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THE LETTER TO SHAREHOLDERS

SPECIAL EDITION 2022 ANNUAL GENERAL MEETING

EXTRACT FROM SPEECH BY
THE CHAIRMAN
AND THE CEO

PERFORMANCE &
NEWS



Nicolas HIERONIMUS

Jean-Paul AGON

L'ORÉAL
FINANCE

2022 ANNUAL GENERAL MEETING

After two years of sessions held behind closed doors in compliance with the public health measures in effect, L'Oréal shareholders were again able to attend the L'Oréal Annual General Meeting in person on 21 April at the Palais des Congrès, in Paris.

The event is a unique opportunity for L'Oréal to share information and talk to its shareholders, and was livestreamed in full on the loreal-finance.com website.



To watch the full Annual General Meeting webcast, you can

scan this QR code



“
A remarkable new
era in the L'Oréal
Adventure is
beginning.”

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

“Ladies and Gentlemen, Dear shareholders,

Exactly one year ago, I expressed my confidence and serenity when I handed over the reins of CEO to Nicolas Hieronimus. **Today, as you have been able to see for yourselves, your Company is in the best hands.**

The quality of the 2021 results is the best demonstration of this. The strategic choices we made - both before the crisis, to transform the company, and during it, to adapt it to this unprecedented context - have paid off.

Your company's business model is virtuous, robust and value creator. Beyond economic success, you know that, as ever, we are aiming to be exemplary in ethical, environmental, social, and societal terms. L'Oréal will continue to be at the forefront of all these issues.

On the environmental front, **our L'Oréal for the Future programme, launched two years ago in the midst of the pandemic, is radically transforming your Company.** All our teams are involved. All resources mobilized. Because continuing to accelerate in this area is absolutely vital.

On the inclusivity front, **the L'Oréal Foundation is redoubling its efforts to support and promote ever more women.** Because they have been disproportionately affected by the climate and health crises, which have accentuated inequality, precarity, and discrimination.

Dual financial and non-financial excellence is the backbone of our strategy. It is the one that drives us forward with both performance and purpose. Your company has countless assets to continue its path to success.

Our number one asset is our 85,000 beauty experts who give life to the L'Oréal you and I love so dearly. They are the ones who create sustainable and shared value. I would like to warmly thank and congratulate each and every one of them.

I would add that another of our great strengths is the quality and stability of our shareholder structure.

Dear shareholders, you are a key pillar of L'Oréal's success. Your trust and support give us the desire to outdo ourselves.

An ever-closer relationship with you, our shareholders, and always more stability. In 2021, L'Oréal's shareholder stability was reinforced around the unfailing support of the Bettencourt Meyers founding family, which has always backed our development, and Nestlé.

The agreement for L'Oréal to repurchase 4% of its capital held by Nestlé is a strategic milestone for your Company. It is in the interests of L'Oréal and of all of you.

This shareholder stability is a fundamental asset which allows us to develop a long-term vision.

I have immense confidence in the future of your Company. A remarkable new era in the L'Oréal Adventure is beginning, with your support and ever-improving governance.”

“
2021 was an
exceptional year for
the L'Oréal group:
historic, balanced
and responsible.”

NICOLAS HIERONIMUS,
Chief Executive Officer of L'Oréal



“Ladies and Gentlemen,
Dear Shareholders,

This first year was particularly full and intense, both because of a slew of unforeseeable externalities and because **your company stayed true to its history, culture and values, and continued to adapt to deliver another year of financial and extra-financial success.**

On behalf of the Group's Executive Committee, I would like to begin by expressing **my support for our Ukrainian employees, many of whom have had to flee the country because of the Russian invasion.** We continue to monitor the situation, and the safety of our employees remains our top priority.

2021 saw a major rebound in the beauty market, which climbed 8%, following an 8% decrease in 2020. The beauty market very nearly returned to its 2019 level—proof that the appetite for beauty is huge, universal and insatiable, and that beauty is essential for all people.

2021 was an exceptional year for the L'Oréal group. Let me sum it up in three words: **historic, balanced and responsible.**

Historic because, despite a challenging context, we achieved **our strongest growth in 33 years.**

Balanced because **we grew in all Zones, Divisions and categories.**

And Responsible because our healthy financial performance enabled us to **share our success with our employees and invest in our social and environmental commitments.**

That's why I can talk about shared and responsible performance, in line with L'Oréal's values.

In terms of sustainable development, L'Oréal continued to roll out its L'Oréal for the Future roadmap. Though there is still much to do, our efforts have already been acknowledged by several awards.

