing employees by the European Works Council (Instance Européenne de Dialogue Social)*. He is a Sales Representative for the Consumer Products Division in Belgium. Benny de Vlieger is a member of the Audit Committee.*

(2) Catherine Olivry has previously been the representative of the Central Social and Economic Committee on the Board of Directors.

Fourth resolution: appointment of Pablo Isla as a Director

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, after having reviewed the Report of the Board of Directors, appoints Pablo Isla as a Director for a term of four years.

His term of office will expire at the end of the General Meeting to be held in 2030 and called to approve the financial statements for the previous financial year.

Fifth resolution: appointment of Anna Lenz as a Director

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, after having reviewed the Report of the Board of Directors, appoints Anna Lenz as a Director for a term of four years.

Her term of office will expire at the end of the General Meeting to be held in 2030 and called to approve the financial statements for the previous financial year.

Sixth resolution: appointment of Christel Bories as a Director

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, after having reviewed the Report of the Board of Directors, appoints Christel Bories as a Director for a term of four years.

Her term of office will expire at the end of the General Meeting to be held in 2030 and called to approve the financial statements for the previous financial year.

Seventh resolution: re-appointment of Jean-Paul Agon as a Director

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, after having reviewed the Report of the Board of Directors, re-appoints Jean-Paul Agon as a Director for a term of four years.

His term of office will expire at the end of the General Meeting to be held in 2030 and called to approve the financial statements for the previous financial year.

Eighth resolution: re-appointment of Patrice Caine as a Director

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, after having reviewed the Report of the Board of Directors, re-appoints Patrice Caine as a Director for a term of four years.

His term of office will expire at the end of the General Meeting to be held in 2030 and called to approve the financial statements for the previous financial year.

Resolution 9: Establishment of the total maximum amount allotted to Directors as remuneration for their office

EXPLANATORY STATEMENT

In order to take into account the increase in the number of Directors on the Board as a result of the appointments being submitted for the approval of the General Meeting and the wish of the Board of Directors, on the recommendation of the Human Resources and Remuneration Committee, to raise the variable portion of remuneration for the members of the Audit Committee, as the number of meetings held by this Committee has increased, the Board is proposing that the maximum annual amount of Directors' remuneration be increased. On the recommendation of the Human Resources and Remuneration Committee, the Board proposes to the General Meeting that Directors' maximum annual remuneration be increased to €2,100,000 (from €2,000,000). This maximum annual amount would replace the amount of €2,000,000 set by the 2025 General Meeting. The amount proposed is a maximum sum, which will not necessarily be used in its entirety because the remuneration paid to each Director takes into account the composition of the Board and its Committees and the Directors' actual attendance at meetings. The principles of how their remuneration would be broken down are set out in section 2.4.1.1 of the 2025 Universal Registration Document and make provision for a predominant variable portion that is based on attendance.

Ninth resolution: establishment of the total maximum amount allotted to Directors as remuneration for their office

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, resolves to set the total maximum amount allotted to Directors as remuneration for their office at €2,100,000 for the current financial year and for each subsequent year until a new resolution is made.

Resolutions 10, 11, 12, 13, 14 and 15: Remuneration of Directors and corporate officers of the Company

EXPLANATORY STATEMENT

The General Meeting is called to approve the remuneration of the Company's Directors and corporate officers for 2025 (**ex post** vote).

The General Meeting must vote every year on the remuneration granted or paid during the financial year ended to Directors and corporate officers of the Company.

This **ex post** vote covers two series of resolutions: one concerning all Directors and corporate officers, i.e., for L'Oréal, the Directors, the Chairman of the Board of Directors and the Chief Executive Officer; and the other concerning only the corporate officers of the Company, i.e., for L'Oréal, the Chairman of the Board of Directors, Jean-Paul Agon, and the Chief Executive Officer, Nicolas Hieronimus.

Therefore, the shareholders are called, by the vote on the **tenth resolution**, to approve the information on the remuneration of each of the Company's aforementioned Directors and corporate officers for 2025 as required by Article L. 22-10-9, I of the French Commercial Code. This information is provided in section 2.4.2 of the 2025 Universal Registration Document.

By the vote on the **eleventh resolution**, the shareholders are called to approve the fixed and variable components of the total remuneration and benefits paid during 2025 or allocated for that year to Jean-Paul Agon, Chairman of the Company's Board of Directors, pursuant to Article L. 22-10-34, II of the French Commercial Code. This information is provided in section 2.4.2.3 of the 2025 Universal Registration Document and is summarised in the following table ("Summary table of the components of remuneration paid in 2025 or allocated for that financial year to Jean-Paul Agon, Chairman of the Board of Directors").

By the vote on the **twelfth resolution**, the shareholders are called to approve the fixed and variable components of the total remuneration and benefits paid in 2025 or allocated for that year to Nicolas Hieronimus, the Company's Chief Executive Officer, pursuant to Article L. 22-10-34, II of the French Commercial Code. This information is provided in section 2.4.2.2 of the 2025 Universal Registration Document and is summarised in the following table ("Summary table of the components of remuneration paid in 2025 or allocated for that financial year to Nicolas Hieronimus, Chief Executive Officer").

The General Meeting is also called to approve the remuneration policy for the Company's Directors and corporate officers (**ex ante** vote).

In the **thirteenth** to **fifteenth resolutions**, the General Meeting is asked to approve, pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the remuneration policies for the Company's Directors and corporate officers. These policies shall apply as from financial year 2026 until the General Meeting approves a new remuneration policy.

The provisions of these remuneration policies introduced by the Board of Directors are set out in section 2.4.1 of the 2025 Universal Registration Document. Shareholders are called to approve separately:

- by the vote on the **thirteenth resolution**, the remuneration policy for Directors of the Company introduced by the Board of Directors. This policy includes a change in the variable portion of remuneration for the members of the Audit Committee, which has seen an increase in the frequency of its meetings (see section 2.4.1.1 of the 2025 Universal Registration Document). This new policy is conditional on the approval of the ninth resolution setting the total maximum amount allotted to Directors as remuneration for their office. This new policy would apply at the end of the General Meeting;
- by the vote on the **fourteenth resolution**, the remuneration policy for the Chairman of the Board of Directors presented in the Report of the Board of Directors. This policy is identical to the remuneration policy for Directors approved at the General Meeting of 29 April 2025 and is set out in section 2.4.1.2.2 of the 2025 Universal Registration Document; and
- by the vote on the **fifteenth resolution**, the remuneration policy for the Chief Executive Officer. The change envisaged compared with the remuneration policy approved at the General Meeting of 29 April 2025 is described in section 2.4.1.2.1 of the 2025 Universal Registration Document and summarised in section 2.4.1. of the 2025 Universal Registration Document.

SUMMARY TABLE OF THE COMPONENTS OF REMUNERATION PAID IN 2025 OR ALLOCATED FOR THAT YEAR TO JEAN-PAUL AGON, CHAIRMAN OF THE BOARD OF DIRECTORS

Remuneration components submitted for approval	Amounts allocated for the 2025 financial year or accounting valuation	Amounts paid in 2025 or accounting valuation	Description
Fixed remuneration	**€950,000**		At its meeting of 13 March 2025, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors decided to maintain Jean-Paul Agon's fixed remuneration at the gross amount of €950,000 on an annual basis.
Benefits in addition to remuneration	**€0**		• **Benefits in kind** Jean-Paul Agon benefits from the material resources needed for the performance of his office such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use and may not be used for any private use, are not benefits in kind.
	€2,905.65		• **Employee benefit scheme** Jean-Paul Agon benefits from the same employee benefit scheme as the senior executives of the Company.

SUMMARY TABLE OF THE COMPONENTS OF REMUNERATION PAID IN 2025 OR ALLOCATED FOR THAT YEAR TO NICOLAS HIERONIMUS, CHIEF EXECUTIVE OFFICER

Remuneration components submitted for approval	Amounts allocated for the 2025 financial year or accounting valuation	Amounts paid in 2025 or accounting valuation	Description
Fixed remuneration	**€2,300,000**		At its meeting of 13 March 2025, on the recommendation of the Human Resources and Remuneration Committee, the Board of Directors set Nicolas Hieronimus' fixed remuneration at the gross amount of €2,300,000 on an annual basis.
Annual variable remuneration	**€2,762,000** i.e., 120.1% of the annual fixed remuneration		The annual variable remuneration is designed to align the executive corporate officer's remuneration with the Group's annual performance and the implementation of its strategy year after year. The Board of Directors strives to encourage the executive corporate officer both to maximise performance for each financial year and to ensure that this is repeated and regular year-on-year. The target annual variable remuneration is set at 113% of the fixed remuneration (or €2,600,000 gross); the annual variable remuneration may reach up to 130.4% of the fixed remuneration (€3,000,000 gross) if there is outperformance on the objectives. **CRITERIA FOR ASSESSMENT OF 2025 PERFORMANCE** • **Financial criteria — 60%** ◦ Change in like-for-like sales as compared to the budget — 15% ◦ Growth in market share as compared to the main competitors — 15% ◦ Growth in consolidated operating profit as compared to the budget — 10% ◦ Earnings per share as compared to the budget — 10% ◦ Cash flow as compared to net profit — 10% • **Non-financial and qualitative criteria — 40%** ◦ CSR criteria: L'Oréal for the Future — 10% ◦ Human Resources criteria — 7.5% ◦ Digital development criteria — 7.5% ◦ Qualitative criteria: Management — 7.5% ◦ Qualitative criteria: Image, company reputation, dialogue with stakeholders — 7.5% The assessment is carried out on a criterion-by-criterion basis with no possibility to offset between criteria. For each of the financial criteria, underperformance is penalised at least as harshly as outperformance is rewarded. A summary of achievements in 2025 is set out in section 2.4.2.2.2. of the Universal Registration Document.

