

No. 84
SPRING
2023

MORE THAN 30,000

new individual
shareholders in 2022



Nicolas HIERONIMUS



Jean-Paul AGON

THE LETTER TO
SHAREHOLDERS

SPECIAL
EDITION
2023 ANNUAL
GENERAL MEETING

EXTRACT FROM SPEECH
BY THE CHAIRMAN
AND THE CEO

PERFORMANCE &
NEWS

L'ORÉAL
FINANCE

“
We
have set
ourselves
the
ultimate
goal of
creating
value that
benefits
everyone.”

JEAN-PAUL AGON,
Chairman of the Board of Directors
of L'Oréal



To watch the full Annual General Meeting webcast

scan this QR code



“Dear Shareholders,

L'Oréal continues on the path to success with an ever-stronger ambition, while acting with the sense of responsibility of a global leader. Dual financial and social excellence will always be at the heart of our business model.

We have set ourselves the ultimate goal of creating value that benefits everyone.

We create value for you, our shareholders. The resilience and outperformance of your Company are the perfect demonstration of its robust, virtuous and value creating business model. The quality of our results puts us in a position to offer a dividend of €6 per share, representing a significant increase of +25%. And the preferential dividend with a 10% loyalty bonus⁽¹⁾, at €6.60, is recognition of your long-term loyalty.

I also know that you attach just as much importance to the quality of our relationship with you, our shareholders. I am delighted to welcome the more than 30,000 new individual shareholders in France who joined us in 2022.

We create value thanks to our 87,400 employees. And for them.

Their determination to go that extra mile, their creativity and their spirit of solidarity were, once again, exemplary last year. They have my utmost admiration.

It was only natural that we share L'Oréal's performance with them. In 2022, we launched a third employee share ownership plan. More than a third of our employees around the world and two-thirds of employees in France are Group shareholders. That is outstanding proof of their attachment to L'Oréal. And it is yet another means of aligning their interests with yours.

We also need to create values. Entrepreneurial spirit, courage, respect, transparency, ethics and responsibility are the values underpinning our long-term future. The culture that binds us is a unique, fundamental asset that no other company could ever copy.

We create value for our ecosystem. L'Oréal is a global company that thrives on its diversity. But our heart beats in France and always will. We have nearly 15,000 employees in the country. Our French plants handle more than 26% of our worldwide production, even though France represents 7% of our sales. We have made France a land of the Group's scientific and technological excellence, with 2,700 researchers and nearly 70% of our R&D investments.

We create value for our environment and society. Sustainable development has long been a priority for our governance, a pillar of our business strategy and a results-based commitment on the part of each and every employee.

Alongside the many initiatives undertaken by your Company, the Fondation L'Oréal has also stepped up its efforts. This June marks the 25th anniversary of the For Women in Science programme, which has provided human and financial support to nearly 4,100 female scientists in more than 110 countries.

With your support, **L'Oréal is more than ever driven by tremendous energy to continue its beautiful Adventure.**”

(1) Preferential dividend of +10% for shareholders who continuously hold their shares in registered form for a minimum of two full calendar years, up to a maximum of 0.5% of the capital for the same shareholder.



“
The strength
of our model,
which has
emerged from
the past few
years of crisis
even stronger,
is key to
L'Oréal's
future
success.”

NICOLAS HIERONIMUS,
Chief Executive Officer of L'Oréal

“Ladies and Gentlemen, Dear Shareholders,
2022 was a year of outstanding performance.

First, we achieved excellent results in all geographic Zones, Divisions and categories, reflecting **balanced success across the board**. The L'Oréal engine was firing on all cylinders, without a single exception.

We significantly outperformed the market yet again, growing 1.8 times faster and **consolidating our position as the global beauty champion**.

The strength of our performance allowed us to keep investing to support our social and environmental commitments in 2022, in line with our dual ambition of economic and corporate performance.

Our efforts receive recognition year after year, and in 2022, L'Oréal received a AAA rating from CDP⁽¹⁾ for the seventh consecutive year. We also earned a spot on Ethisphere's ranking of the World's Most Ethical Companies, once again.

Beauty is a basic human need, and the quest for beauty is never-ending. The beauty market has a long history of uninterrupted growth, even in times of recession, when consumer demand for beauty products holds strong.

The market has always triumphed over economic uncertainty, with an average annual growth rate of +4% over the last 23 years. The robust +6% figure for 2022 confirmed this trend once again.

