

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	
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • It was suggested that the Board continue to hold off-site meetings.
INFORMATION PROVIDED BY THE BOARD	
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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	
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Inclusion of the proposed topics to be addressed for 2026 and during the next Strategic Seminar (see above).
BOARD COMMITTEES	
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.