Remuneration components submitted for approval	Amounts allocated for the 2025 financial year or accounting valuation	Amounts paid in 2025 or accounting valuation	Description
			2025 ASSESSMENT BY THE BOARD OF DIRECTORS' MEETING OF 5 MARCH 2026
			On the basis of the aforementioned assessment criteria, on 5 March 2026 the Board of Directors decided, on the recommendation of the Human Resources and Remuneration Committee, to award gross variable remuneration of €2,762,000 for 2025, or 120.1% of the annual fixed remuneration. This represents 106.2% of the target bonus, with the payment rate for financial criteria on the one hand, and non-financial and qualitative criteria on the other, standing at 102.1% and 112.4% respectively. The assessment elements are set out in section 2.4.2.2. of the 2025 Universal Registration Document.
		€2,048,500	For the record, following the approval by the Annual General Meeting of 29 April 2025 of the thirteenth resolution, annual variable remuneration was paid for 2024 amounting to a total of €2,048,500, further to the determination by the Board of Directors on 13 March 2025 that 102.4% of the objective had been achieved.
Performance shares	20,000 performance shares valued at €6,969,600 (estimated fair value according to the IFRS applied for the preparation of the consolidated financial statements)	N/A	Pursuant to the authorisation of the Extraordinary General Meeting of 23 April 2024 (nineteenth resolution), the Board of Directors decided on 10 October 2025, on the recommendation of the Human Resources and Remuneration Committee, to conditionally grant 20,000 shares (ACAs) to Nicolas Hieronimus. This grant is in accordance with the 2025 remuneration policy defined by the Board of Directors on 13 March 2025 and approved by the General Meeting of 29 April 2025. The fair value of one ACA in the Plan of 10 October 2025, measured according to the IFRS applied for the preparation of the consolidated financial statements, is €348.48, representing, for the 20,000 ACAs granted in 2025 to Nicolas Hieronimus, a fair value of €6,969,600. The full vesting of these shares is subject to the achievement of performance conditions which will be recorded at the end of a four-year vesting period as from the grant date. The number of vested shares will depend on: • in part, criteria for financial performance based on: ◦ growth in L'Oréal's comparable cosmetics sales as compared to a panel of L'Oréal's major direct competitors, ◦ change in L'Oréal's consolidated operating profit; • in part, criteria for non-financial performance based on: ◦ fulfilment of environmental and social responsibility commitments set out by the Group as part of the L'Oréal for the Future programme (hereinafter "L'Oréal for the Future Commitments"): % of renewable energy use on sites operated by the Group; % of plastic packaging that comes from either recycled or biobased sources; number of people benefitting from the Group's brands' social commitment programmes, ◦ gender balance within strategic positions including the Executive Committee. **Pursuant to the criterion relating to sales**, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, L'Oréal must outperform the average growth in sales of the panel of competitors. Below this level, the number of shares that fully vest is reduced. If L'Oréal's comparable growth in sales is lower than the average growth in sales of the panel of competitors, no shares will be fully vested under this criterion. **Pursuant to the criterion related to operating profit**, a certain level of growth, defined by the Board, but not made public for confidentiality reasons, must be met or exceeded in order for all free shares granted to fully vest to the beneficiaries at the end of the vesting period. Below this level, the number of shares that fully vest is reduced. If the operating profit does not increase in absolute value over the period, no shares will fully vest in relation to this criterion. **With regard to the achievement of the L'Oréal for the Future Commitments criterion**, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, an average of 80% of the L'Oréal for the Future Commitments must be achieved during the vesting period. If this is not achieved, the grant is reduced. If the average level of achievement for the L'Oréal for the Future Commitments falls below 70%, no shares will fully vest in relation to this criterion.

Remuneration components submitted for approval	Amounts allocated for the 2025 financial year or accounting valuation	Amounts paid in 2025 or accounting valuation	Description
			Pursuant to the criterion relating to gender balance in strategic positions, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, the average gender quota in strategic positions must be a minimum of 40% of members that are the same gender. If this is not achieved, the grant is reduced. No shares will fully vest in relation to this criterion if the average representation of one of the genders is less than 35% over the vesting period. The grant of shares to Nicolas Hieronimus in 2025 represents 2.84% of the total number of ACAs granted to the 2,648 beneficiaries of this same Plan. In accordance with the authorisation of the General Meeting of 23 April 2024, this grant of shares does not represent more than 0.6% of the share capital, it being understood that the maximum amount granted to corporate officers may not represent more than 10% of the total amount of free shares that may be granted. No share subscription or purchase options or other long-term incentives have been granted to Nicolas Hieronimus in 2025.
Remuneration of Directors		**€0**	Nicolas Hieronimus does not receive any remuneration for his office as a Director.
Benefits in addition to remuneration		**€0**	• **Benefits in kind** Nicolas Hieronimus benefits from the material resources needed for the performance of his office such as, for example, the provision of a car with a driver. These arrangements, which are strictly limited to professional use and exclude all private use, are not benefits in kind.
		€11,228.49	• **Supplementary social protection schemes: defined contribution pension, employee benefit and healthcare schemes** Nicolas Hieronimus continues to be treated in the same way as a senior executive during the term of his corporate office, which will allow him to continue to benefit from the supplementary social protection schemes and, in particular, the defined contribution pension scheme, and the employee benefit and healthcare schemes applicable to the Company's employees. The amount of the pension resulting from the employer's contributions for the defined contribution pension scheme will be deducted from the pension due in respect of the defined benefit pension in accordance with the provisions of this group scheme. The amount of the employer's contributions to the employee benefit and healthcare schemes amounted to €3,927.93 (gross) in 2025, and the amount of the employer's contribution to the defined contribution pension scheme amounted to €7,300.56 (gross).

Tenth resolution: approval of the information on the remuneration of each of the Directors and corporate officers required by Article L. 22-10-9, I of the French Commercial Code

Pursuant to Article L. 22-10-34, I of the French Commercial Code, the General Meeting, voting with the quorum and majority required for Ordinary General Meetings, approves the information described in section I of Article L. 22-10-9 of the French Commercial Code as presented in section 2.4.2 of the 2025 Universal Registration Document.

Eleventh resolution: approval of the fixed and variable components of the total remuneration and benefits paid during financial year 2025 or allocated for that year to Jean-Paul Agon, in his capacity as Chairman of the Board of Directors

Pursuant to Article L. 22-10-34, II of the French Commercial Code, the General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, approves the fixed and variable components of the total remuneration and benefits paid during financial year 2025 or allocated for that year to the Chairman, Jean-Paul Agon, as presented in section 2.4.2.3 of the 2025 Universal Registration Document.

Twelfth resolution: approval of the fixed and variable components of the total remuneration and benefits paid during financial year 2025 or allocated for that year to Nicolas Hieronimus, in his capacity as Chief Executive Officer

Pursuant to Article L. 22-10-34, II of the French Commercial Code, the General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, approves the fixed and variable components of the total remuneration and benefits paid during financial year 2025 or allocated for that year to the Chief Executive Officer, Nicolas Hieronimus, as presented in section 2.4.2.2 of the 2025 Universal Registration Document.

Thirteenth resolution: approval of the remuneration policy for Directors

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code, approves the remuneration policy for Directors as presented in the aforementioned report in compliance with Article L. 22-10-8 of the French Commercial Code and restated in section 2.4.1.1 of the 2025 Universal Registration Document.

Fourteenth resolution: approval of the remuneration policy for the Chairman of the Board of Directors

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code, approves the remuneration policy for the Chairman of the Board of Directors as presented in the aforementioned report in compliance with Article L. 22-10-8 of the French Commercial Code and restated in section 2.4.2.3 of the 2025 Universal Registration Document.

Fifteenth resolution: approval of the remuneration policy for the Chief Executive Officer

The General Meeting, voting in accordance with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code, approves the remuneration policy for the Chief Executive Officer as presented in the aforementioned report in compliance with Article L. 22-10-8 of the French Commercial Code and restated in section 2.4.2.2 of the 2025 Universal Registration Document.

Resolution 16: Authorisation for the Company to buy back its own shares

EXPLANATORY STATEMENT

As the existing authorisation is due to expire in October 2026, it is proposed that the General Meeting give the Board of Directors a new authorisation, it being specified that in the event of a public offer being filed by a third party with regard to Company securities, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the General Meeting.

The Company would be able to buy its own shares for the following purposes:

- cancelling them by reducing the share capital;
- allocating or selling them to employees, Directors and corporate officers of the Company and affiliates, under the terms and conditions provided for by French or foreign law, and in particular within the scope of employee profit sharing schemes, free share grants or all employee share ownership plans as well as for the purpose of carrying out any transaction to cover the above-mentioned employee share ownership plans;
- market-making under a liquidity agreement entered into with an investment services provider in accordance with the market practices accepted by the French Financial Markets Authority (AMF); and/or
- retaining the shares and subsequently using them (as payment, in an exchange or otherwise) in connection with external growth, merger, demerger or contribution.

