

2023 ANNUAL REPORT - THE ESSENTIALS

L'ORÉAL



No.1 IN BEAUTY WORLDWIDE

ANOTHER YEAR OF
**PROFITABLE AND
SUSTAINABLE GROWTH**

DISCOVER OUR
**KEY FIGURES
AND HIGHLIGHTS**

EXPLORE HOW WE
**SHAPE THE FUTURE
OF BEAUTY EVERY DAY**



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(1) Source: *Beauty's Top 100*, WWD, April 2023, based on 2022 sales.

OUR PURPOSE

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 purpose to:

Create the beauty that moves the world



“L’Oréal has continued to demonstrate the excellence of its model and its teams”

Jean-Paul Agon, Chairman of the Board of Directors

In a world where instability has become the norm, the beauty market remains dynamic and resilient. L’Oréal has once more significantly strengthened its position as world leader. The Group has continued to demonstrate the excellence of its business model and its teams, whom I would like to thank from the bottom of my heart.

L’Oréal’s fundamentals are our strength and our difference: our obsession with research, innovation and quality; a dual commitment to business and society; a people-centered culture; listening to consumers; creating value that benefits all.

Another inherent asset is the tremendous quality of the executive team, whom I congratulate. Nicolas Hieronimus is a great captain, always improving the navigation of the L’Oréal ship and its focus on new horizons. I would like to pay tribute to his remarkable leadership in enabling the Executive Committee and all L’Oréal teams to harness tailwinds together.

The solidity of our governance and shareholder base is also key, wholly focused on L’Oréal’s long-term interests. The perfectly complementary roles of Chairman and CEO are a guarantee of the company’s success and longevity. More than ever, the ability to rely on the diverse perspectives and expertise of our Board members is crucial. Their insights help us to decipher the complexity of the world and shape L’Oréal’s future.

This year, the Board of Directors paid particular attention to growth risks and opportunities in Asia and emerging markets, along with the progress of our sustainable and inclusive transformation programme, L’Oréal for the Future. It also considered the requirements of new European sustainability reporting standards.

Our commitments and values are equally essential drivers. Our employees, each in their own field, have further accelerated the implementation of positive-impact projects to rise to the challenges the world faces.

Above all, I want to highlight the extraordinary commitment of our teams. Once again this year they have surpassed themselves. Their entrepreneurial spirit, creativity and sense of ethics and responsibility will always be the lifeblood of our company.

For nearly 115 years, L’Oréal has actively built on stable pillars and an ability to adapt with phenomenal speed to an ever-shifting world.

As a result, I have every confidence in the future of our company.

L’Oréal gives hundreds of millions of people the freedom to be who they want to be and the power to feel good.

This is what drives us to pursue this exciting and inspiring adventure in beauty.



“2023 was another record-breaking year for L’Oréal”

Nicolas Hieronimus, Chief Executive Officer

I would like to thank our teams around the world for their creativity, entrepreneurship and passion. Thanks to their efforts, we achieved a +11% increase in sales in 2023, our strongest like-for-like growth in 20 years (excluding the post-Covid rebound in 2021), despite geopolitical tensions, inflationary pressures and a stagnating Chinese market. We once again outperformed the extremely dynamic global beauty market (+8%) to reach more than €40 billion in annual sales for the first time, with a record operating margin of 19.8%. This remarkable performance is a clear vindication of the power of our multipolar model and operational agility. Our strategy to rebalance our regional footprint has been another key to our success: it has allowed us to seize growth opportunities wherever they arise while strengthening our global leadership position. I am particularly pleased with the strong acceleration in emerging markets, which contributed 30% of our growth, together with the resilience of our historic markets in Europe and North America.

Staying true to our dual ambition of combining financial performance with social and environmental performance, we continued to invest in targeted initiatives to deliver our L’Oréal for the Future commitments. Our efforts have again earned recognition from external experts: we are the only company in the world to have been awarded a triple-A rating by CDP for eight years in a row.

In 2024, the global market promises to be driven by the “dopamine effect”⁽¹⁾ of beauty, which attracts consumers looking for wellbeing and pleasure to beauty products. The infinite opportunities of this effect provide the perfect backdrop as L’Oréal celebrates 115 years in beauty. Our company will continue to outperform the competition, drawing on our proven strengths: our scientific excellence paired with boundless creativity, our digital leadership, and our unrivalled portfolio of brands, the most powerful in the beauty industry, able to serve consumers in all their diversity.