For the sixth consecutive year, L'Oréal earned the top AAA rating from CDP. We are the only company out of over 13,000 to achieve this.

L'Oréal has also been recognised for its achievements in ethics, gender equality and governance.

For 2022 and beyond, I am confident and ambitious despite today's uncertainties. Our worldwide market share is only 14%, which means we have plenty of room to grow market share in many regions, building on our portfolio of unique brands and our digital edge. But it is our **two major transformations in Beauty Tech and Sustainability** that truly guarantee L'Oréal's long-term success.

The Executive Committee and I are determined to turn your Group into **a company of the future, a company that invents the future of beauty—a global leader with strong values** that is committed to sustainable development and operates within planetary boundaries. But we also fully intend to ensure beauty plays its role for humanity: one of inclusion, harmony, respect, and encouragement for diversity and differences.

To that end, our primary asset will be—as it has always been since the beginning of the L'Oréal Adventure—**the strength and passion of the L'Oréal teams. With them, with your support and that of the Board, we will Create the Beauty that Moves the World.”**



“Green Sciences⁽¹⁾ have opened up a new and exceptional field of innovation. We have placed this revolution of the natural world augmented by technology at the heart of our research activities.”

Barbara Lavernos, Deputy CEO, Research, Innovation & Technology explained the extraordinary Green Sciences revolution taking place within L'Oréal's Research & Innovation.

(1) Wide range of disciplines, from agronomy to biotechnologies and green chemistry by way of formulation science, upon which L'Oréal relies to meet its sustainable development goals all while creating safe, high performance products.

ALL RESOLUTIONS VOTED UPON WERE ACCEPTED BY LARGE MAJORITIES

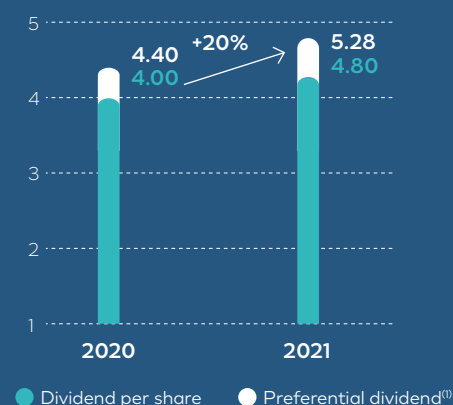
ORDINARY PART

- Approval of the 2021 parent company financial statements: **99.90%**
- Approval of the 2021 consolidated financial statements: **99.86%**
- Allocation of the Company's net profit for 2021 and setting of the dividend: **99.90%**
- Renewal of the term of office of Mr Jean-Paul Agon as Director: **96.18%**
- Renewal of the term of office of Mr Patrice Caine as Director: **99.11%**
- Renewal of the term of office of Ms Belén Garijo as Director: **90.84%**
- Renewal of the appointment of Deloitte & Associés as Statutory Auditor: **97.94%**
- Appointment of Ernst & Young as Statutory Auditor: **99.91%**
- Approval of the information on the remuneration of each of the corporate officers required by Article L. 22-10-9, I of the French Commercial Code: **97.34%**
- Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman and Chief Executive Officer (from 1 January 2021 to 30 April 2021): **85.25%**
- Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Jean-Paul Agon, in his capacity as Chairman of the Board of Directors (from 1 May 2021 to 31 December 2021): **95.98%**
- Approval of the fixed and variable components of the total remuneration and benefits of any kind paid during financial year 2021 or allocated for that year to Mr Nicolas Hieronimus, in his capacity as Chief Executive Officer (from 1 May 2021 to 31 December 2021): **96.73%**
- Approval of the remuneration policy for Directors: **99.73%**
- Approval of the remuneration policy for the Chairman of the Board of Directors: **95.80%**
- Approval of the remuneration policy for the Chief Executive Officer: **93.04%**
- Approval of the repurchase agreement for L'Oréal's acquisition from Nestlé of 22,260,000 L'Oréal shares, representing 4% of the capital, as part of the procedure for related-party agreements: **99.86%**
- Authorisation for the Company to buy back its own shares: **99.26%**