The purchase, sale, exchange or transfer of these shares may be carried out by any means, on one or more occasions, in particular on or off the stock market, including in whole or in part, through the acquisition, sale, exchange or transfer of blocks of shares. These means include, where applicable, the use of all financial instruments and derivatives.

This authorisation would expire at the end of a period of eighteen months from this Annual General Meeting, and take effect on 29 October 2026, i.e., on expiry of the current authorisation for the Company to repurchase its own shares on 28 October 2026.

The purchase price per share may not exceed €700 (excluding expenses). The authorisation would cover a maximum of 10% of the share capital – a maximum of 5% of the capital for the shares acquired to be retained and subsequently remitted (for payment, exchange, or other purposes) in the context of transactions for external growth, merger, demerger or contribution – which is, as an indication at 31 December 2025, 53,378,302 shares for a maximum of €37,364,811,400, it being understood that the Company may not, at any time, hold more than 10% of its own share capital at the measurement date.

Sixteenth resolution: authorisation for the Company to buy back its own shares

The General Meeting, voting with the quorum and majority conditions required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, authorises the Board of Directors, with the option to delegate to the Chief Executive Officer, to purchase shares of the Company in accordance with Articles L. 225-210 and L. 22-10-62 of the French Commercial Code and with EU regulation 596/2014 of the European Parliament and of the Council of 16 April 2014, and subject to the following conditions:

The Company may buy back its own shares under the conditions defined by the laws and regulations in force, and notably with a view to:

- cancelling them by reducing the share capital;
- allocating or selling them to employees, Directors and corporate officers of the Company and affiliates, under the terms and conditions provided for by French or foreign law, and in particular within the scope of employee profit sharing schemes, free share grants or all employee share ownership plans as well as for the purpose of carrying out any transaction to cover the above-mentioned employee share ownership plans;
- market-making under a liquidity agreement entered into with an investment services provider in accordance with the market practices accepted by the French Financial Markets Authority (AMF); and/or
- retaining the shares and subsequently using them (as payment, in an exchange or otherwise) in connection with external growth, merger, demerger or contribution.

The purchase price per share may not exceed €700 (excluding expenses).

The number of shares that the Company may acquire may not exceed:

- retaining the shares and subsequently using them (as payment, in an exchange or otherwise) in connection with external growth, merger, demerger or contribution: 5% of the number of shares making up the Company's capital on the date of completion of these buybacks, i.e., as an indication at 31 December 2025, 26,689,151 shares for a maximum amount of €18,682,405,700;
- for shares acquired for another purpose: 10% of the number of shares making up the Company's share capital on the date of completion of these repurchases, i.e., as an indication at 31 December 2025, 53,378,302 shares for a maximum amount of €37,364,811,400; and
- it being understood that the Company may not, at any time, hold more than 10% of its own capital.

The purchase, sale, exchange or transfer of these shares may be carried out by any means, on one or more occasions, in particular on or off the stock market, including in whole or in part, through the acquisition, sale, exchange or transfer of blocks of shares. These means include, where applicable, the use of all financial instruments and derivatives.

These transactions may be carried out at any time, in accordance with the regulations in force at the time of the transactions concerned, it being specified that in the event of a public offer being filed by a third party with regard to Company securities, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the General Meeting.

The Annual General Meeting resolves that this authorisation would expire at the end of a period of eighteen months from this Annual General Meeting and take effect on 29 October 2026, i.e., on expiry of the current authorisation for the Company to repurchase its own shares on 28 October 2026.

The Board of Directors will have the option of allocating and reassigning to any of these objectives all the treasury shares currently held by the Company. Full powers are granted to the Board of Directors, with the option for it to delegate, for the implementation of this resolution and, more generally, to do anything that may be necessary.

8.1.2 Extraordinary meeting

Resolution 17: Authorisation granted to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under Article L. 22-10-62 of the French Commercial Code

EXPLANATORY STATEMENT

The authorisation granted to the Board of Directors in 2024 to cancel shares acquired by the Company under Article L. 22-10-62 of the French Commercial Code is due to expire.

It is proposed that the General Meeting give the Board a new authorisation allowing it to cancel shares, subject to the statutory limits, namely 10% of the existing share capital on the date of the cancellation, per twenty-four month periods.

This authorisation would be granted for a duration of twenty-six months from the date of this General Meeting and would render ineffective from that day onwards the unused portion of any prior authorisation with the same purpose.

Seventeenth resolution: authorisation granted to the Board of Directors to reduce the share capital by cancelling the shares acquired by the Company under Article L. 22-10-62 of the French Commercial Code

The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Reports of the Board of Directors and the Statutory Auditors, authorises the Board of Directors, in accordance with Article L. 22-10-62 of the French Commercial Code, to cancel, on one or more occasions, all or some of the shares held by the Company under Article L. 22-10-62 of the French Commercial Code, subject to a limit of 10% of the share capital existing on the date of cancellation per twenty-four month periods.

Full powers are granted to the Board of Directors, with the ability to delegate, to:

- carry out a reduction in share capital by a cancellation of shares;
- determine the final amount of the capital reduction;
- set the terms and conditions and record completion;
- deduct the difference between the carrying amount of the shares cancelled and their nominal amount from the available reserves and premiums;
- amend the Articles of Association accordingly; and
- more generally, carry out all formalities and do everything necessary for the implementation of this resolution.

This authorisation is granted for a duration of twenty-six months from the date of this General Meeting and renders ineffective from that day onwards the unused portion of any prior authorisation for the same purpose.

Resolution 18: Authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued, with cancellation of shareholders' preferential subscription rights, to employees and directors and corporate officers

EXPLANATORY STATEMENT

It is proposed that the General Meeting renew its authorisation to carry out free grants of shares to Group employees and certain corporate officers which will expire in June 2026.

Under the scope of this authorisation, the number of free shares that may be granted may not exceed 0.6% of the share capital on the date of the Board of Directors' decision.

The total number of free shares granted to the corporate officers during a financial year may not represent more than 10% of the total number of free shares granted during this same financial year.

Pursuant to Article L. 225-197-1 of the French Commercial Code, the free grant of shares to their beneficiaries will become final and binding subject to the satisfaction of the other conditions set at the time of the grant, and specifically the employment condition, for all or part of the shares granted:

- either after a minimum vesting period of two years, and in this case, without a minimum holding period;
- or after a minimum vesting period of one year, it being stated that the beneficiaries must then hold these shares for a minimum of one year from their final allocation.

In all cases, the Board of Directors proposes that the vesting and holding periods should be a minimum of four years. The Board of Directors shall have the power, in all cases, to provide for vesting periods which are longer than the minimum periods set above or to provide for a holding period.

If the General Meeting approves this resolution, any free grant of shares shall be decided by the Board of Directors on the basis of the proposals made by General Management and reviewed by the Human Resources and Remuneration Committee.

The Board of Directors will decide the identity of the beneficiaries of the grants, the number of shares allocated to each one and the performance conditions to be met for the final vesting of all or part of the shares.

Since the 13 October 2022 plan, the Board of Directors, on the recommendation of the Human Resources and Remuneration Committee, decided to introduce criteria for non-financial performance in addition to financial performance within the long-term remuneration plan, in order to align them with L'Oréal's strategy in which economic performance and environmental and social performance go hand-in-hand.

These performance conditions take into account:

- in part, **criteria for financial performance** based on the following reported figures:
  - growth in L'Oréal's comparable cosmetics sales as compared to a panel of L'Oréal's major direct competitors, and
  - change in L'Oréal's consolidated operating profit;
- in part, **criteria for non-financial performance** based on:
  - fulfilment of environmental and social responsibility objectives set by the Group as part of the L'Oréal for the Future programme (% of renewable energy use on operated sites and stores[1]; % of all materials used in product packaging either from recycled or biobased sources; % recycled or reused water for industrial purposes in factories, hereinafter "L'Oréal for the Future Objectives"), and
  - gender balance within strategic positions including the Executive Committee (hereinafter Management Bodies).

The figures recorded each year to determine the levels of performance achieved are published in the Annual Financial Report included in the Universal Registration Document.

(1) *Operated stores that hold an electricity subscription.*

The Board of Directors considers that both of these types of criteria, assessed over a long period of three full financial years, are complementary, in line with the Group's objectives and its specificities, and should make it possible to promote balanced, continuing and sustainable growth over the long term. They are exacting but remain a source of motivation for the beneficiaries.

Pursuant to the criterion relating to sales, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, L'Oréal's comparable growth in sales must outperform the average growth in sales of the panel of competitors. This panel comprises Unilever, Procter & Gamble, Estée Lauder, Shiseido, Beiersdorf, Puig, Henkel, LVMH, Kao and Coty. If this is not achieved, the number of shares that fully vest is reduced. If L'Oréal's comparable growth in sales is lower than the average growth in sales of the panel of competitors, no shares will be fully vested under this criterion.