I look to the year ahead with the utmost confidence, determined to pursue our transformation and invent the future of beauty – a beauty that is increasingly personalised, inclusive, sustainable and augmented by technology. Thanks to our advances in artificial intelligence and the talent of our teams, we will continue to push the boundaries of creativity.



Watch the full interview with the CEO by scanning this QR code or on lorealannualreport2023.com

⁽¹⁾ Dopamine is commonly known as the “hormone of happiness”.

Board of Directors

The directors draw on a diverse, complementary range of industrial, entrepreneurial, financial and ESG expertise to ensure swift and in-depth insight into the development challenges facing L'Oréal – the leader in a globalised, highly competitive cosmetics market undergoing significant change, where sustainable innovation and the ability to adapt are crucial.

The Board of Directors devotes most of its time to strategic issues, to foster and accelerate L'Oréal's transition into an ever more digital and more sustainable organisation. Committed and proactive, driven by the conviction that stringent governance creates value for the company, the directors play a tireless, dynamic role in the work

of the Board and its committees, which issue detailed, insightful and reasoned recommendations. The Board is steadfastly focused on ensuring the long-term future and development of L'Oréal, taking into account its purpose as well as the social and environmental implications of its business.

Composition at 31 December, 2023



Jean-Paul Agon
Chairman of the Board of Directors
(reappointed in 2022)



Nicolas Hieronimus
Chief Executive Officer
(since 2021)



Françoise Bettencourt Meyers
Vice-Chairwoman of the Board of Directors
(reappointed in 2021)



Paul Bulcke
Vice-Chairman of the Board of Directors
(reappointed in 2021)



Sophie Bellon
(reappointed in 2023)



Patrice Caine
(reappointed in 2022)



Fabienne Dulac
(reappointed in 2023)



Belén Garijo
(reappointed in 2022)



Béatrice Guillaume-Grabisch
(reappointed in 2020)



Thierry Hamel
(since 2022)



Ilham Kadri
(since 2020)



Jean-Victor Meyers
(reappointed in 2020)



Nicolas Meyers
(since 2020)



Virginie Morgon
(reappointed in 2021)



Alexandre Ricard
(since 2021)



Benny de Vlieger
(since 2022)

Executive Committee

Executive Committee members are in charge of L'Oréal's Divisions, Functional Departments and Geographic Zones. They implement strategic guidelines and direct Group activities worldwide.



Nicolas Hieronimus
Chief Executive Officer



Barbara Lavernos
Deputy Chief Executive Officer,
in charge of Research, Innovation
and Technology



Christophe Babule
Chief Financial Officer



Ezgi Barcenas
Chief Corporate Responsibility
Officer⁽¹⁾



Vincent Boinay
President
North Asia Zone & Chief Executive
Officer L'Oréal China



Cyril Chapuy
President
Luxe



Myriam Cohen-Welgryn
President
Dermatological Beauty



Vianney Derville
President
Europe Zone



Asmita Dubey
Chief Digital and Marketing Officer



Emmanuel Goulin
President
Travel Retail



David Greenberg
President
North America & Chief Executive
Officer L'Oréal USA



Omar Hajeri
President
Professional Products



Blanca Juti
Chief Corporate Affairs
and Engagement Officer



Jean-Claude Le Grand
Chief Human Relations Officer



Fabrice Megarbane
Chief Global Growth Officer⁽²⁾



Alexis Perakis-Valat
President
Consumer Products



Ersi Pirishi
President
Latin America Zone



Vismay Sharma
President
South Asia Pacific, Middle East
and North Africa Zones



Antoine Vanlaey
Chief Operations Officer

(1) Mrs Ezgi Barcenas joined the Group on 1 March 2024, succeeding to Mrs Alexandra Palt, as announced on 7 February 2024.
(2) On 1 February 2024, Mr Fabrice Megarbane succeeded Frédéric Rozé as Chief Global Growth Officer, Mr Rozé having announced his intention to retire at the end of the first quarter 2024.

Strategy and Ethical principles

L'Oréal is the world's leading name in beauty, its sole vocation and the exclusive focus of its expertise and passion for 115 years.