EXTRAORDINARY PART

- Authorisation given 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: **99.81%**
- 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 right to employees and executive officers: **98.55%**
- Delegation of authority to the Board of Directors for the purpose of carrying out a capital increase reserved for employees with cancellation of the shareholders' preferential subscription rights: **99.17%**
- 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 foreign subsidiaries, with cancellation of preferential subscription rights, within the framework of an employee share ownership plan: **99.18%**
- Amendment of Article 9 of the Company's Articles of Association in order to change the age limit for holding the office of Chairman of the Board of Directors: **99.73%**
- Amendment of Article 11 of the Company's Articles of Association in order to specify the age limit for holding the position of Chief Executive Officer: **99.21%**
- Amendment of Articles 2 and 7 of the Company's Articles of Association in the context of legislative or regulatory changes (Order no. 2000-1223 of 14 December 2000 and Law no. 2019-486 of 22 May 2019): **99.99%**
- Amendment of Article 8 of the Company's Articles of Association in order to remove the requirement for Directors to own five shares in the Company: **99.32%**
- Powers for formalities: **99.99%**

DIVIDEND PER SHARE (IN EUROS)



APPOINTMENT OF TWO NEW DIRECTORS



Thierry Hamel has been appointed as a director representing employees by the CFE-CGC union. He is a Sales Regional Manager for the Professional Products Division in France.



Benny de Vlieger has been appointed as a director representing employees by the *Instance Européenne de Dialogue Social/European Works Council*. He is a Sales Representative for the Consumer Products Division in Belgium.

(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.

QUESTIONS AND ANSWERS

This year again brought fruitful discussion between L'Oréal and its shareholders, who were able to ask their questions before and during the Meeting.

Is it possible to reconcile profitable growth with social and environmental responsibility, diversity and sense of purpose?

Nicolas Hieronimus: Profitable growth, social and environmental responsibility, diversity and sense of purpose are inseparable and together create real synergy. We live in a world in which consumers will choose products not only based on their quality and superiority – which we are constantly improving through our Research – but also according to the company's values and commitments to the world and society as a whole. As the global beauty leader, L'Oréal has the responsibility and the resources – since our financial success allows us to invest in a programme like L'Oréal for the Future⁽¹⁾ – to meet all of these goals. They give L'Oréal another competitive advantage over competitors who simply settle for making good products without seeking to improve their impact on the planet and its people. All L'Oréal teams are committed and determined to rise to all of these challenges at the same time.

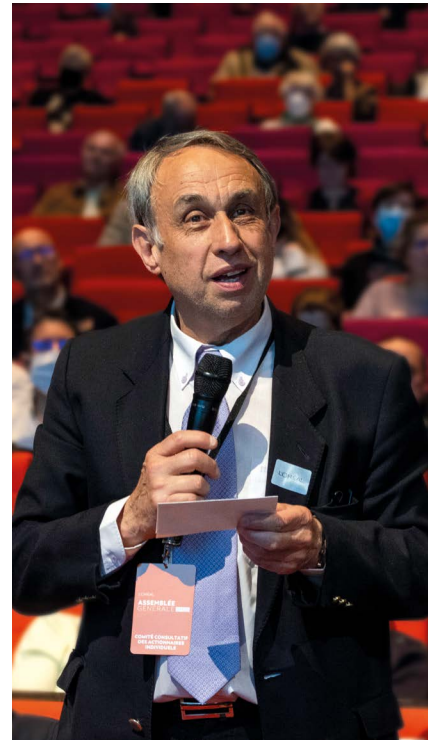
One of the biggest operational risks stems from the loss of talent. How are you hiring and implementing your HR policy to make sure you retain talent?

Nicolas Hieronimus: I'd like to reassure all our shareholders that we have no problems recruiting. We received over a million applications worldwide in 2021. There are a number of reasons for this: the company's momentum – people like being on a winning team –, its reputation – Universum ranked L'Oréal number five worldwide in a survey of business school students –, its sense of purpose on which we have

communicated, is also likely to attract younger people who are looking for meaningful work as much as career opportunities. We hired 13,000 new employees in 2021, in addition to internships, and implemented the L'Oréal for Youth programme to foster youth employment. That is a lot of applications to deal with, which is why we also draw on the latest technology. Nearly half of applications come from social networks like LinkedIn. Our Human Relations teams also use artificial intelligence to help them select candidates, using chatbots to initiate dialogue before switching to direct contact with HR representatives. Our teams then talk to the applicants and strive to recruit the best among them. Three key factors foster loyalty: the quality of assignments and the work environment – which we regularly assess and constantly strive to improve –, compensation – which includes long-term incentives, such as the performance-based initiatives involving over 3,600 employees –, and training. As the world changes at an incredible pace, we need to continuously enhance skills and train employees in new

“Our Sense of Purpose is also likely to attract younger people who are looking for meaningful work as much as career opportunities.”

techniques and new professions. All of our employees received training either online or in person in 2021. We have a



well-rounded approach, because we know the key to success lies in hiring and holding onto top talent.