Pursuant to the criterion related to operating profit, a certain level of growth, defined by the Board of Directors, but not made public for confidentiality reasons, must be met or exceeded in order for all free shares granted to fully vest to the beneficiaries at the end of the vesting period. Below this level, the number of shares that fully vest is reduced. If the operating profit does not increase in absolute value over the period, no shares will fully vest in relation to this criterion.

With regard to the criterion of fulfilling objectives defined under the L'Oréal for the Future programme, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, a specific level of achievement for each L'Oréal for the Future Objective, defined by the Board and made public, must be reached on average over the vesting period. If this is not achieved, the grant is reduced. If the average achievement level for each L'Oréal for the Future Objective is below a certain minimum level, as defined by the Board and made public, no shares will fully vest under this objective.

Pursuant to the criterion relating to gender balance in Management Bodies, in order for all the free shares granted to fully vest to the beneficiaries at the end of the vesting period, the average gender quota in Management Bodies must be a minimum of 40% of members that are the same gender. If this is not achieved, the grant is reduced. No shares will vest in relation to this criterion if the average representation of one of the genders is less than 35% over the vesting period.

These performance conditions will apply, for all individual grants greater than 100 free shares per plan, to all shares above the hundredth share, with the exception of grants to corporate officers and members of the Executive Committee, for which they will apply to all shares.

The free grant of shares may be carried out for all Group staff without performance conditions, or for shares allocated on the basis of cash subscriptions carried out as part of a share capital increase reserved for Group employees pursuant to the nineteenth and twentieth resolutions put before this General Meeting or, if applicable, pursuant to any similar resolutions that may supersede those resolutions during the period of validity of this delegation.

Any allocations of shares to the directors and corporate officers will be decided by the Board of Directors on the basis of the proposals of the Human Resources and Remuneration Committee after assessment of their performance.

50% of the performance shares granted to the corporate officers of L'Oréal, with a four-year vesting period, are subject to a further holding period of two years. This holding period still applies in the case where the beneficiaries cease to be corporate officers before the end of the holding period. If the beneficiaries continue to exercise their functions as corporate officers beyond the end of the holding period, they will be required to hold their shares in registered form until the termination of their duties.

Eighteenth resolution: authorisation granted to the Board of Directors to carry out free grants of existing shares and/or shares to be issued, with cancellation of shareholders' preferential subscription rights, to employees and directors and corporate officers

The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, and acting in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code:

1. authorises the Board of Directors to carry out, on one or several occasions, free grants of existing Company shares or shares to be issued in the Company to employees, Directors and corporate officers of the Company and of French and non-French affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code, or to certain categories of said employees, Directors and corporate officers;
2. sets the validity period of this authorisation, which may be used on one or several occasions, at twenty-six months from the date of the General Meeting, and notes that this authorisation renders ineffective the unused portion of any prior authorisation for the same purpose;
3. decides that the number of free shares granted may not represent more than 0.6% of the share capital recorded on the date of the Board of Directors' decision, it being specified that this maximum number of shares, existing or to be issued, does not include the number of additional shares that may be allocated as the result of an adjustment in the number of shares initially granted following a transaction on the Company's share capital;

4. resolves that the amount of the share capital increases that may be carried out pursuant to this resolution will be included in the overall ceiling set out in the eighteenth resolution approved in the Meeting on 29 April 2025, or, as applicable, the ceiling set out in a similar resolution that may potentially supersede this eighteenth resolution during the period of validity of this delegation;
5. decides that the number of free shares granted to the Company's corporate officers during a financial year under this resolution may not represent more than 10% of the total number of free shares granted during the same financial year;
6. decides that the Board of Directors shall determine the identity of the beneficiaries of the allocations and the number of free shares granted to each one as well as the conditions to be met in order for the allocation to become binding, and notably the performance conditions, it being stated that the free grant of shares may be carried out without performance conditions as part of an allocation made (i) for the benefit of all employees, Directors and corporate officers of the Company and, if applicable, of its French and non-French affiliates, or (ii) for the benefit of employees, Directors and corporate officers of non-French companies subscribing to a capital increase carried out pursuant to the eighteenth and nineteenth resolutions put before this General Meeting or, if applicable, pursuant to any similar resolutions that may supersede these eighteenth and nineteenth resolutions during the period of validity of this delegation, or taking part in an employee shareholder transaction through the disposal of existing shares, or (iii) for the benefit of employees that are not members of the Executive Committee for a maximum of 100 free shares allocated as part of each of the plans decided by the Board of Directors;
7. decides (i) that the grant of such shares to their beneficiaries, for all or part of the shares granted, will become final and binding subject to satisfying the other conditions set at the time of the grant, at the end of a minimum vesting period of four years, and (ii) that the Board of Directors may set, and if applicable decide the duration of, a holding period for the vested shares;
8. decides that the grant of these shares to their beneficiaries will become final and binding prior to the expiry of the above-mentioned vesting periods in the event of disability of the beneficiary corresponding to a classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code (Code de la sécurité sociale) and that such shares will be freely transferable in the event of disability of the beneficiary corresponding to a classification in the abovementioned categories under the French Social Security Code;
9. authorises the Board of Directors to carry out, where applicable, during the vesting period, adjustments to the number of shares associated with any possible transactions on the Company's share capital under the meaning of Article L. 225-181 of the French Commercial Code, so as to preserve the rights of the beneficiaries;
10. acknowledges that this authorisation automatically entails, for the benefit of the beneficiaries of the free shares, the waiver by shareholders of their preferential subscription rights and of the portion of the reserves, profits or share premiums which, where applicable, are necessary for the issue of new shares; and
11. delegates full powers to the Board of Directors, with the ability to delegate within the legal limits, to implement this authorisation.

Resolutions 19 and 20: Delegations of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for employees and certain categories of employees internationally, with cancellation of the shareholders' preferential subscription rights

EXPLANATORY STATEMENT

It is proposed to the General Meeting, pursuant to the nineteenth resolution, to delegate to the Board of Directors the authority to decide on a capital increase in favour of the Group's employees who are members of an employee savings scheme.

This delegation, granted for a period of twenty-six months, would enable the employees of Group companies to subscribe to L'Oréal shares, in France, by registering for the employee savings schemes.

In order for the Board to be able to implement, where applicable, a global employee share ownership plan under the best possible conditions, it is also proposed to the General Meeting in the twentieth resolution to delegate to the Board of Directors the authority to increase the share capital in favour of Group employees or categories of Group employees outside France.

This delegation, granted for a period of eighteen months, would make it possible to propose the subscription of L'Oréal shares to Group employees or categories of Group employees outside France, by adapting the conditions of the offering to local specificities.

Pursuant to the nineteenth resolution, the issue price may not be higher than the average of the trading prices recorded on the Euronext Paris market for the twenty trading days prior to the date of the decision setting the opening date of the subscription period; the discount may not exceed the legal maximum of 30%, it being specified that the Board of Directors, or its delegated agent, is expressly authorised, if he deems wise, to reduce or remove the discount.

Pursuant to the twentieth resolution, the issue price would be determined under terms and conditions similar to those set for the nineteenth resolution, and could also be set taking into account the specific regime of an offering of shares in the Company carried out within the scope of a share ownership plan governed by foreign law.

The General Meeting is therefore asked, under the nineteenth and twentieth resolutions, to delegate to the Board of Directors the authority to increase the share capital of the Company, on one or more occasions, within the limit of 1% of the share capital, which is, for information purposes at 31 December 2025 through the issue of 5,337,830 new shares; this ceiling being applicable jointly to the nineteenth and twentieth resolutions. The amount of any share capital increases that may be carried out on the basis of the nineteenth and twentieth resolutions will be deducted from the amount of the overall ceiling of 40% of the share capital set out in the eighteenth resolution of the General Meeting on 29 April 2025 or, if applicable, from the ceiling set out in any similar resolution that may supersede this eighteenth resolution during the period of validity of this delegation.

Nineteenth resolution: delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of shareholders' preferential subscription rights

The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, and acting in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labour Code:

1. delegates to the Board of Directors the authority to decide to carry out, on one or more occasions, on its own decisions alone, in the proportions and at the times it may consider appropriate, the issuance of ordinary shares or securities giving access to the Company's capital reserved for employees, Directors, corporate officers and eligible former employees, of the Company and of its French and non-French affiliates as defined by Articles L. 225-180 of the French Commercial Code and L. 3344-1 of the French Labour Code, who are subscribers of an employee savings scheme;
2. resolves to cancel, in favour of the employees, Directors, corporate officers and eligible former employees, of the Company and of its French and non-French affiliates as defined by Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code, who are subscribers of an employee savings scheme, the shareholders' preferential subscription rights to the shares or securities giving access to the Company's share capital; it being specified that the subscription of the shares or securities giving access to the Company's share capital issued on the basis of this resolution may be carried out through any employee investment fund and, in particular, a "structured" employee investment fund within the meaning of the regulations of the French Financial Markets Authority (AMF), or any other collective body authorised by the regulations;
3. sets the period of validity of this delegation of authority at twenty-six months as from the date of this General Meeting, and acknowledges that this delegation renders ineffective the unused portion of any prior delegation for the same purpose; it being specified that in the event of filing of a public offer by a third party with regard to the Company's securities, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the General Meeting;
4. resolves to set at 1% of the share capital existing at the date of this General Meeting, the capital increase that could thus be carried out (namely, for information purposes, as at 31 December 2025, an increase in the share capital by a nominal amount of €1,067,566 by issuing 5,337,830 new shares); it being specified that the cumulative amount of the increases in share capital that may be carried out under this resolution and the twentieth resolution may not exceed the maximum amount of 1% of the share capital existing at the date of this General Meeting, which constitutes a ceiling applicable jointly to the nineteenth and twentieth resolutions;