From “beauty for all” to “**beauty for each**”



L'Oréal covers more than **150 countries** across all product categories, all distribution channels and all price points, to meet each person's specific beauty aspirations. The Group listens carefully to consumers and has deep respect for their differences. It also capitalises on its portfolio of culturally diverse brands and its offering of personalised products and services powered by artificial intelligence, data and Beauty Tech.

Ethics is at the heart of L'Oréal's commitments

L'Oréal's ethical principles of Integrity, Respect, Courage and Transparency underpin the Group's reputation and act as a daily guide for all our employees. This ensures that everyone, in all business domains, follows the same ethical standards wherever they operate.

Working together ethically

As a business

Valuing integrity and transparency with all our stakeholders.

As an employer

Providing a safe and healthy working environment for all our employees. Fostering a culture of openness, courage, collaboration and respect.

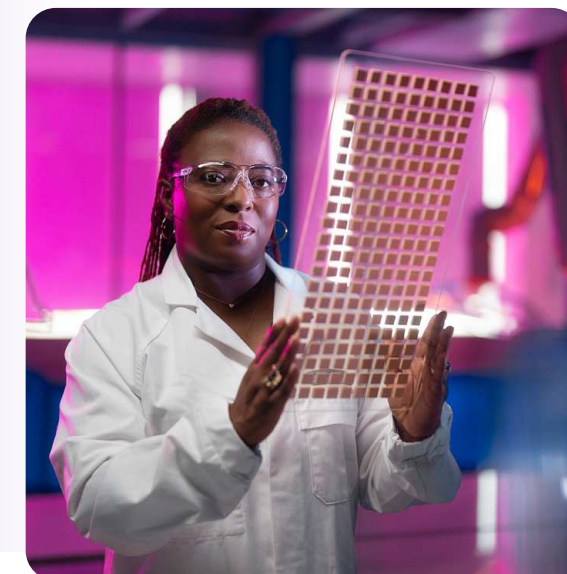
As a responsible corporate citizen

Reducing our impact across the value chain and working with business partners that share our ethical commitments.



Focused on innovation

Innovation sits at the centre of L'Oréal's business model which combines science, technology and creativity to stay a step ahead and create ever more effective, inclusive and sustainable beauty. Research & Innovation discoveries, the unique creativity and expertise in marketing teams, along with expertise in data, artificial intelligence, robotics and nanotechnologies, strengthen and speed innovation, helping to make the Group a champion in Beauty Tech, boosted by its strategic partnerships.

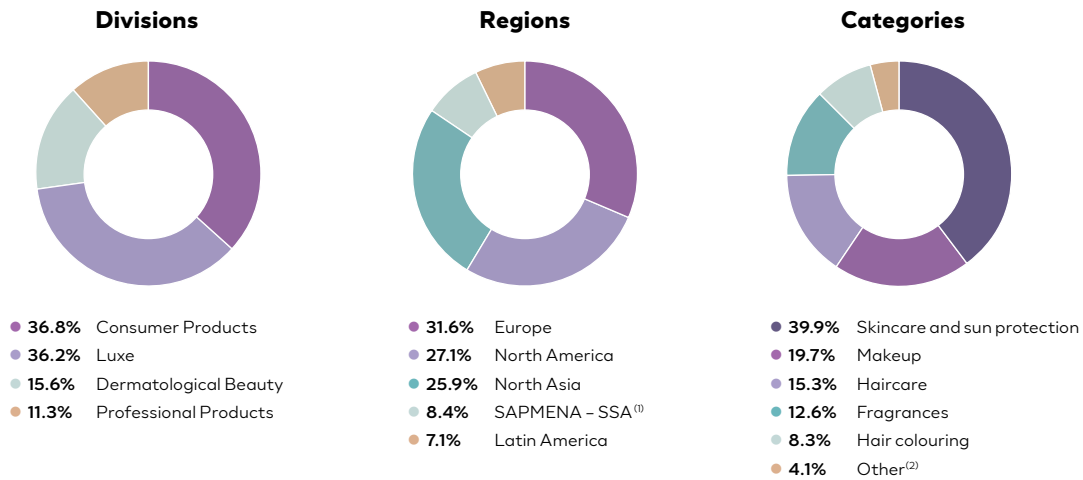




Financial performance

L'Oréal's unique multipolar model enables it to build dynamic, profitable and sustainable growth.