You significantly increased your shareholder base between 2020 and 2021. What did that increase represent in terms of registered shareholders? Are they receptive to the loyalty bonus?

Jean-Paul Agon: The number of individual shareholders is constantly growing. We currently have 208,000 individual shareholders, 54,000 of whom are registered shareholders. In 2021, we had 10,000 new shareholders, including 6,000 bearer shareholders and 4,000 registered shareholders. I can confidently confirm they are most definitely receptive to the 10% loyalty bonus. We are happy with these developments and will continue to encourage this trend, since individual shareholders are key to the company, to dialogue and to the benefits their input can bring. We will continue to build on this momentum going forward.

(1) L'Oréal's sustainable development programme for 2030.



“
L'Oréal pursued its premiumisation and innovation strategy and continued to outpace the beauty market across all Zones and Divisions.”

NICOLAS HIERONIMUS
Chief Executive Officer of L'Oréal

Dear shareholders,
Your Group published its first quarter sales on Tuesday, 19 April. Against the backdrop of the invasion of Ukraine and strengthened sanitary measures in China, L'Oréal had a strong first quarter, with strong growth in sales, at +13.5% like-for-like and +19.0% reported.

In the first three months of the year, the growth trend continued in the global beauty market, with consumer purchasing behaviour unaffected by inflation. L'Oréal pursued its premiumisation and innovation strategy and continued to outpace the beauty market across all Zones and Divisions, recording strong growth by volume and value. L'Oréal Luxe, Professional Products and Active Cosmetics all achieved double-digit growth, and our Consumer Products Division again outperformed the market despite supply-chain challenges. We made the most of our omnichannel strategy, with a clear revival in offline sales while e-commerce continued to grow, representing 25.8% of sales.

Our growth was balanced across all geographic Zones, with continued outstanding momentum in North America, double-digit growth in mainland China, and an acceleration in emerging markets as well as in Europe, where growth was muted by a number of lockdowns in early 2021.

In these challenging times following the invasion of Ukraine, I would like to express our support for all our Ukrainian employees, whose protection remains our absolute priority.

Thanks to the unrelenting efforts of our teams across the world, we will pursue our strategy of harnessing cutting-edge innovation and investment to drive the growth of our brands and enhance their desirability going forward.

While mindful of volatility and uncertainty, we remain optimistic about the outlook for the beauty market and confident in our ability to outperform the market in 2022 and achieve another year of growth in sales and profits.

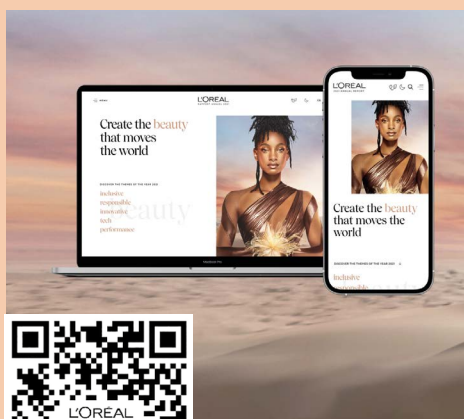
FIRST QUARTER 2022 SALES



More information on loreal-finance.com

(1) Sales achieved on our brands' own websites and with e-commerce pure players + estimated sales achieved by our brands corresponding to sales through our retailers' websites (non-audited data). (2) Like-for-like: based on a comparable structure and identical exchange rates.

CONSULT OUR PUBLICATIONS



THE ANNUAL REPORT

Inclusive beauty, responsible beauty, innovative beauty, Beauty Tech and beauty performance: the new eco-designed Annual Report looks back at 2021 with a focus on five key themes along with a raft of initiatives that embody our purpose “Create the beauty that moves the world” on a daily basis.

lorealannualreport2021.com

THE UNIVERSAL REGISTRATION DOCUMENT (URD)

The 2021 edition, 100% accessible, includes the Integrated Report, the Annual Financial Report and the Social and Environmental Responsibility Report. The URD aims to present the Group's balanced business model, its strategic orientations, its 2021 results, its non-financial performance and its relations with stakeholders.

loreal-finance.com



L'ORÉAL EXECUTIVE COMMITTEE NOMINATION



David Greenberg was appointed CEO of L'Oréal USA, President of North America Zone, and member of L'Oréal Executive Committee on February 25.

