

4.7. Statutory Auditor's Reports

4.7.1. Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2022

This is a free English translation of the report by one of the Statutory Auditors 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 standards applicable in France.

L'OREAL

14, rue Royale
75008 Paris

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of L'Oréal SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 rév. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

Management is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of nine people between September 2022 and February 2023 and took a total of twenty-four weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around thirty interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion. We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important - disclosed in Annex 1 - ; for certain risks or information, (human resources, health and safety, human, social and environmental rights, etc.), our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.

- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes – disclosed in Annex 1 - that we considered to be the most important, we implemented:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities – disclosed in Annex 2 - and covered between 15% and 23% of the consolidated data selected for these tests

We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, February 17, 2023

One of the Statutory Auditors,

Deloitte & Associés

David DUPONT-NOËL
Partner, Audit

Catherine SAIRE
Partner, Développement Durable

Appendix 1: List of Information we Considered as the most important

Key performance indicators and other quantitative results:

Environment, Health and Safety:

In **bold**, the indicators and information disclosed as such in the management report:

THEMATIC	INDICATORS
Production	Number of FPs produced (<i>in millions</i>) Quantity of juice produced (<i>in tons</i>) Number of hours worked by L'Oréal employees and temporary workers (<i>in thousands</i>)
Greenhouse gas emissions	Emissions de CO₂ Methods " Market-based » and " location-based », scopes 1 and 2 according to the GHG Protocol (in tCO₂Eq) Emissions de CO₂ eq - Scope 3 (in tCO₂Eq) Percentage change in CO emissions₂ per finished product sold (kg eqCO₂eq./PF sold), compared to 2016 Cradle-to-shelf emissions by product sold (in gCO₂eq/PF sold) Percentage reduction in greenhouse gas emissions from product use compared to 2016 Percentage of neutral sites
Energy consumption	Total energy consumption (in kWh, kWh/1000PF, kWh/100h) Breakdown by energy source: Electricity, Gas, Fuel, Steam, Other energy (kWh) Percentage of renewable energy consumed Electricity from renewable sources consumed (kWh) Rate of self-consumption of electricity
Aviation emissions, excluding greenhouse gases	Refrigerant gas leaks (<i>kg</i>) Percentage of sulphur in fuels Direct SO emissions ₂ (<i>kg, kg/PF</i>) Emissions of Volatile Organic Compounds (<i>kg</i>)
Water	Number of Waterloop factories Total net withdrawal/Net water withdrawal (excluding recycled water and rainwater for gardening) (in m³; l/PF, l/100h) Total volume of water consumed by source (in m³) Total volume of water consumed per use (<i>in m³</i>) Total volume of on-site recycled water (<i>in m³</i>) / Total volume of water recycled from another L'Oréal site (<i>in m³</i>) / Volume of recycled water from sites other than L'Oréal (<i>in m³</i>) Volume of wastewater sent for off-site treatment (in m³) Volume of wastewater involved in off-site pre-treatment analysis (in m³) / Volume of wastewater concerned by the analysis after on-site treatment (in m³) Compliance with 1000 mg/l max. COD before off-site treatment / after on-site treatment Number of sites that comply with internal quality standards COD weight before off-site treatment (in tons) / COD weight after on-site treatment (in tons) and specific pollution rate prior to off-site treatment (mg/l) / after on-site treatment (in mg/l) Total water consumption (excluding recycled water and rainwater for gardening) (in m³; l/PF; W/100H) Quantitative water footprint (in m³ Eq)
Rubbish	Transportable waste excluding rotating shuttle packaging, by nature (in tons and g/PF, kg/100h) Sludge (in tons) Total waste excluding sludge (in tons; g/FP) Compliance with maximum 10 kg of sludge / ton of juice produced Rotating shuttle packaging, shuttle packaging at source, (in tons) Treatment of transportable activity-related waste (in tons) Waste sent to landfill, including waste due to regulatory constraints (<i>in tons</i>) Valuation index and material valuation index (%) Hazardous / non-hazardous waste (in tons)
Health and safety	Conventional frequency rate of accidents at work Reported incident rate Expanded total Severity rate of occupational accidents
Biodiversity	Number of sites that have carried out a biodiversity inventory of less than 3 years Use of plant protection products

Social:

THEMATIC	INDICATORS
Staff	Statutory staff and breakdown by type of contract, by zone
	Number of employees with disabilities
	WPS to be paid
Remuneration	Minimum wage
	Number of permanent contracts with a fixed salary below the living wage
Evolution	Number of recruitments (Unfixed term-contracts)
	Number of departures, including number of redundancies
Absenteeism	Overall absenteeism rate and illness (%)
Formation	Number of hours of training
	Percentage of Group employees who received at least one training during the year
	Share of employees with access to the online module and completed the mandatory ethics course
Share & Care	Percentage of the Group's permanent employees who can benefit from financial protection in the event of an accident in life, such as death or total permanent disability
	Percentage of the Group's permanent employees who can benefit from health coverage aligned with the best practices of their country of residence
Collective agreement	Percentage of Group employees covered by a collective agreement (national, branch or company)
	Percentage of Group employees work in countries where representative bodies are in place
	Number of collective company agreements in force on 31 December
Diversity	Percentage of brands led by women
	Number of entities that have received the GEEIS / EDGE label

Societal:

THEMATIC	INDICATORS
R&I / Water	Percentage reduction in water consumption related to consumer use of products compared to 2017
	Percentage of ingredients in bio-based formulas, derived from abundant minerals or circular processes
	Percentage of Raw Materials respecting the principles of Green Chemistry
R&I / Resources	Percentage of biodegradability of formulas
Transportation of FPs	Emissions de CO ₂ by FP: 2022 value (tCO ₂ eq) and evolution compared to baseline 2016
	Emissions de CO ₂ equivalent per tonne of goods transported and per km travelled (tCO ₂ eq/km)
Purchasing & Sourcing / Greenhouse gas emissions	Percentage of CDP Climate participation for strategic direct suppliers
	Percentage of CDP Climate participation for strategic indirect suppliers
	Percentage of CDP Climate participation for total strategic suppliers
Purchasing & Sourcing / Social audits	Number of sites audited in 2022
	Number of social audits of suppliers carried out in 2022
	Number of sites audited in "remote audit" in 2022
	Distribution of non-conformities found during social audits of suppliers by audited chapter
	Percentage of suppliers who improved their social audit score in 2022
Purchasing & Sourcing / Supplier Evaluation	Number of sites audited cumulated since 2019
	Number of cumulative social audits 2022 since 2019
Purchasing & Sourcing / Water	Percentage of strategic suppliers assessed on the basis of their environmental and societal performance
	Percentage of CDP Water participation for direct strategic suppliers
	Percentage of CDP Water participation for indirect strategic suppliers
Purchasing & Sourcing / Biodiversity	Percentage of CDP Water participation for total strategic suppliers
	Percentage of renewable raw materials from sustainable sources
	Percentage of botanical species with biodiversity issues
	Percentage of palm oil and derivatives certified: Segregated + Mass Balance ° Book & Claim
Corporate Responsibility & Foundation / Ecodesign	Percentage of volumes of palm and palm kernel products traced to refineries, mills, plantations.
	Percentage of bio-based packaging materials that are traceable and sustainably sourced.
Corporate Responsibility & Foundation / PIL	Percentage of Eco-designed products
	% of rinse-off products with an environmental and social impact calculation
Corporate Responsibility & Foundation / Women's Fund	Number of structures and beneficiaries supported under the Women's Fund
	Amount invested in the fund since its inception
Corporate Responsibility & Foundation / BFBL	Number of people from troubled communities who were able to access employment
	Number of people in very precarious situations trained in beauty professions
	Percentage of plastic packaging of recycled or bio-based origin
	Percentage reduction in the amount of packaging used for products compared to 2019

THEMATIC	INDICATORS
	Percentage of plastic packaging that is refillable, reusable, recyclable or compostable
Retail	Percentage of stores (own outlets) designed and built with sustainable development principles in mind
	Existence of a system for verifying the age of employees at recruitment
	Communications and training on human rights topics
Human rights	Number of employees aged 16 to 18

Other qualitative results:

Corporate Responsibility & Foundation / Brand commitments	Brand Societal Engagement Programs
Retail	Ecodesign program for point-of-sale advertising displays
	Commitments made in 2022 as part of the L'Oréal Fund for the Regeneration of Nature
Corporate Responsibility & Foundation / L'Oréal Fund	Commitments made in 2022 under the Global Circular Economy Investment Fund (Circular Innovation Fund)

Appendix 2: List of selected contributing entities and sites

- Social data:
 - China;
 - Mexico;
 - Italy.
- EHS data selected from the following sites:

Country	Site Name
Brazil	Sao Paulo
	R&I BRAZIL
	SA BRAZIL
	SA BRAZIL SALES
France	R&I CHEVILLY_FRA
	R&I ST OUEN_FRA
	SA CCZ RIO_FRA
	SA CLICHY_FRA
	SA SEINE 62_FRA
	SA OA_FRA
India	SA INDIA
USA	Florence
Canada	Montreal
Turkey	Istanbul
USA	DC_USA_SOUTH BRUNSWICK
	R&I USA
	SA USA SALES
	Piscataway
	SA HUDSON YARDS_USA
	ITS CENTRIC STORES LOUNGE
UK	SA UK
	SA UK STORES