Breakdown of 2023 sales (as%)



(1) South Asia Pacific, Middle East, North Africa, Sub-Saharan Africa.
 (2) "Other" includes hygiene products as well as sales by American professional distributors with non-Group brands.

E-commerce⁽³⁾

€11.2 Bn
sales in e-commerce

+9.5%
growth in e-commerce sales

27%
of consolidated sales

(3) Sales on our brands' own websites and with e-commerce pure players + estimated sales by our brands via retailer websites (non-audited data); like-for-like.

Strong increase in profitable growth in 2023

<p>Sales</p> <p>€41.18 Bn</p> <p>+11% like-for-like growth⁽⁴⁾</p>	<p>Operating profit</p> <p>€8.14 Bn</p> <p>+9.2% growth</p>
<p>Capital expenditure</p> <p>3.6% of sales</p>	<p>Operating margin</p> <p>19.8% of sales</p>
<p>Net debt⁽⁵⁾</p> <p>€4,404 m</p>	<p>Earnings per share⁽⁶⁾</p> <p>€12.08 an increase of +7.3%</p>

Market capitalisation
€241 Bn
 at 31 December 2023⁽⁷⁾

(4) Like-for-like: based on comparable structures and identical exchange rates.
 (5) Includes financial lease debt.
 (6) Diluted earnings per share, based on net profit, excluding non-recurring items, after non-controlling interests.
 (7) Based on the number of shares at 31 December 2023, i.e. 534725475.

A dynamic shareholder return policy

Continued dividend growth: +10%⁽⁸⁾
(in euros)

2023		6.60 ⁽⁹⁾ 7.26	Loyalty bonus of +10% for registered shares ⁽¹⁰⁾
2022		6.00 6.60	
2021		4.80 5.28	

10 year return
(in euros)

Capital invested

x4

€15,068
118 shares

+15.3%
per year

€64,443
143 shares

Capital invested in 2013 Value at 31/12/2023

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.

Total annual return⁽¹¹⁾

+19.0% over 5 years	+15.3% over 10 years	+12.1% over 20 years
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(8) Based on the €6.60 dividend proposed at the AGM on 23 April 2024.
 (9) Proposed at the AGM on 23 April 2024.
 (10) 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.
 (11) Based on the share price at 31 December 2023.



Social & Environmental Performance

2023 was the third year of implementation for L'Oréal for the Future, the Group's sustainability programme for 2030.

L'ORÉAL FOR THE FUTURE

For many years now, L'Oréal has been working to reduce its impact on the environment and make a positive contribution to society. Building on its belief that financial performance goes hand in hand with environmental, societal and social performance, the Group renewed its commitment in 2020 by launching **L'Oréal for the Future**.

The programme outlines the sustainable transformation L'Oréal aims to complete by 2030 and embodies the three facets of the Group's corporate responsibility goals:

- Reducing our impact on the climate, water, biodiversity and resources.
- Empowering our ecosystem to be a part of the transformation by encouraging our partners, our consumers and our industry to become agents for change.
- Contributing to solving the environmental and social challenges facing the world.



Transforming our business

By 2025, we will reach **100% renewable energy for our operated sites**.⁽¹⁾

By 2030, all our factories will use **100% recycled and reused water** in their industrial processes.

By 2030, **100% of the biobased ingredients for formulas will be traceable and will come from sustainable sources**; with none linked to deforestation.

By 2030, **95% of our ingredients in formulas will be biobased, derived from abundant minerals or from circular processes**.

By 2030, **100% of the plastic used in our packaging will be either from recycled or biobased sources** (we will reach 50% by 2025).