Formerly President of L'Oréal Professional Products Division in North America, David Greenberg has spent more than 28 years at L'Oréal in leadership roles across markets, Divisions, brands and functions.

David most recently spearheaded the acceleration and business model transformation of the Professional Products Division in North America.

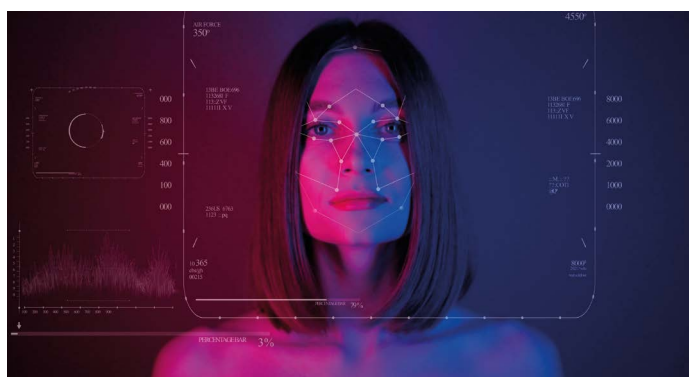
L'ORÉAL ANNOUNCES THE LAUNCH OF A NEW CIRCULAR INNOVATION FUND

As an anchor investor, L'Oréal is contributing €50M as part of its L'Oréal for the Future sustainability programme to this new €150M fund.

The fund will support start-ups and companies across North America, Europe and Asia, which are developing circular use of resources across various sectors, including new materials from the bioeconomy, circular solutions for packaging, recycling & waste, logistics, eco-efficient processes.

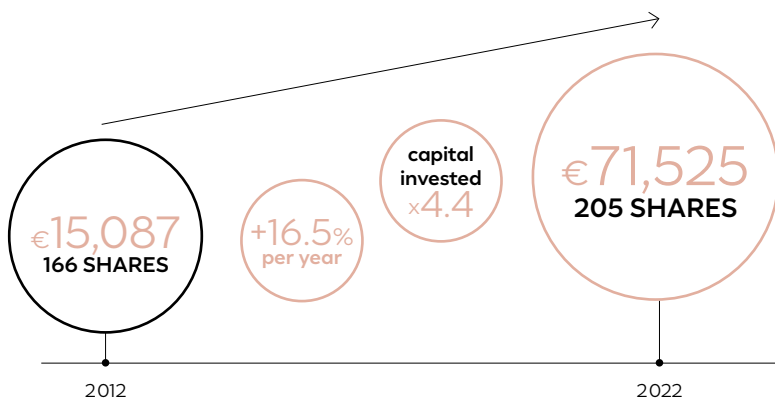
A FIRST-OF-ITS-KIND STRATEGIC PARTNERSHIP TO ADVANCE PRECISION SKIN HEALTH

L'Oréal and Verily, a subsidiary of Alphabet precision health company, announced in January a strategic partnership, exclusive in beauty, to advance skin health. This first-of-its-kind partnership in the beauty industry is expected to entail two programmes aimed to better understand and characterise skin and hair aging mechanisms and to inform L'Oréal's precision beauty tech strategy and product development.



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 29 April 2022.



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 29 April 2022

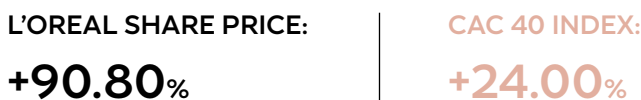


OVER 5 YEARS, THE L'ORÉAL SHARE HAS OUTPERFORMED THE CAC 40 INDEX

L'Oréal vs CAC 40 from 28 April 2017 to 29 April 2022⁽²⁾



Change from 28 April 2017 to 29 April 2022



(1) Total Shareholder Return of the investment, assuming that the shares are sold at the closing price on 29 April 2022. (2) CAC40 index rebased on the L'Oréal share price since 28/04/2017 // Source : Refinitiv, share price on 29/04/2022.

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A TEAM THAT IS ATTENTIVE TO SHAREHOLDERS' VIEWS

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AGENDA

28 July 2022: 2022 Half-Year Results

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

INDIVIDUAL SHAREHOLDER CONSULTATION COMMITTEE

Each year, one-third of the members of the Individual Shareholder Consultation Committee is renewed.

If you would like to join the committee, please apply on our website: loreal-finance.com/eng/consultation-committee

THE CONNECTED SHAREHOLDER

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



To receive the Letter to Shareholders by e-mail, fill in your e-mail address at: loreal-finance.com/eng/keep-informed

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