5. resolves that the amount of the share capital increases that may be carried out pursuant to this resolution will be included in the overall ceiling set out in the eighteenth resolution of the General Meeting on 29 April 2025 or, as applicable, the ceiling set out in a similar resolution that may potentially supersede this eighteenth resolution during the period of validity of this delegation;
6. resolves that the subscription price may include a discount to the average of the trading prices on the Euronext Paris market for the twenty trading days prior to the date of the decision setting the opening date of the subscription period. Such discount may not exceed the legal maximum of 30% of this average, it being specified that the Board of Directors, or its delegate, if it deems appropriate, is expressly authorised to reduce or eliminate the discount, in particular to take into account market practices, legal and tax regimes applicable in the countries of residence of the beneficiaries of the capital increase;
7. resolves, pursuant to Article L. 3332-21 of the French Labour Code, that the Board of Directors will be able to provide for the free grant to the beneficiaries specified above of shares that have already been issued or are to be issued, for the employer contribution that may be paid pursuant to the employee savings scheme regulations, and/or in respect of the discount, provided that, after taking into account their equivalent monetary value, valued at the subscription price, this does not have the effect of exceeding the limits provided for in Articles L. 3332-11 and L.3332-19 of the French Labour Code;
8. resolves that the Board of Directors will have full powers with the ability to delegate further under the conditions provided for by law, to implement this delegation of authority within the limits and under the conditions specified above, in particular in order to:
   - set the conditions that must be met by the employees and eligible former employees to be able to subscribe, individually or through an employee investment fund, to the shares issued pursuant to this delegation,
   - decide on the list of companies whose employees may benefit from the issue,
   - decide on the amount to be issued, the features, where applicable, of the securities giving rights to the Company's capital, the issue price, the dates of the subscription period and the terms and conditions of each issue,
   - set the time period allotted to the beneficiaries to pay up their securities and the payment terms,
   - set the date, even with retrospective effect, as of which the new shares will carry dividend rights,
   - deduct, where applicable, the costs, taxes and fees of such issues from the amount of the share premiums and deduct, where applicable, from the amounts of the share premiums, the amounts required to increase the legal reserve to the level required by the French legislation and regulations in force, and, in the event of an issue of new free shares granted in respect of the employer contribution and/or discount, to deduct, where applicable, the sums necessary for paying up such shares from the reserves, profits or share premiums of its choice, and
   - in general, carry out all acts and formalities, take any decisions and enter into all agreements that may be useful or necessary for the due and proper completion of the share issues made pursuant to this delegation of authority and record the final completion of the capital increase(s) made pursuant to this delegation of authority and amend the Articles of Association accordingly.

Twentieth resolution: delegation of authority granted to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of non-French subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan

The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, and acting in accordance with the provisions of Articles L. 225-129-2 and L. 225-138 of the French Commercial Code:

1. delegates to the Board of Directors the authority to decide to increase the Company's share capital, on one or more occasions, in the proportions and at the times it may consider appropriate, through the issue of shares or securities giving access to the Company's capital with cancellation of shareholders' preferential subscription rights in favour of the beneficiaries defined below;
2. resolves to cancel shareholders' preferential subscription rights to the shares and securities giving access to the Company's capital issued within the scope of this delegation of authority and to reserve the right to subscribe them to one or several categories of beneficiaries meeting the following characteristics: (i) employees, Directors and corporate officers of affiliates of the Company under the conditions of Article L. 225-180 of the French Commercial Code and Articles L. 3344-1 *et seq.* of the French Labour Code and which have their headquarters outside France and/or (ii) for UCITS or other entities governed by French or foreign law, whether or not they constitute a legal person, of employee share ownership schemes invested in shares of the Company whose unitholders or shareholders will consist of the persons mentioned in paragraph (i) or enabling the persons mentioned in paragraph (i) to benefit, either directly or indirectly, from a Company employee share ownership plan or employee share savings scheme;
3. sets the period of validity of this delegation of authority at eighteen months as from the date of this General Meeting, and notes that this delegation renders ineffective the unused portion of any prior delegation for the same purpose; it being specified that in the event of filing of a public offer by a third party with regard to the Company's securities, the Board of Directors will not be able to use this authorisation during the public offer period without the prior authorisation of the General Meeting;
4. resolves that the issue price of the new shares, to be issued pursuant to this delegation of authority, will be set, (i) on the basis of an average of the trading prices on the Euronext Paris market for the twenty trading days prior to the date of the decision of the Board of Directors or the Chief Executive Officer, setting the opening date of the subscription period, with a maximum discount of 30%, and/or (ii) at the same price as decided on the basis of the twentieth resolution at the time of a simultaneous transaction, and/or (iii) in accordance with the terms and conditions for setting the subscription price for the Company's shares taking into account the specific regime of an offering of shares in the Company that would be carried out within the framework of a share ownership plan governed by foreign law, and in particular within the scope of a Share Incentive Plan in the United Kingdom or a 401k or 423 plan in the United States;

5. resolves to set at 1% of the share capital existing at the date of this General Meeting, the capital increase that could be carried out (namely, for information purposes, as at 31 December 2025, an increase in the share capital by a nominal amount of €1,067,566 by issuing 5,337,830 new shares); it being specified that the cumulative amount of the increases in share capital that may be carried out under this resolution and the nineteenth resolution may not exceed the maximum amount of 1% of the share capital existing at the date of this General Meeting, which constitutes an overall ceiling applicable to the nineteenth and twentieth resolutions;
6. resolves that the amount of the share capital increases that may be carried out pursuant to this resolution will be included in the overall ceiling set out in the eighteenth resolution of the General Meeting on 29 April 2025 or, as applicable, the ceiling set out in a similar resolution that may potentially supersede this eighteenth resolution during the period of validity of this delegation;
7. resolves that the Board of Directors will have full powers, to delegate further under the conditions provided for by law, with the possibility to delegate authority on one or more occasions, in particular in order to:
   - decide on the list of beneficiaries, from one or more categories defined above, or the categories of employees who will be beneficiaries of each issue and the number of shares to be subscribed to by each of them,
   - determine the formulas and methods of subscription which will be presented to the employees in each country concerned, in light, where applicable, of the local legal constraints that apply, and select the countries chosen from those in which the Group has subsidiaries as well as such subsidiaries whose employees will be able to participate in the transaction,
   - decide on the maximum number of shares to be issued, within the limits set by this resolution and record the final amount of each capital increase and amend the Articles of Association accordingly,
   - decide on the dates and any other terms and conditions of such a share capital increase under the conditions provided for by law,
   - deduct the costs of such an increase in capital from the amount of the related share premiums and take from this amount the amounts necessary to increase the legal reserve to one-tenth of the new amount of the share capital resulting from such an increase, and
   - in general, carry out all acts and formalities, take any decisions and enter into any agreements that may be useful or necessary for the due and proper completion of the share issues made pursuant to this delegation of authority and record the final completion of the capital increase(s) made pursuant to this delegation of authority and amend the Articles of Association accordingly.

Resolution 21: Amendments to Article 12 of the Articles of Association relating to the "General rules" about General Meetings in order to align them with France's "Attractiveness Act" (Decree no. 2026-94 of 13 February 2026)

EXPLANATORY STATEMENT

The Annual General Meeting is asked to amend Article 12 of the Company's Articles of Association ("General rules" concerning General Meetings):

- to allow the widespread use of electronic shareholder notices, including for registered shareholders, as permitted following the publication on 13 February 2026 of Decree no. 2026-94 on the modernisation of the methods of communicating with shareholders (France's "Attractiveness" Act); this option will be effective for general meetings convened on or after 1 July 2026, in accordance with the regulations;
- simplify the wording by replacing certain regulatory references with a reference to the applicable regulations.

Twenty-first resolution: Amendments to Article 12 of the Articles of Association relating to the "General rules" about General Meetings in order to align them with France's "Attractiveness Act" (Decree no. 2026-94 of 13 February 2026)

The General Meeting, voting in accordance with the quorum and majority conditions required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, resolves to amend Article 12 of the Company's Articles of Association to take into account the changes resulting from France's "Attractiveness Act" (Decree n°2026-94 of 13 February 2026), and to bring the said article into line with the regulations.

The other provisions of the Company's Articles of Association remain unchanged.