Empowering our business ecosystem

By 2030, **three million people will benefit from our brands' social engagement programmes**. Following the achievement of this objective in 2023, a new objective has been set for 2024: two million people will benefit each year.⁽³⁾



Contributing to solving the challenges of the world

By 2026, we will have allocated **€80 million** to support the most vulnerable women via the L'Oréal Fund for Women.⁽⁵⁾

Distinctions



Top AAA score for eight years in a row



S&P Global Ratings ESG evaluation of 85/100



83/100 Platinum medal



Recognised for the 14th year by Ethisphere



Bloomberg Gender-Equality Index for the 6th consecutive year



Top 10 in Universum worldwide ranking (business schools)

2023 result

Goals

91% 100%

14%⁽²⁾ 100%

93% 100%

65% 95%

32% 100%

> 4 M⁽⁴⁾ Goal achieved

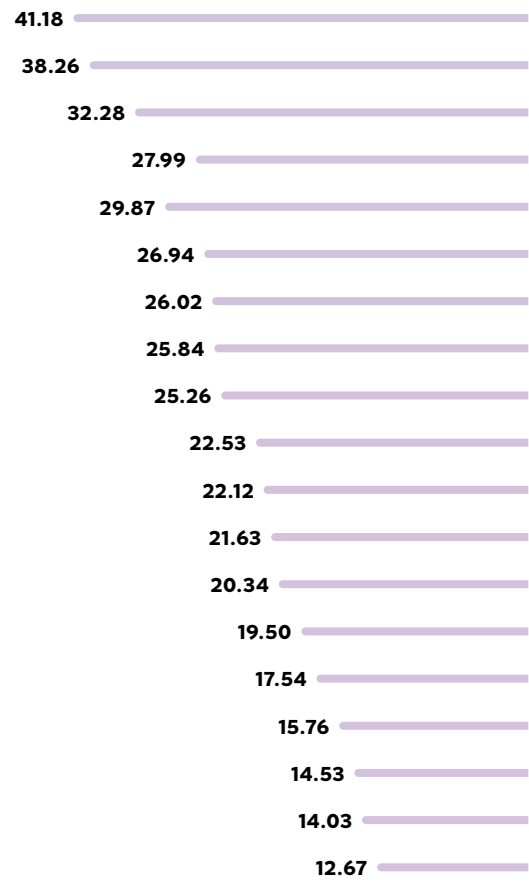
€55 M €80M

(1) On the Group's operated sites, excluding safety and security installations, as defined in paragraph 4.5.1.3 of the Universal Registration Document.
 (2) % of our factories that are Waterloop factories.
 (3) Methodology for calculating this commitment specified in chapter 4 of the Universal Registration Document.
 (4) Over 7 million since 2020.
 (5) All of the initial allocation of €50million was paid in 2023. In 2023 the Fund was extended for an additional three years with an endowment of €30million.

Acquisitions

L'Oréal has been building a unique portfolio of brands to satisfy all beauty aspirations in their infinite diversity for over a century through targeted acquisitions.

Consolidated Group revenues in € billions



History of acquisitions



(1) The Body Shop was sold in 2017.
 (2) Sales were restated to reflect the disposal of 50% of Galderma on 11 February 2014 and the consolidation of Inneov under the equity method as of 1 January 2014.
 (3) Licence renewal.
 (4) Acquisition of the thermal centre La Société des Thermes de La Roche-Posay.
 (5) Licence agreement.
 (6) Licence agreement.

37 global brands

L'Oréal brands are organised in Divisions, each of which has a specific vision of beauty, by consumer universe and distribution channel.

CONSUMER PRODUCTS



LUXE



DERMATOLOGICAL BEAUTY



PROFESSIONAL PRODUCTS





Consumer Products

L'Oréal Paris - Garnier - Maybelline New York
 NYX Professional Makeup - 3CE by Stylenanda - Essie
 Mixa - Niely - Vogue - Dark and Lovely - Thayers
 Carol's Daughter - La Provençale

Democratising and premiumising beauty

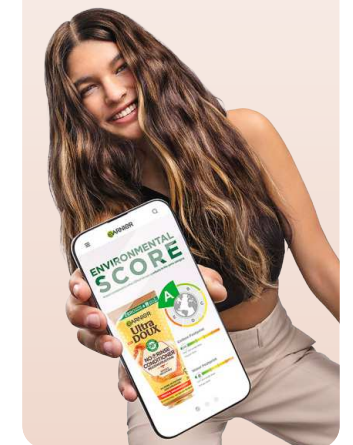
Consumers are increasingly knowledgeable and demanding thanks to beauty information from social media. L'Oréal is seizing on this momentum through new and high-value products such as the Garnier Good hair colour range, whose ingredients are of 90% natural origin, and the Elvive Bond Repair haircare range from L'Oréal Paris which features a revolutionary technology based on eight years of research.