But the factors which will contribute most to L'Oréal's future success are first and foremost internal and structural. First, **there's the strength of our model**, which has emerged from the past few years of crisis even stronger than before.

This model is underpinned by six pillars: the strategic decision to be a beauty pure player, meaning we're about beauty, every aspect of beauty, and nothing but beauty; our Research & Innovation; our unique portfolio of 36 complementary and highly desirable brands; our unrivalled digital leadership; our industrial infrastructure, with 38 plants and 152 distribution centres worldwide; and the steadfast engagement of our 87,400 employees.

L'Oréal is a unique company that is particularly suited to the new era we are now entering. A new era which promises a more fragmented world and less regulated globalisation. In this world, we have numerous assets, starting with our strategically centralised but operationally decentralised multipolar model, which promotes real organisational flexibility, allowing us to adapt to opportunities and any unexpected ups or downs we may encounter. Our ability to stay ahead of technological challenges and our lead in Beauty Tech will also allow us to widen the gap even further. L'Oréal is undergoing an exciting transformation, evolving from “beauty for all” towards “beauty for each”.

Ladies and Gentlemen, your Group is set for success in the decade ahead and will continue to set the tone for the beauty market.

We will “seize every new opportunity” and stay true to our philosophy: providing the best of beauty for each and every woman and man worldwide. Beauty that is ever more inclusive, within planetary boundaries, committed and contributory: the beauty that moves the world.”



“In a world weakened by
climate change and environmental
shifts, we can only continue
to operate if we are also able
to commit to more social equity
and justice.”

Alexandra Palt, Chief Corporate Responsibility Officer and CEO of the Fondation L'Oréal, outlined L'Oréal's CSR policy and key commitments, with a focus on the Group's climate strategy.

(1) CDP is an independent non-profit that provides a comprehensive system of measuring and publishing environmental data. CDP assesses the strategy, commitment and results obtained by companies with respect to tackling climate change, managing water sustainably and protecting forests.

ALL RESOLUTIONS VOTED UPON WERE ACCEPTED BY LARGE MAJORITIES

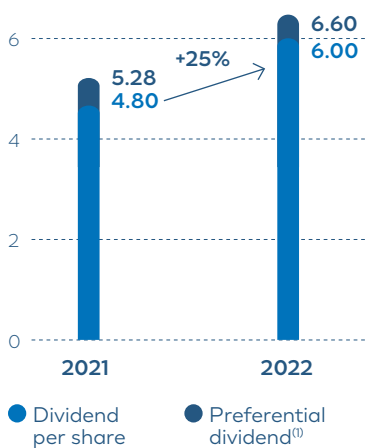
ORDINARY RESOLUTIONS

- Approval of the 2022 parent company financial statements: **99.94%**
- Approval of the 2022 consolidated financial statements: **99.98%**
- Allocation of the Company's net profit for 2022 and setting of the dividend: **99.97%**
- Renewal of the term of office of Ms Sophie Bellon as Director: **93.52%**
- Renewal of the term of office of Ms Fabienne Dulac as Director: **87.87%**
- Establishment of the total maximum amount allotted to Directors as remuneration for their office: **99.65%**
- 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: **84.96%**
- Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2022 financial year or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman of the Board of Directors: **94.13%**
- Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during the 2022 financial year or allocated for that year to Mr Nicolas Hieronimus, in his capacity as Chief Executive Officer: **97.21%**
- Approval of the remuneration policy for Directors: **99.67%**
- Approval of the remuneration policy for the Chairman of the Board of Directors: **96.15%**
- Approval of the remuneration policy for the Chief Executive Officer: **93.18%**
- Authorisation for the Company to buy back its own shares: **99.17%**

EXTRAORDINARY RESOLUTIONS

- Delegation of authority to the Board of Directors for the purpose of increasing the share capital by issuing ordinary shares, with preferential subscription rights for existing shareholders: **96.49%**
- Delegation of authority to the Board of Directors for the purpose of increasing the share capital by capitalising premiums, reserves, profits or other amounts: **99.96%**
- Delegation of authority to the board of Directors for the purpose of increasing the share capital in order to remunerate the contributions in kind given to the Company in the form of equity securities or securities giving access to the share capital of third party companies: **99.54%**
- Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of shareholders' preferential subscription rights: **98.96%**
- Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for categories of beneficiaries consisting of employees of foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan: **98.96%**
- Approval of the proposed partial contribution of assets subject to the demerger regime granted by the Company to its L'Oréal France subsidiary, complete and autonomous branches of Affaires Marché France and Domaines d'Excellence business activities, as well as all shares comprising the capital of Luxury of Retail: **99.99%**
- Approval of the proposed partial contribution of assets subject to the demerger regime granted by the Company to its L'Oréal International Distribution subsidiary of the complete and autonomous branch of the L'Oréal International Distribution business activity: **99.99%**
- Powers for formalities: **99.99%**

DIVIDEND PER SHARE (IN EUROS)



(1) Preferential dividend of +10% for shareholders who continuously hold their shares in registered form for a minimum of two full calendar years, up to a maximum of 0.5% of the capital for the same shareholder.