Amendment to Article 12 of the Articles of Association:

Current wording of Article 12 of the Articles of Association	Proposed new wording of Article 12 of the Articles of Association
[...]	[...]
All Meetings are held either at the Company's registered office, or at any other place in the same administrative department, or at the administrative headquarters in Clichy (Hauts-de-Seine, France), 41, rue Martre, on the day and time, and in the place indicated in the notice to attend. Notices to attend are issued by an announcement inserted both in one of the publications authorised to carry legal announcements in the administrative département of the registered office and in the *Bulletin des Annonces Légales Obligatoires* (BALO), the Official Gazette, with prior notification to the Autorité des marchés financiers (AMF), the French securities regulator.	All Meetings are held either at the Company's registered office, or at any other place in the same administrative department, or at the administrative headquarters in Clichy (Hauts-de-Seine, France), 41, rue Martre, on the day and time, and in the place indicated in the notice to attend. Notices to attend are issued in **accordance with the procedures laid down by the applicable regulations**. ~~**by an announcement inserted both in one of the publications authorised to carry legal announcements in the administrative département of the registered office and in the *Bulletin des Annonces Légales Obligatoires* (BALO), the Official Gazette, with prior notification to the Autorité des marchés financiers (AMF), the French securities regulator**~~.
Shareholders holding registered shares are given notice to attend by a letter sent by post, which is registered if they so request and if they advance the corresponding cost.	Shareholders ~~**holding registered shares**~~ are given notice to attend **in the conditions and in accordance with the procedures laid down by the applicable regulations, including, where applicable, by electronic means** ~~**or by postal mail, by registered delivery if they so request and they advance the costs**~~
[...]	[...]
If the Board of Directors so decides when the General Meeting is called, any shareholder may take part in the meeting by videoconference or by any other telecommunication or remote transmission means including the Internet, in the conditions stipulated by the applicable regulations at the time it is used. If this decision is taken, it is communicated in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (BALO).	If the Board of Directors so decides when the General Meeting is called, any shareholder may take part in the meeting by videoconference or by any other telecommunication or remote transmission means including the Internet, in the conditions stipulated by the applicable regulations at the time it is used. If this decision is taken, it is ~~**communicated in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (BALO)**~~ **brought to the attention of shareholders in accordance with applicable regulations**.
[...]	[...]

Resolution 22: Powers for formalities

EXPLANATORY STATEMENT

This resolution is intended to grant the powers necessary to carry out all formalities resulting from the General Meeting.

Twenty-second resolution: Powers for formalities

The General Meeting grants full powers to the bearer of an original, copy or extract of these minutes to accomplish all legal and administrative formalities, and to make all filings and announcements prescribed by law.

8.2 Statutory Auditors' reports

8.2.1 Statutory Auditors' report on the share capital reduction

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ordinary and Extraordinary General Meeting of 24 April 2026 – Seventeenth resolution

To the Annual General Meeting of L'Oréal,

In our capacity as Statutory Auditors of your Company and in accordance with the engagement provided for in Article L.22-10-62 of the French Commercial Code (*Code de commerce*) in the event of a share capital reduction by cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and terms and conditions of the planned share capital reduction.

The Board of Directors invites you to delegate to it, for a period of twenty-six months as from the date of this Annual General Meeting, the authority to cancel, on one or more occasions, up to a maximum limit of 10% of the share capital as of the date of the cancellation, and within a given period of twenty-four months, shares purchased pursuant to an authorization for the Company to purchase its own shares in accordance with the aforementioned article.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France to such engagements. Those standards require that we ensure that the reasons for and terms and conditions of the planned share capital reduction, which is not considered to affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and the terms and conditions of the planned share capital reduction.

A Paris La Défense, 9 March 2026

The Statutory Auditor

Deloitte & Associés	Ernst & Young Audit
David Dupont-Noel	Céline Eydieu-Boutte

8.2.2 Statutory Auditors' report on the authorization of free grants of existing shares and/or shares to be issued

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ordinary and Extraordinary General Meeting of 24 April 2026 – Eighteenth resolution

To the Annual General Meeting of L'Oréal,

In our capacity as the Statutory Auditors of your company (the "Company") and in accordance with article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed authorization of free grants of existing shares and/or shares to be issued to employees and corporate officers of L'Oréal and French or non-French entities related to your Company, within the meaning of article L.225-197-2 of the French Commercial Code, or to certain categories of said employees and corporate officers, a matter submitted for your approval.

The total number of shares likely to be granted under this authorization may not represent more than 0.6% of the Company's share capital as of the date of the Board of Directors' decision, it being specified that:

- the aggregate amount of any share capital increases that may be carried out under this resolution will count towards the maximum limit for share capital increases set in the eighteenth resolution approved by the Ordinary and Extraordinary General Meeting of 29 April 2025;
- the number of shares granted for no consideration to corporate officers of the Company during a fiscal year pursuant to this resolution may not represent more than 10% of the total number of shares granted for no consideration during the same fiscal year.

On the basis of its report, the Board of Directors invites you to authorize it, for a period of twenty-six months as from the date of this Annual General Meeting, to grant for no consideration existing shares and/or shares to be issued on one or more occasions.

It is the role of the Board of Directors to prepare a report on the proposed transaction. It is our responsibility to provide you with our observations, if any, on the information provided to you on the proposed transaction.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying in particular that the proposed terms and conditions of the transaction described in the Board of Directors' report comply with applicable legal provisions.

We have no matters to report on the information provided in the Board of Directors' report, with respect to the proposed authorization to grant free shares.

A Paris La Défense, 9 March 2026

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
David DUPONT-NOEL	Céline EYDIEU-BOUTTE

8.2.3 Statutory Auditors' report on the issue of shares or securities granting access to the Company's share capital reserved for members of an employee savings scheme

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of Englis- speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ordinary and Extraordinary General Meeting of 24 April 2026 – Nineteenth resolution

To the Annual General Meeting of L'Oréal,

In our capacity as the Statutory Auditors of your company (the "Company") and in accordance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to issue ordinary shares or securities granting access to the Company's share capital, with cancelation of preferential subscription rights, reserved for employees, corporate officers and eligible former employees of your Company and of French and non-French entities related to your Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code (*Code du travail*), who are members of a Company employee savings scheme, a matter submitted for your approval.

This transaction is submitted for your approval in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code and Articles L. 3332-18 *et seq.* of the French Labor Code.

The maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at 1% of the existing share capital on the date of this Annual General Meeting, it being specified that:

- the aggregate amount of the share capital increases that may be carried out, either immediately or in the future, under this resolution and the twentieth resolution may not exceed 1% of the share capital as at the date of this Annual General Meeting, which represents a common limit for both these resolutions, and;
- the amount of any share capital increases that may be carried out, either immediately or in the future, under this resolution, will count towards the maximum limit for share capital increases set in the eighteenth resolution presented to the Shareholders' Meeting of 29 April 2025.

On the basis of its report, the Board of Directors invites you to delegate, for a period of twenty-six months as from the date of this Annual General Meeting, the authority to decide one or more share capital increases and to cancel your preferential subscription rights to the shares or securities to be issued. The Board of Directors would be responsible for setting the final terms and conditions of any such issue.

It is the role of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of preferential subscription rights and on certain other information relating to the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report relating to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent review of the terms and conditions of each proposed issue, we have no matters to report with regard to the methods used to set the issue price of the securities to be issued as presented in the Board of Directors' report.

Since the final terms and conditions of the issue(s) have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancelation of shareholders' preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses this delegation of authority to issue ordinary shares or securities granting access to other securities, or issue securities granting access to securities to be issued.

Paris La Défense, 9 March 2026

The Statutory Auditors

Deloitte & Associés	Ernst & Young Audit
David Dupont-Noel	Céline Eydieu-Boutte

8.2.4 Statutory Auditors' report on the issue of shares and securities granting access to the Company's share capital reserved for categories of beneficiaries consisting of employees of foreign subsidiaries within the scope of an employee share ownership plan

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ordinary and Extraordinary General Meeting of 24 April 2026 – Twentieth resolution

To the Annual General Meeting of L'Oréal,

In our capacity as the Statutory Auditors of your company (the "Company") and in accordance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation of authority to the Board of Directors to issue ordinary shares or securities granting access to the Company's share capital, with cancelation of preferential subscription rights, reserved for one or more categories of beneficiaries meeting the following characteristics: (i) employees and corporate officers of entities related to the Company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3341-1 of the French Labor Code (*Code du travail*), which have their registered office outside France and/or (ii) UCITS or other entities governed by French or non-French law, whether or not they have legal personality, established for the purposes of employee share ownership programs invested in shares of the Company whose unitholders or shareholders will consist of the persons defined in (i) or enabling the persons defined in (i) to benefit, either directly or indirectly, from an employee share ownership or Company employee share savings program, a matter submitted for your approval.

The maximum par value amount of share capital increases that may be performed immediately or in the future pursuant to this delegation is set at 1% of the existing share capital on the date of this Annual General Meeting, it being specified that:

- the aggregate amount of the share capital increases that may be carried out, either immediately or in the future, under this resolution and the nineteenth resolution may not exceed 1% of the share capital as at the date of this Annual General Meeting, which represents a common limit for both these resolutions;
- the amount of any share capital increases that may be carried out, either immediately or in the future, under this resolution, will count towards the maximum limit for share capital increases set in the eighteenth resolution presented to the Shareholders' Meeting of 29 April 2025.

On the basis of its report, the Board of Directors invites you to delegate, for a period of eighteen month as from the date of this Annual General Meeting, the authority to decide one or more share capital increases and to cancel your preferential subscription rights to the shares or securities to be issued. The Board of Directors would be responsible for setting the final terms and conditions of any such issue.

It is the role of the Board of Directors to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of preferential subscription rights and on certain other information relating to the issue, presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report relating to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent review of the terms and conditions of each proposed issue, we have no matters to report as regards the methods used to set the issue price of the securities to be issued as presented in the Board of Directors' report.