+12.6%
 growth
 in Division sales,
 like-for-like⁽¹⁾

Towards more sustainable habits

Sustainability lies at the heart of the Division's strategy which has continued its transformation on several fronts, such as accelerating the use of recycled plastic and engaging its brands in raising consumer awareness. Garnier became one of the first beauty brands to promote more sustainable everyday habits in its commercials worldwide.



➔ Discover all the highlights of the Consumer Products Division on lorealannualreport2023.com

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

Expanding beauty frontiers



With young, connected consumers who are big beauty fans, emerging markets are experiencing rapid growth, which is a tremendous opportunity for the Division. Garnier has been a pioneer in the Indian market thanks to a successful strategy building on high-quality, affordable formats and awareness-raising campaigns. Its Vitamin C serum has become a star product in all emerging markets.

Self-service beauty: powered by tech



Beauty Tech facilitates additional services and personalisation. Maybelline New York partnered with Microsoft Teams to democratise access to beauty and improve self-confidence: 300 million Teams users worldwide can now virtually try on 12 makeup looks with a single click and then recreate them in real life.



Luxe

Lancôme - Yves Saint Laurent - Giorgio Armani - Kiehl's
 Helena Rubinstein - Aēsop - Biotherm - Valentino - Prada
 Shu Uemura - IT Cosmetics - Mugler - Ralph Lauren - Urban Decay
 Azzaro - Maison Margiela - Viktor&Rolf - Takami - Cacharel
 Diesel - YueSai - Youth to the People - Atelier Cologne - Carita



No.1 in luxury beauty worldwide⁽¹⁾

In 2023, the Division became the global leader in luxury beauty thanks to its balanced geographic footprint, portfolio of prestigious and complementary brands, and expertise in cultivating their

aspirational power to take them to the top. A perfect example is Helena Rubinstein, which exceeded a billion euros in sales this year.

+4.5%
 growth
 in Division sales,
 like-for-like⁽²⁾

Unparalleled expertise in fragrance

L'Oréal is the undisputed leader in luxury fragrance. This category is a powerful driver of growth for the Division, which creates bestsellers like Libre by Yves Saint Laurent, now in the top 2 in Europe⁽³⁾ and the top 5 worldwide.⁽⁴⁾ For a more sustainable beauty, all new launches and iconic fragrances are now refillable.



French luxury

Lancôme partnered with the Louvre Museum for the launch of an unprecedented collection of skincare and makeup and La Maison de Beauté Carita has marked its reopening with ultra-premium products that are revolutionising wellbeing. The Division showcases French excellence, exporting across the world products that are for the most part manufactured in France.



Aēsop: modern holistic beauty

L'Oréal acquired Aēsop, an invitation to explore holistic, sensorial and sustainable luxury. Distributed principally through 400 high-end boutiques across the globe, the brand combines design, hedonism and lifestyle to offer exceptional beauty experiences with utmost attention on hospitality and service. L'Oréal

Luxe aims to develop this iconic brand to its full potential, particularly in China, in Travel Retail and e-commerce.



➔ Discover all the highlights of the Luxe Division on [lorealannualreport2023.com](https://www.lorealannualreport2023.com)

(1) Market financial publications and published sales figures L'Oréal Luxe.
 (2) Like-for-like: based on comparable structures and identical exchange rates.
 (3) Circana, Europe 5, 2023.
 (4) L'Oréal estimate.

Dermatological Beauty

La Roche-Posay - CeraVe - Vichy - SkinCeuticals
Skinbetter Science

At the crossroads of beauty and health



The Division pursued its remarkable growth and developed revolutionary products such as the anti-UV filter Mexoryl 400, the A.G.E. Interrupter Advanced corrective cream and the Liftactiv B3 Serum. La Roche-Posay, Vichy and CeraVe are now among the top four brands most prescribed by dermatologists.⁽²⁾

+28.4%

growth in Division sales, like-for-like⁽¹⁾



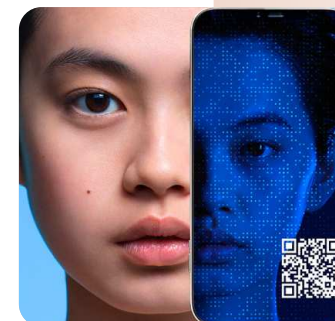
Contributing to public health challenges

The Division's brands, influential in prevention, are developing new strategies to raise awareness on key issues such as the importance of UV protection. La Roche-Posay launched an innovative new app in Brazil which uses before-and-after photos to highlight accelerated skin ageing due to excessive UV exposure.