Discover the digital version of the Letter to Shareholders!

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- subscribe by sending an email with your full contact details to info@loreal-finance.com



QUESTIONS & ANSWERS

At the Annual General Meeting, shareholders had an opportunity to take the floor and put questions to Jean-Paul Agon and Nicolas Hieronimus. Here are a few extracts from that fruitful discussion between L'Oréal and its shareholders.

“
Our people are the secret to our success, along with our incredibly strong corporate culture, underpinned by values spanning solidarity, engagement and passion.”



What is L'Oréal's employee turnover rate? Have you encountered any difficulties in hiring?

L'Oréal's turnover rate stood at 12.4% in 2022, lower than the 14% seen in 2021. We received 1.3 million job applications last year, an increase of 7%, proving that L'Oréal remains a very attractive company. We also took fifth place in the Universum global ranking of business students' favourite firms, and are the number-one company in France and Europe. L'Oréal's 80% employee engagement rate⁽¹⁾ is also one of its strengths. Our people are the secret to our success, along with our incredibly strong corporate culture, underpinned by values spanning solidarity, engagement and passion.

With regard to L'Oréal's share price, might you consider a stock split?

The past few years have shown that premium, high-quality equities are very attractive. So we currently have no plans for a stock split.

Is it really possible in today's world to combine strong growth with a reduced impact on the environment in line with planetary boundaries?

That requires having everyone on board and transforming our business model on every level. Internally, we have shown that we are able to

decouple our CO₂ emissions from our growth; compared with 2005, the Group's CO₂ emissions have dropped by -91% while production volume has increased by +45%. Today, 65% of our plants are “carbon neutral”⁽²⁾. Our upstream value chain is also key, with all suppliers required to pursue their own sustainability transformation. Downstream, it concerns consumers, which is why we are constantly seeking to innovate to launch products with a smaller carbon footprint. 97% of new products launched in 2022 had an improved environmental profile.

“97% of new products launched in 2022 had an improved environmental profile.”

What were the results of your recent acquisitions? Do you plan to focus on internal growth or external growth?

Among L'Oréal's 36 global brands, only three were created by the Group: L'Oréal, L'Oréal Professionnel and Kérastase. The other brands in our portfolio are acquisitions made over time, always with the same strategy: buy brands when they are starting out or seeing initial success to “seize new opportunities” and then roll them out worldwide. That is what we did recently with Takami, Youth To The People, Skinbetter Science and CeraVe. This last example is quite impressive in that we have increased CeraVe sales tenfold in five years to over one billion euros. So our acquisitions are developing and our goal is to make them grow in order to offer personalised, inclusive beauty solutions that meet the specific aspirations of each and every consumer.

(1) Korn Ferry 2022 internal pulse survey.

(2) A site can claim «carbon neutral» status if it meets the following requirements: - Direct CO₂ (Scope 1) = 0, except for gas used for catering, fuel oil used for sprinkler tests, fossil energy consumption during maintenance of on-site renewable facilities and cooling gas leaks if they are lower than 130 tonnes CO₂ eq./year; and - Indirect CO₂: Market Based (Scope 2) = 0. The renewable energy sources must be located on site or less than 500 kilometres from the site, and be connected to the same distribution network. The «carbon-neutral» status, as defined above, is achieved without carbon offsetting.



“
L'Oréal has outperformed the market in all geographic Zones and strengthened its leadership position.”

NICOLAS HIERONIMUS
Chief Executive Officer of L'Oréal

Dear Shareholders,
Your Group published its first quarter sales on Wednesday, 19 April.

In a beauty market that remains very dynamic, L'Oréal has maintained strong growth momentum and posted an excellent first quarter, with sales up +13.0% like-for-like and +14.6% reported.

