EMPLOYEE SHARE PLAN 2020

FCPE NON-EUROZONE





FROM SEPTEMBER 17 TO OCTOBER 2, 2020

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MESSAGE BY JEAN-PAUL AGON

L'ORÉAL IN BRIEF



UNDERSTANDING THE L'ORÉAL EMPLOYEE SHARE PLAN

> PARTICIPATING IN THE SHARE PLAN



TERMS AND CONDITIONS OF SUBSCRIPTION

OFFER SCHEDULE



JEAN-PAUL AGON

Chairman and Chief Executive Officer Dear employees,

In 2018, for the first time in our history we offered you the opportunity to become a shareholder in L'Oréal by purchasing¹ Group shares under preferential terms.

The 2018 Employee Share Plan was highly successful, as nearly 20,000 employees decided to subscribe to the operation in 52 countries, demonstrating their faith in the future of the Group. I want to thank you.

This year, L'Oréal wants to offer all its employees another opportunity to become involved in the Group's success and prosperity, assist in its growth and take part in its strategic plan by subscribing to its new Employee Share Plan. We are all working to fulfil a single mission: Beauty for all. And in the constantly changing beauty market, we can rely on our firm foundations, the creativity and excellence of our employees worldwide and our ability to constantly rethink all we do, to ensure our lasting success.

Our new Plan offers you another opportunity to strengthen your links with L'Oréal and make you a bigger part of its future. For every day, it is you who help to transform L'Oréal into a more digital, responsible, sustainable and agile business.

I truly hope that this operation will again be a great success with you all and thank you for your commitment and trust.

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¹ Via the Employee Shareholding Fund (FCPE) "L'Oréal Employee Share Plan Relais 2020".

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L'ORÉAL IN BRIEF

L'ORÉAL, THE WORLD LEADER IN BEAUTY

For more than a century, L'Oréal has devoted its energy and competencies solely to one business: beauty. We are the world's leading beauty group. Beauty drives the Group. It enables all individuals to gain self-confidence, express their personalities and open up to others and contributes to personal and collective well-being.

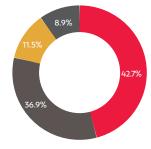
The Group caters for every beauty aspiration worldwide through its international flotilla of 36 complementary brands.

L'Oréal is found in all distribution channels and earned 29.87 billion euros in sales in 2019 thanks to its 88,000 employees worldwide.

2019 KEY FIGURES



BREAKDOWN OF 2019 SALES (AS A PERCENTAGE)



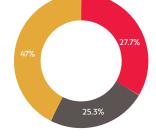
BY DIVISION

- 36.9% L'Oréal Luxe

- 8.9% Active Cosmetics

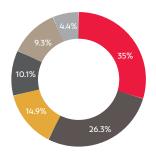
- 42.7% Consumer Products

— 11.5% Professional Products



BY GEOGRAPHIC ZONE

- **27.7%** Western Europe
- 25.3% North America
- 47% New Markets
 - Of which: 32.3% Asia Pacific 6.4% Eastern Europe 6.0% Latin America 2.3% Africa, Middle East

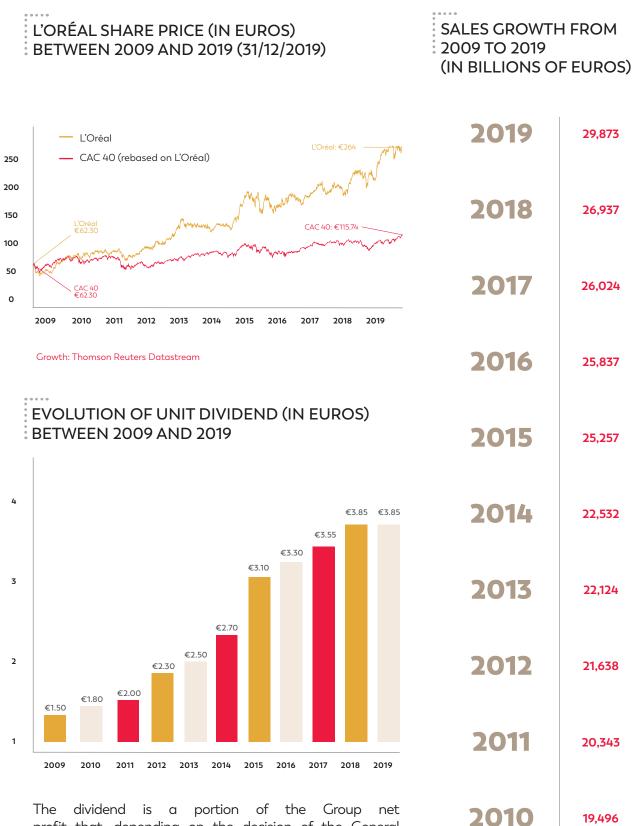


BY BUSINESS SEGMENT

- 35.0% Skincare (and sunscreens)
- 26.3% Makeup
- 14.9% Haircare
- 10.1% Hair colouring
- 9.3% Fragrances
- 4.4% Other²