Since the final terms and conditions of the issue(s) have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancelation of shareholders' preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses this delegation of authority to issue ordinary shares or securities granting access to other securities, or issue securities granting access to securities to be issued.

A Paris La Défense, 9 March 2026

The Statutory Auditors

Deloitte & Associés
David Dupont-Noel

Ernst & Young Audit
Céline Eydieu-Boutte

Additional and complementary information

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AFR *This information is an integral part of the Annual Financial Report.*

9.1 Statutory Auditors AFR

			Current appointments	
	Date of first appointment	Date of appointment	Term of office	Expiry date
Auditors				
Deloitte & Associés				
Statutory Auditor, member of the Compagnie Régionale de Versailles, represented by David Dupont-Noel				Annual General Meeting to be called in 2028 to approve the 2027 financial statements
6, place de la Pyramide 92908 Paris-La Défense Cedex (France)	29 April 2004	21 April 2022	6 years	
Ernst & Young				
Statutory Auditor, member of the Compagnie Régionale de Versailles et du Centre, represented by Céline Eydieu-Boutte				Annual General Meeting to be called in 2028 to approve the 2027 financial statements
Tour First				
TSA 14444 92037 Paris-La Défense Cedex (France)	21 April 2022	21 April 2022	6 years	

Fees accruing to auditors and members of their networks payable by the Group: see note 16 of the Consolidated financial statements in chapter 5 of this document.

9.2 Historical financial information incorporated by reference

In accordance with Article 19 of Regulation (EU) 2017/1129 of 14 June 2017, this 2025 Universal Registration Document incorporates the following information by reference:

- the consolidated financial statements for the financial year ended 31 December 2023 prepared in accordance with IFRS and the accompanying Statutory Auditors' Report presented on pages 356 to 360 of the 2023 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on 19 March 2024 under number D. 24-0139, and the information taken from the 2023 Management Report presented on pages 39 to 49 of the 2023 Universal Registration Document;
- the consolidated financial statements for the financial year ended 31 December 2024 prepared in accordance with IFRS and the accompanying Statutory Auditors' Report presented on pages 347 to 351 of the 2024 Universal Registration Document, filed with the French Financial Markets Authority (AMF) on 24 March 2025 under number D. 25-0138, and the information taken from the 2024 Management Report presented on pages 38 to 49 of the 2024 Universal Registration Document;

9.3 Statement by the person responsible for the Universal Registration Document and the Annual Financial Report AFR

Person responsible for the Universal Registration Document and the Annual Financial Report Christophe Babule, Chief Financial Officer, on the authority of L'Oréal's Chief Executive Officer, Nicolas Hieronimus.

"I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and that there is no omission likely to alter its scope.

I certify that, to the best of my knowledge, the annual and consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and of all its consolidated subsidiaries, and that the Management Report, the content of which is detailed in the cross-reference table available in section 9.7, provides a true and fair view of the evolution and results of the business and of the financial position of the Company and of all its consolidated subsidiaries, as well as a description of the main risks and uncertainties they face, and that it has been prepared in accordance with applicable sustainability reporting standards."

Clichy, 17 March 2026

On the authority of the Chief Executive Officer,

Christophe Babule,

Chief Financial Officer

9.4 Cross-reference table with the Universal Registration Document

In order to facilitate the reading of this Universal Registration Document, the following table provides the page references of the main information required by Annexes 1 and 2 of European Delegated Regulation No. 2019/980, completing the European Regulation No. 2017/1129.

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9.5 Annual Financial Report cross-reference table

In order to facilitate the reading of the Annual Financial Report (Rapport Financier Annuel), the following table provides the page references of the main information required by Article L. 451-1-2 of the French Monetary and Financial Code and by Article 222-3 of the General Regulation of the French Financial Markets Authority (AMF).

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9.6 Cross-reference table with the AMF tables on the remuneration of corporate officers

The following cross-reference table has been prepared in order to put information provided on remuneration into perspective with regard to the breakdown of such information in the 11 tables recommended by the AMF in its guide for preparing Universal Registration Documents published on 5 January 2022 (see also the AFEP-MEDEF Code).

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Table 1. Summary of remuneration, options and shares granted to each corporate officer	134 section 2.4.4, 2nd table 135 section 2.4.5, 2nd table
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9.7 Management Report cross-reference table

To make the Management Report easier to navigate, the following table cross-references the key information required by Articles L. 225-100 *et seq.*, L. 22-10-35, L. 22-10-36, L. 232-1 and R. 225-102 *et seq.* of the French Commercial Code and the specific section of the Management Report on corporate governance pursuant to Articles L. 225-37, paragraph 6 *et seq.*, L. 22-10-8 *et seq.* of the French Commercial Code.

Components of the 2025 Management Report	Main references	Pages
Group situation and activity in 2025		
Situation of the Company during the previous financial year and objective and exhaustive analysis of the business development, results and financial situation of the Company and the Group, in particular its debt situation, in relation to the volume and complexity of business	Articles L. 232-1, II, 1 L. 233-6 and L. 233-26 of the French Commercial Code	39-49
Key financial performance indicators	Articles L. 232-1, II-4° and L. 233-26 of the French Commercial Code	14-15, 17-18,24-27
Key non-financial performance indicators relating to the Company and the Group's specific activity	Articles L. 232-1, II-4° and L. 233-26 of the French Commercial Code	20, 26-27, 51, 189-282
Significant events since the beginning of the financial year	Articles L. 232-1, II-1° and L. 233-26 of the French Commercial Code	48-49
Company and Group foreseeable trends and outlooks	Articles L. 232-1, II-1° and L. 233-26 of the French Commercial Code	49
Identity of the main shareholders and voting rights holders in the General Meeting, and modifications during the financial year	Articles L. 233-13 of the French Commercial Code	396
Existing branch offices	Articles L. 232-1, II-3° and L. 233-26 of the French Commercial Code	13
Significant acquisitions during the financial year of equity interests in companies which have their registered office in France	Article L. 233-6, paragraph 1 of the French Commercial Code	384
Disposals of cross-shareholdings	Articles L. 233-29, L. 233-30 and R. 233-19 of the French Commercial Code	N/A
Research and Development activities (and operations)	Articles L. 232-1, II and L. 233-26 of the French Commercial Code	29-37
Table of Company results over the past five financial years	Article R. 225-102 of the French Commercial Code	384
Information on supplier and customer payment terms	Article D. 441-6 of the French Commercial Code	383
Intragroup loans granted and statement by the Statutory Auditors	Articles L. 511-6 and R. 511-2-1-3 of the French Monetary and Financial Code	N/A
Information on essential intangible assets	Article L. 232-1, II, 7	6-39, 236-247
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Description of the main risks and uncertainties faced by the Company	Article L. 232-1, II-5° of the French Commercial Code	156-170
Information on the objectives and policy regarding the hedging of each main category of transactions and on the exposure to price, credit, liquidity and treasury risks, including the use of financial instruments	Article L. 232-1, II-6° of the French Commercial Code	170, 332-336
Anti-corruption policy	Law 2016-1691 of 9 December 2016 ("Sapin II")	148-150
Vigilance Plan and update on its effective implementation	Article L. 225-102-1 of the French Commercial Code	171-188
Impact of activities on combating tax evasion	Article L. 22-10-35, 1°	151-152
Information on actions aimed at promoting the link between the nation and the armed forces and citizens' local democracy engagement	Article L. 22-10-35, 2° and 3°	145
Information on the operation of facilities covered by Article L.515-36 of the French Environmental Code	Article L.232-1-1 of the French Commercial Code	N/A