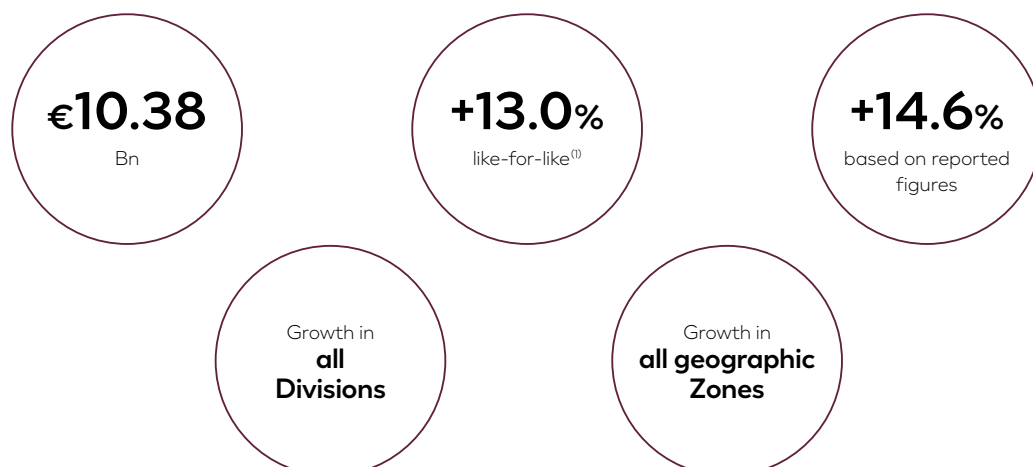
Boosted by valorised innovations in all Divisions and the engagement of our teams around the world, L'Oréal has outperformed the market in all geographic Zones and strengthened its leadership position.

This performance, which has yet to benefit from China's reopening, demonstrates the strength of L'Oréal's balanced multipolar model.

I am thrilled to soon welcome the magnificent Aēsop brand and its teams, which will reinforce L'Oréal Luxe.

Mindful of the current uncertainties, we remain optimistic about the outlook for the beauty market, ambitious for the future and confident in our ability to keep outperforming the market and achieve another year of growth in sales and profits in 2023.

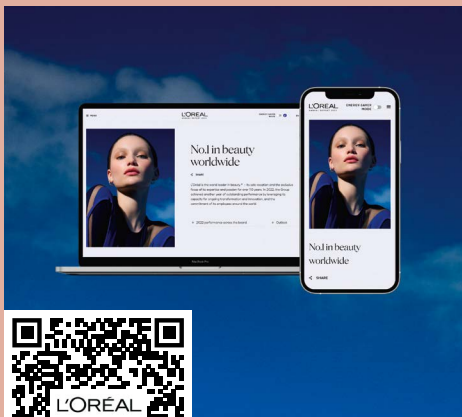
FIRST QUARTER 2023 SALES



More information on loreal-finance.com

(1) Like-for-like: based on a comparable structure and identical exchange rates.

CONSULT OUR PUBLICATIONS



THE ANNUAL REPORT

Take a deep dive into the world of beauty with our new eco-designed edition, featuring a wide variety of content (including more than 50 articles and a dozen videos). The Annual Report offers a comprehensive view of L'Oréal and looks back at the highlights of 2022, which was yet another year of remarkable performance, thanks to our capacity for ongoing transformation and the commitment of our employees around the globe to shape the future of beauty.

lorealannualreport2022.com

THE UNIVERSAL REGISTRATION DOCUMENT (URD)

The 2022 edition is 100% accessible and includes the Annual Financial Report, the Integrated Report and the Non-Financial Information Statement. The URD presents the Group's well-balanced business model, its strategic orientations, its 2022 results, its social and environmental performance, and its relationships with stakeholders.

loreal-finance.com



L'ORÉAL INVESTS IN **BIOTECHNOLOGY** VENTURE

In March, the venture capital fund BOLD (Business Opportunities for L'Oréal Development) invested in a biotechnology venture led by Geno. The investment will support the creation of new sustainable ingredients derived from living organisms. Through Geno's biotechnology expertise, L'Oréal will replace traditional ingredients with biobased alternatives, such as those produced from plant-based sugars.

TWO AWARDS FOR **BEAUTY TECH** INNOVATIONS

At CES® 2023, L'Oréal unveiled two new Beauty Tech innovations that expand access to beauty expression: HAPTA, the first handheld, ultra-precise computerised makeup applicator designed to meet the beauty needs of people with limited hand and arm mobility; and L'Oréal Brow Magic, the first at-home electronic eyebrow makeup applicator that provides users with customised brow looks in seconds.