•••• ² "Other" includes hygiene products as well as sales by American distributors with non-Group brands.

----- EMPLOYEE SHARE PLAN



profit that, depending on the decision of the General Shareholders' Meeting, is distributed to shareholders.

Warning: past performance does not predict future performance. L'Oréal periodically publishes documents, including financial information, on its website (www.loreal-finance.com). You are invited to consult these documents, which contain important information on subjects including the Group's business, strategy and objectives, the risk factors inherent in the Group and its business, and its financial results. 2009

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UNDERSTANDING THE EMPLOYEE SHARE PLAN

AN INVESTMENT IN L'ORÉAL SHARES IN THE INTERNATIONAL EMPLOYEE SHARE PLAN, VIA THE FCPE

In this L'Oréal employee shareholding plan, you are invited to purchase L'Oréal shares via the "L'Oréal Employee Share Plan Relais 2020" employee shareholding fund (FCPE)³ on preferential terms. This "relais" fund groups together the employee subscriptions and will be merged with the "L'Oréal Employee Share Plan" FCPE when the capital increase is completed. After the two funds have merged, you will hold "L'Oréal Employee Share Plan" FCPE units. The "L'Oréal Employee Share Plan" FCPE is a collective investment fund restricted to Group employees wishing to invest in L'Oréal shares.

Each employee will receive the number of FCPE shares proportional to their investment.

A supervisory board consisting of L'Oréal employees and representatives of the enterprise is responsible for examining the management⁴ of this FCPE.

ADVANTAGE 1

20% DISCOUNT

As an employee, you benefit from a subscription price that includes a 20% reduction. This reduction is called the "discount".

The L'Oréal share subscription price will be fixed on September 14, 2020 and is equal to the reference price, to which the 20% discount is applied. The reference price is the average opening share price of the L'Oréal shares between August 17 and September 11, 2020 and will be set on September 14, 2020.

ADVANTAGE 2

UP TO 4 FREE SHARES

L'Oréal gives you up to four free L'Oréal shares in addition to your subscription. This is a contribution made by the company.

You will be given the free shares at the end of the lock-in period, around November 3, 2025, if you are still a L'Oréal Group employee on that date (or in the special cases mentioned in the "Local Supplement").



Use the online **SIMULATOR** to calculate your investment.

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³ The relay fund will merge with the "L'Oreal Employee Share Plan" FCPE subject to Supervisory Board and French Financial Markets Authority (AMF) approval. The "L'Oréal Employee Share Plan" FCPE is invested in L'Oréal shares. As a result, subscribers are recommended to evaluate the need to spread their savings. It is essential to read the Key Investor Information Document (KIID) on the "L'Oréal Employee Share Plan" FCPE. ⁴ See the FCPE rules.

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FREE SHARE RULE

If you purchase* in 2020: ▲	L'Oréal will give you free** in 2025:	TOTAL of your investment in 2025:
1 share	1 share	2 shares
2 shares	1 share	3 shares
3 shares	2 shares	5 shares
4 shares	2 shares	6 shares
5 shares	2 shares	7 shares
6 shares	2 shares	8 shares
7 shares	3 shares	10 shares
8 shares	3 shares	11 shares
9 shares	3 shares	12 shares
10 shares	4 shares	14 shares

You can buy a maximum of 50 shares (unless the shares are oversubscribed).



THE VALUE OF YOUR INVESTMENT WILL VARY DEPENDING ON THE L'ORÉAL SHARE PRICE

IN THIS EXAMPLE, BY PURCHASING 3 SHARES:

You pay in 2020:		If the L'Oréal share price in trading on November 3, 2025	The value of your total investment in 2025'''
	Ŋ	Is 15% down on the reference price, i.e., €212.50	€1,062.50
€600	=	ls equal to the reference price, i.e., €250	€1,250
	7	ls 15% up on the reference price, i.e., €287.50	€1,437.50

*Via the FCPE.