Expanding the frontiers of scientific knowledge

During the World Congress of Dermatology, the Division confirmed its leadership position with 117 scientific posters accepted and four research studies featured in the "Breaking News" category. These included two epidemiological studies: one by La Roche-Posay⁽³⁾ on pigmentation issues and another from Vichy on the impact of hormonal variations on hair and skin.⁽⁴⁾

Making skin health accessible for all



L'Oréal is committed to improving knowledge, developing education and awareness-raising initiatives, and democratising access to technology-enabled solutions. Spotscan by La Roche-Posay uses artificial intelligence to provide a personalised diagnosis and routine for acne-prone skin.



Discover all the highlights of the Dermatological Beauty Division on lorealannualreport2023.com

(1) Like-for-like: based on comparable structures and identical exchange rates.
(2) International Dermatologists Barometer 34 markets.
(3) Study involving 48,000 people in 34 countries.
(4) Study involving 20,000 women in 20 countries.



Professional Products

L'Oréal Professionnel - Kérastase - Redken - Matrix - Biolage
Pureology - Pulp Riot - Shu Uemura Art of Hair - Mizani

Staying a step ahead



For consumers seeking increasingly sophisticated hair routines, the Division proposes many disruptive innovations, such as the Genesis anti hair-fall fortifying range by Kérastase or the Metal Detox haircare range with its patented technology. Leveraging its omnichannel approach, the Division is accelerating in growth markets. In 2023, it has trained over a million hairstylists in India, where the Division has 50,000+ partner salons.

+7.6%
growth
in Division sales,
like-for-like⁽¹⁾

Social and environmental commitments



The Division is supporting the sustainable transition of its partners. 5,000 Water Saver showerheads have been deployed in salons saving the equivalent of 80 Olympic-sized pools of water in 2023, thanks to a patented water micronisation technology. It also champions the mental health of hairstylists through "Head Up", in partnership with the NGO National Alliance on Mental Illness, with the aim of training 100,000 professionals by 2025.

Personalisation through Beauty Tech

Kérastase provides ultra-personalised services thanks to K-scan, an AI-enhanced camera that analyses scalp and hair and helps hairstylists select the right haircare routine for their clients. Available in 71 countries, iNOA [iD], an in-salon application for personalised colour diagnosis and virtual try-on, has been downloaded 450,000 times.



Le Visionnaire: L'Oréal's heritage and future

L'Oréal has completely renovated its iconic headquarters on Rue Royale in Paris, France. The site, where over 1.2 million hairstylists have been trained since it first opened in 1938, has been renamed Le Visionnaire – Espace François Dalle. It is home to a new International Hairdressing Academy, where we share our expertise and support hairstylists in the transformation of their profession.



Discover all the highlights of the Professional Products Division on lorealannualreport2023.com

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



Shaping the **future** of **beauty**

Thanks to its multipolar model, unique culture and ability to capitalise on the power of data and artificial intelligence, all while pursuing its environmental transformation, L'Oréal continues to strengthen its lead, create sustainable value and share it with stakeholders.

Culture & Human relations

The engagement of our 90,000+ employees, innovation and a determination to go above and beyond are key to our performance. People are at the heart of our model to create the beauty of tomorrow.



Protecting and taking care of employees

Social innovation has always been part of L'Oréal's DNA. Through our Share & Care programme, celebrating its 10th anniversary, we have raised the bar for employee welfare to the highest standards in over 60 countries, focusing on physical and mental health as well as new ways of working. Certain benefits, such as a guaranteed living wage, are being consolidated across all our subsidiaries worldwide.



To learn more, scan this QR code or visit lorealannualreport2023.com



Sustainable innovation in packaging

Five internal Packaging Labs invent the future of packaging. Our experts are designing packaging that reconciles performance, quality, desirability and sustainability. One example: the new shampoo and conditioner bottle for Elvive Extraordinary Oil range by L'Oréal Paris, which has been redesigned with a new pump system that avoids a metal spring to facilitate recycling.