L'ORÉAL RECOGNISED FOR GENDER EQUALITY AND ETHICAL PRACTICES

For the sixth consecutive year, L'Oréal was recognised by the Bloomberg Gender-Equality Index (GEI) in 2023 for having successfully created an inclusive and equal work environment. The benchmark index measures gender equality across five pillars: leadership & talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies, and external brand.

L'Oréal was also recognised by the international organisation Ethisphere as one of the World's Most Ethical Companies for the 14th time. The award reflects the Group's long-term commitment and its role as a leader in applying ethical principles to its sales practices, business practices and corporate culture.



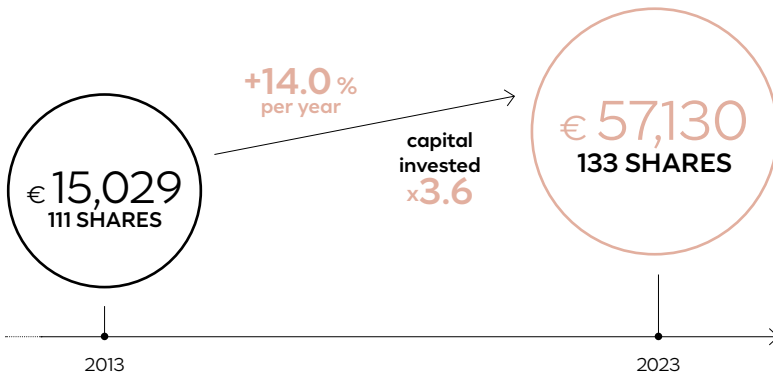
TOTAL SHAREHOLDER RETURN⁽¹⁾

Amongst the various economic and financial measures of value creation, L'Oréal prefers Total Shareholder Return (TSR).

This indicator is based on a range of criteria, including the share price and revenue received in the form of dividends excluding taxes on capital gains and dividends, based on the closing share price on 20 April 2023.

Hypothesis

Total Shareholder Return over 10 years, for €15,000 invested in L'Oréal shares, including reinvestment of dividends, excluding bank charges and tax.



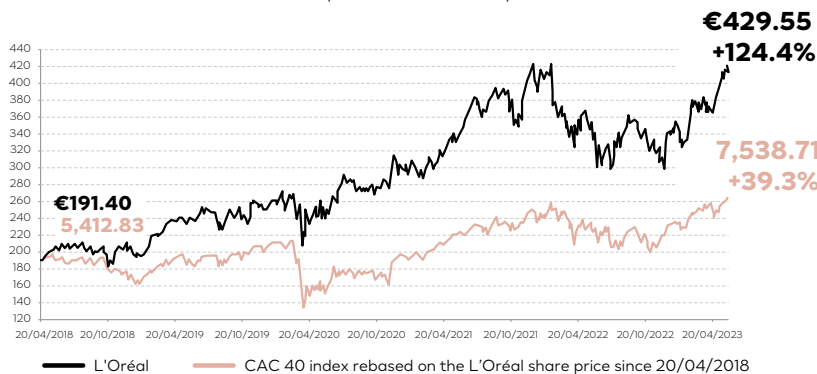
TOTAL ANNUAL RETURN

Based on the share price on 20 April 2023



OVER 5 YEARS, THE L'ORÉAL SHARE HAS OUTPERFORMED THE CAC 40 INDEX

L'Oréal vs CAC 40 from 20 April 2018 to 20 April 2023⁽²⁾



(1) Total Shareholder Return of the investment, assuming that the shares are sold at the closing price on 20 April 2023. (2) CAC40 index rebased on the L'Oréal share price since 20/04/2018 // Source : Refinitiv, share price on 20/04/2023.

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A TEAM THAT IS ATTENTIVE TO SHAREHOLDERS' VIEWS

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Director of Individual Shareholder and Market Authority Relations

ANGÉLIQUE FRUCHTENREICH

Individual Shareholder Relations Manager

relations_actionnaires_individuels@loreal-finance.com

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AGENDA

26-28 June 2023:

BoursuLive e-fair

27 July 2023:

2023 Half-Year Results (after stock market closing time)

For other key dates, please visit our website: loreal-finance.com

THE CONNECTED SHAREHOLDER

Download the L'Oréal Finance app⁽³⁾ and keep up to date with live news about your company.



(3) Available for free on the App Store and Google Play.

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