**If you purchase more than 10 L'Oréal shares, you will receive the maximum of 4 free shares. ⁵ If you are still a Group employee.

*** Excluding taxes and dividends.

VOTING RIGHTS ATTACHED TO YOUR SHARES

The "L'Oréal Employee Share Plan" FCPE supervisory board will exercise the voting rights attached to your shares on your behalf at General Meetings.

POTENTIAL DIVIDENDS

Any dividends⁶ paid by L'Oréal will automatically be reinvested in the FCPE, increasing the value of your shares as a result. The dividends from the shares held by the FCPE are increased by 10% after two years.

PAYMENT FACILITIES FOR FINANCING YOUR SUBSCRIPTION

Payment details appear in your local supplement, which can be downloaded from **www.invest.loreal.com**.

PAYMENT FACILITIES FOR FINANCING YOUR SUBSCRIPTION

FINANCIAL BENEFITS

L'Oréal pays the account management fees⁷.

..... EMPLOYEE SHARE PLAN

PARTICIPATING IN THE EMPLOYEE SHARE PLAN

FOR A LONG-TERM INVESTMENT

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INVESTING IN L'ORÉAL SHARES IS A PERSONAL DECISION

Before you decide to invest in this Plan, we invite you to consult the latest annual or half-yearly reports by the L'Oréal Group.

These documents contain important information on the Group and its strategy, performance and financial position.

The details contained in this brochure are provided solely for information and do not constitute financial or investment advice from L'Oréal. Your decision to participate in this operation is a free and strictly personal one.

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YOUR INVESTMENT WILL BE LOCKED IN FOR 5 YEARS

Your investment will be locked in until November 3, 2025 except in the early release situations mentioned in the "Local Supplement".

L'Oréal will give you the free shares at the end of the lock-in period, around November 3, 2025, if you are still a L'Oréal Group employee on that date (or in the special cases mentioned in the "Local Supplement").

THE VALUE OF YOUR INVESTMENT DEPENDS ON THE SHARE PRICE

Your investment will follow the L'Oréal share price up and down. As a result, you may make a capital loss.

Consequently, the value of your assets on exit may be less than your personal contribution, depending on the share price. As the L'Oréal Employee Share Plan Fund is invested in L'Oréal shares, you are recommended to evaluate the need to diversify your savings in order to spread the risks.

After the five-year lock-in period:

- you can either keep your "L'Oréal Employee Share Plan" FCPE assets for as long as you want

or

- request the full or partial redemption of your assets.



NOTE

As L'Oréal shares are listed in euros on the Paris Stock Exchange, the value of your investment will vary as the exchange rate between the euro and your currency fluctuates over the term of your investment. If the value of the euro rises against your currency, the value of your shares will rise in your currency. Conversely, if the value of the euro drops against your currency, the value of your shares will drop in your currency.

SUBSCRIPTION TERMS AND CONDITIONS

WHO CAN SUBSCRIBE?

Any employees recorded as having worked for 24 months for a L'Oréal group company participating in the International Employee Share Plan on October 2, 2020 and still a Group employee on the last day of the subscription period, i.e.,October 2, 2020.

WHAT HAPPENS IF THE SHARES ARE OVERSUBSCRIBED?

If more shares are requested than are proposed under the Employee Share Plan, the biggest subscriptions (including any free shares) will be reduced until the number of units in the operation is reached.

This is done before the shares are definitively allocated and paid for.



HOW DO EMPLOYEES INVEST?		
YOU CAN SUBSCRIBE IN A FEW CLICKS:		
1 VISIT THE WWW.INVEST.LOREAL.COM WEBSITE		
2		
CLICK THE "SUBSCRIBE" BUTTON		
3		
LOGIN USING THE PERSONAL ID AND PASSWORD YOU WERE SENT (BY E-MAIL OR BY LETTER TO YOUR HOME)		
4		
FILL IN THE ONLINE SUBSCRIPTION FORM		
5		
DO NOT FORGET TO CONFIRM YOUR SUBSCRIPTION		
EMPLOYEES CAN SUBSCRIBE ONLY ONCE.		

HOW MUCH SHOULD YOU SUBSCRIBE?

- Minimum : one L'Oréal share.
- Maximum : 50 L'Oréal shares, amounting to no more than 25% of your 2020 gross annual salary⁸. This amount may be reduced if the shares are oversubscribed.

At the end of the subscription period, your subscription choices will be final and you can no longer change them.

OFFER SCHEDULE



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