A supply chain recognised for its performance

Gartner, a supply chain expert, ranked L'Oréal among the Top 10 out of 300 companies assessed. The Group's model – strategically centralised and operationally decentralised – was recognised for its responsiveness as well as L'Oréal's major advances in sustainable development and data management in a complex global logistics environment.

A responsive and responsible supply chain

Across the entire value chain, Operations teams partner with leading experts to create responsive and resilient solutions to sustain the Group's strong growth.



To learn more, scan this QR code or visit lorealannualreport2023.com

A global innovation ecosystem

The Group draws on a cutting-edge biotech innovation ecosystem to enhance the scientific expertise of its researchers at 20 research centres. In addition to investments in innovative biotech startups through the Group's venture capital fund BOLD,⁽¹⁾ the L'Oréal Green Sciences incubator, created in partnership with French biotech cluster Genopole, explores new approaches in sustainable agriculture and sourcing.



Inclusivity at the heart of Research & Innovation

"My Skin & Hair Journey" is the name of a multi-year study launched by L'Oréal and Verily involving thousands of American women. It represents a new milestone in the Group's research into longevity, the exposome and understanding of skin and hair health. Its insights will enable L'Oréal to innovate for highly personalised beauty routines.



To learn more, scan this QR code or visit lorealannualreport2023.com

Beauty born from science

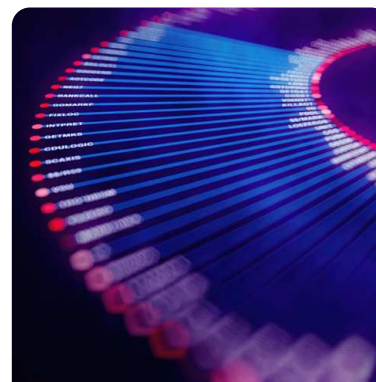
L'Oréal has the most extensive beauty research capabilities in the cosmetics industry. Its 4,000+ researchers explore new scientific territories by harnessing the power of technology and Green Sciences.



(1) Business Opportunities for L'Oréal Development.

Beauty Tech champion

Using advanced science, data and artificial intelligence, L'Oréal is championing new ways to connect more closely with consumers and create "beauty for each".

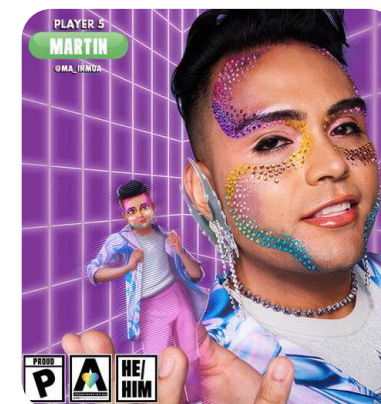


Data-driven science and tech expertise

L'Oréal has developed the world's most comprehensive database on skin biology, skincare and haircare, active ingredients, formulas, and consumer routines and expectations. It is the backbone of an integrated data platform enhanced by the latest AI technologies, which L'Oréal uses to create innovative products and services.



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Engaging and educating on all digital platforms

The consumer path to purchase has evolved to encompass multiple touchpoints across a range of online and offline channels, offering more personalised and augmented

beauty experiences across a variety of platforms, including connected TV and gaming.

Towards a more sustainable model

With L'Oréal for the Future, the Group is accelerating its sustainable transformation to embrace a more responsible and inclusive model, in partnership with its stakeholders.



Addressing social and environmental challenges

With more than €200m committed, L'Oréal has created several Funds that focus on the regeneration of nature, circular economy innovation and supporting women. The L'Oréal Climate Emergency Fund was launched in 2023 to help vulnerable communities develop greater resilience in the face of climate change-driven disasters.



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The Fondation L'Oréal stands with women

The Fondation L'Oréal and UNESCO have been working together for 25 years to promote women in science through the international For Women in Science award programme. Through its Beauty for a Better Life programme, the Fondation continues to support social inclusion for vulnerable women through training in beauty professions, and beauty and wellness treatments. In addition, the Fondation's Women & Climate programme develops women's leadership and contribution to tackling climate change.

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This is a free translation into English of the 2023 L'Oréal Annual Report published in French. It is provided solely for the convenience of English-speaking readers. In case of discrepancy, the French version prevails.

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L'ORÉAL

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