Components of the 2025 Management Report	Main references	Pages
Corporate governance		
Information on remuneration		
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Remuneration and benefits in kind paid during or awarded in respect of the financial year to each corporate officer	Article L. 22-10-9, I., 1° of the French Commercial Code	123-131
Relative proportion of the fixed and variable remuneration	Article L. 22-10-9, I., 2° of the French Commercial Code	111
Use of the "claw back" possibility to claim the return of variable remuneration	Article L. 22-10-9, I., 3° of the French Commercial Code	N/A
Commitments of any kind made by the Company for the benefit of its directors and corporate officers, corresponding to elements of remuneration, indemnities or benefits due or likely to be due as a result of the assumption, termination or change in their duties, or thereafter	Article L. 22-10-9, I., 4° of the French Commercial Code	131-133
Remuneration paid or granted by a company included in the scope of consolidation pursuant to Article L. 233-16 of the French Commercial Code	Article L. 22-10-9, I., 5° of the French Commercial Code	N/A
Ratios between the remuneration of each corporate officer and the average and median remunerations of the Company employees	Article L. 22-10-9, I., 6° of the French Commercial Code	130-131
Annual change in the remuneration, the Company's performances, the average remuneration of the Company employees and the above-mentioned ratios over the last five financial years	Article L. 22-10-9, I., 7° of the French Commercial Code	130-131
Explanation on how the total remuneration complies with the remuneration policy adopted, including the way it contributes to long term performances of the Company and the way the performance criteria has been applied	Article L. 22-10-9, I., 8° of the French Commercial Code	105-107, 123-131
Manner in which the vote of the last ordinary general meeting provided for in paragraph I of Article L. 22-10-34 of the French Commercial Code has been taken into account	Article L. 22-10-9, I., 9° of the French Commercial Code	105-107
Derogation from the remuneration policy and any other derogations	Article L. 22-10-9, I., 10° of the French Commercial Code	121
Application of Article L. 225-45, paragraph 2 of the French Commercial Code (suspension of payment of directors' remuneration in the event of failure to comply with gender balance on the Board of Directors)	Article L. 22-10-9, I., 11° of the French Commercial Code	N/A
Attribution and retention of stock options by directors and corporate officers	Article L. 225-185 of the French Commercial Code	134-136
Attribution and retention of free share grants to corporate officers	Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code	134-136
Information on governance		
List of all terms of office and functions held in any company by each director and corporate officer during the financial year	Article L. 225-37-4, 1° of the French Commercial Code	65-80
Agreements between an Executive Officer or a major shareholder and a subsidiary	Article L. 225-37-4, 2° of the French Commercial Code	N/A
Table summarising the authorisations in force in respect of capital increases, as granted by the General Meeting	Article L. 225-37-4, 3° of the French Commercial Code	392-393
Procedures for exercising the General Management	Article L. 225-37-4, 4° of the French Commercial Code	54-56
Composition, preparation and operating methods of the Board of Directors	Article L. 22-10-10, 1° of the French Commercial Code	57, 84-94
Description of the diversity policy, objectives and results applied to Board members	Article L. 22-10-10, 2° of the French Commercial Code	58-64
Limits provided by the Board of Directors on the Chief Executive Officer's powers	Article L. 22-10-10, 3° of the French Commercial Code	98
Reference to the AFEP-MEDEF Code of Corporate Governance and application of the comply or explain principle	Article L. 22-10-10, 4° of the French Commercial Code	54, 136-137
Specific conditions related to shareholders' attendance at the General Meeting	Article L. 22-10-10, 5° of the French Commercial Code	391
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Internal control and risk management procedures implemented by the Company and the Group, related to preparation and processing of financial and accounting information	Article L.22-10-10, 7° of the French Commercial Code	153-154
Share ownership and capital		
Structure and change in Company capital and threshold notifications	Article L. 233-13 of the French Commercial Code	395-397
Acquisition and disposal by the Company of treasury shares	Article L. 225-211 of the French Commercial Code	398
Employee share ownership	Article L. 225-102, paragraph 1 of the French Commercial Code	395-396
Possible adjustments for securities giving access to share capital in case of buybacks of shares or financial transactions	Articles R. 228-90 and R. 228-91 of the French Commercial Code	N/A
Information on trading by directors and corporate officers and related persons in Company securities	Article L. 621-18-2 of the French Commercial Code	137
Amount of dividends paid out in respect of the three previous financial years	Article 243 *bis* of the French Tax Code	19, 405
Sustainability Report	Articles L. 233-28-4 of the French Commercial Code	See cross-reference tables, 271-279
Report of the sustainability auditors on the sustainability report		283-285
Other information		
Additional tax information	Articles 223 *quater* and 223 *quinquies* of the French Tax Code	382
Injunctions or financial penalties in respect of anti-competitive practices	Article L. 464-2 of the French Commercial Code	342-343

9.8 Glossary

Ownership structure: L'Oréal shareholders, whether individuals or legal entities, who own a portion of the capital of the Company in the form of shares (see sections 1.1.3 and 7.3).

Registered shares: shares registered in the shareholder's own name, enabling the issuing company to identify them by name. Pursuant to Article 15 of L'Oréal's Articles of Association, any shareholder who can prove at the end of a financial year, that shares have been registered in their name for at least two calendar years and that they continue to be registered in their name at the date of payment of the dividend paid for that financial year, will be entitled to a preferential dividend on the shares that are thus registered, equal to 10% of the dividend.

French Financial Markets Authority (Autorité des marchés financiers – AMF): an independent, public, stock-market authority, which is responsible for the protection of savings invested in financial products, investor information and the proper functioning of the markets.

Beauty Tech: seamless fusion of beauty and cutting-edge technology, catalysing innovative changes in the beauty industry and elevating customer engagement thanks to unparalleled and enhanced beauty experiences (see sections 1.1.2. and 1.3.4.2.).

BOLD (*Business Opportunities for L'Oréal Development*): is L'Oréal's strategic corporate venture fund. BOLD's mission is to support and accelerate L'Oréal's strategy by acquiring minority stakes in start-ups behind disruptive innovations across the entire beauty value chain. BOLD's investment portfolio is structured around four key verticals with a global geographic scope: beauty brands, beauty platforms, tech for beauty and science for beauty.

Market capitalisation: the market value of a company at a given moment. It is calculated by multiplying the market price by the number of shares comprising the share capital. At 31 December 2025, L'Oréal's market capitalisation was €195.7 billion.

CDP: an international not-for-profit organisation, offering a system for assessing a company's strategy, initiatives and results in the fight against climate change, sustainable water management and forest protection.

Code of Ethics: available in 30 languages, and as an audiobook in French and English, it is distributed to all employees worldwide. It enables employees to understand how Ethical Principles (Integrity, Respect, Courage and Transparency) need to be reflected in their behaviour and actions, by providing simple rules and a description of concrete situations they may encounter. The Code of Ethics applies to all employees, directors and corporate officers and members of the Executive and Management Committees of the Group and its subsidiaries worldwide.

AFEP-MEDEF Code: a code of corporate governance comprising a set of recommendations drawn up by the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF), following consultation with various market stakeholders on corporate governance matters. L'Oréal refers to this Code.

Environmental product design: an approach integrated into the product development process, aimed at reducing overall environmental impact – from ingredients to packaging – by making choices based on scientific data and life cycle assessments (see section 4.6).

Committees of the Board of Directors: the Board of Directors has set up four Committees to help prepare its work: the Strategy and Sustainability Committee, the Audit Committee, the Human Resources and Remuneration Committee and the Nominations and Governance Committee. The duties of these Committees are set out in detail in section 2.3.3.

Consolidated financial statements: the consolidated financial statements include the financial statements of all the companies within the L'Oréal Groupe.

Parent company financial statements: the parent company financial statements correspond to the annual financial statements of the Company, L'Oréal SA (the parent company).

Board of Directors: the collegiate body that defines the Company's business strategy and monitors its implementation, in accordance with its corporate interest, taking into consideration the social and environmental challenges associated with its business activity.

Create the beauty that moves the world: L'Oréal's Sense of Purpose (raison d'être). It is defined in concrete actions made to consumers, employees, clients, suppliers, shareholders, service providers and communities. A full explanation of L'Oréal's Sense of Purpose is given in section 1.1.1.

CSRD (*Corporate Sustainability Reporting Directive*): Directive (EU) 2022/2464 of 14 December 2022 on sustainability reporting standards. L'Oréal publishes the disclosures required by the CSRD in chapter 4 (Sustainability Report). Certain sections of other chapters are incorporated by reference in the Sustainability Report.

Preferential dividend: a dividend increase equal to 10% of the dividend granted to any shareholder who can prove at the end of a financial year, that shares have been registered in their name for at least two calendar years and that they continue to be registered in their name at the date of payment of the dividend (see "Registered Shares").

Risk factors: risks specific to L'Oréal that are key to making informed investment decisions (see section 3.5.3).

L'Oréal Foundation: corporate foundation, founded by L'Oréal. The Foundation focuses its work on three key areas of commitment. It works alongside women scientists (Science Commitment), supports thousands of women facing physical, psychological or social hardships (Inclusive Beauty Commitment) and is involved with innovative projects run by women who are responding to the climate emergency (Women and the Climate Commitment).

L'Oréal for Youth: a comprehensive, long-term programme launched in 2021, which aims to support the employment of young people and improve their employment prospects. The Group aims to increase career opportunities for young people under the age of 30, offering training content and coaching or mentoring initiatives. L'Oréal also grants scholarships to support students from disadvantaged backgrounds.

L'Oréal for the Future: the Group's global commitment to sustainable development, which is centred on four key pillars: accelerate the climate transition, safeguard nature, drive circularity and support communities (see sections 1.4.2 and 4.1.2).

Operations: a Functional Department that harnesses the most specialised, agile, effective and connected technological expertise, from packaging design and product development, sourcing and production through to distribution of all the Group's products. With its brands, it contributes to offering consumers worldwide the most advanced cosmetics products and services. It guarantees consumers compliance with strict standards of quality, safety, security, societal and environmental responsibility worldwide.

Sense of Purpose (*raison d'être*): see "Create the beauty that moves the world" (see section 1.1.1).

CSR: corporate social, societal and environmental responsibility (see chapter 4 in particular).

Share & Care: a programme created in 2013 and deployed at all our subsidiaries that offers employees a set of benefits organised around four pillars, which were renewed in 2021: social protection, healthcare, work/life balance and the working environment (see section 4.7.1.2).

Company: the Company is the parent company, L'Oréal SA (see section 7.1).

Supply chain: the process of planning, executing and monitoring all activities relating to flows of materials and information, the purchase of raw materials, the intermediate processing of the product and its delivery to the end customer.

Social selling: the practice of using social networks to find new customers and/or sell products.

TSR (Total Shareholder Return): the rate of return of a share over a given period, combining dividends and capital gains.


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INCORPORATED IN FRANCE
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