

From
June 8 to
22, 2022

Employee Share Plan 2022

I'M IN!



L'ORÉAL
WWW.INVEST.LOREAL.COM

Contents

03.

MESSAGE BY
NICOLAS HIERONIMUS

04.

L'ORÉAL IN BRIEF

06.

THE UK SHARE INCENTIVE PLAN

10.

OFFER SCHEDULE

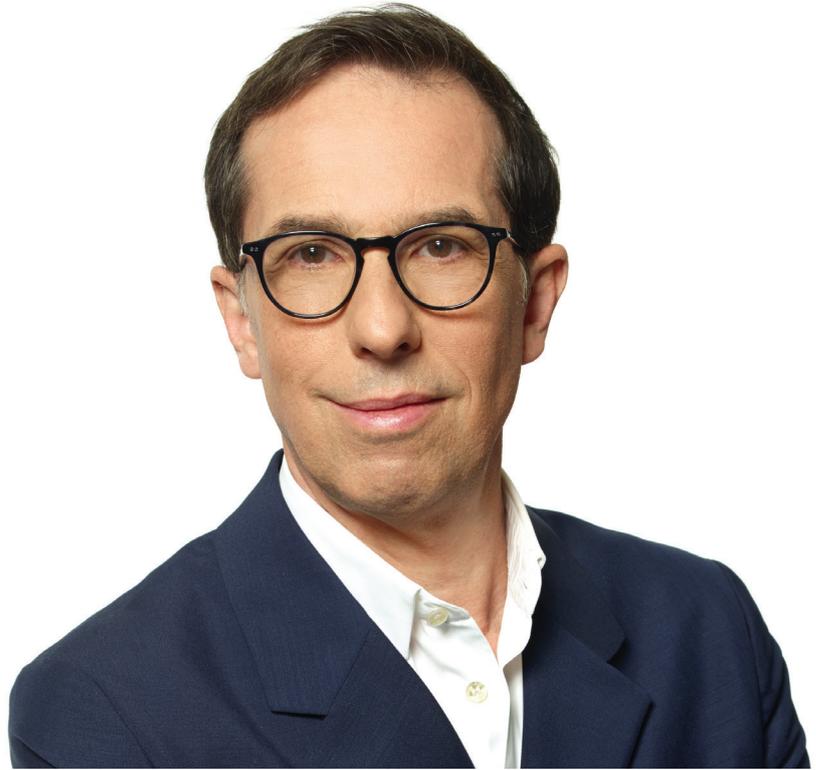
11.

FREQUENTLY ASKED QUESTIONS

12.

CONTACTS

Message by Nicolas Hieronimus



“Our Group has emerged stronger from the health crisis and our business model is balanced in terms of Divisions, geography and categories.”

NICOLAS HIERONIMUS
Chairman

Dear L'Oréalians,

In 2018 and 2020, under the leadership of Jean-Paul AGON and the entire executive committee, the Group decided to offer you the opportunity to become L'Oréal shareholders, by purchasing shares in our company on preferential terms.

Together, these two Plans have enabled some 30,000 employees to demonstrate their commitment to and confidence in the future growth and values of the L'Oréal Group.

In 2022, we are again pleased to offer you another opportunity to strengthen your link with the Group and our future financial and extra-financial success.

This Plan will give you another opportunity to join in our everyday quest, whatever your role in the company, of creating the beauty of the future and defining the shape of the L'Oréal of tomorrow through digital, technological and environmental transformations.

Our Group has emerged stronger from the health crisis and our business model is balanced in terms of Divisions, geography and categories.

Finally, beyond our financial performance, your commitment allows L'Oréal to participate in a common goal, our 'raison d'être': to create the beauty that moves the world.

The 2022 Plan will have an extended scope – with 64 countries¹ participating (compared with 52 in 2018 and 57 in 2020).

As CEO of this great company, it is my deepest conviction that you, our employees, are our biggest asset.

I look forward to making this Plan, once again, a big success.

I thank you for your commitment and your confidence in our collective adventure!

¹ Subject to local feasibility.

L'Oréal in brief

L'ORÉAL, THE WORLD LEADER IN BEAUTY

L'Oréal is the world's leading beauty company. For more than 110 years, we have devoted ourselves to a single goal: fulfilling the beauty aspirations of consumers around the world. Our purpose is to create the beauty that moves the world and this defines our approach to beauty as inclusive, ethical, generous and committed to social and environmental sustainability. We offer each and every person around the world the best quality, efficacy, safety, sincerity and responsibility, while celebrating beauty in its infinite plurality across our broad portfolio of 35 international brands and through ambitious sustainability commitments in our L'Oréal for the Future programme.

L'Oréal has 85,400 committed employees, a balanced geographical footprint and sales across all distribution networks (e-commerce, mass market, department stores, pharmacies, hair salons, travel retail and brand stores). In 2021, the Group generated €32.28 billion in turnover. We are focused on inventing the future of beauty and becoming a Beauty Tech powerhouse with 20 research centres in 11 countries around the world and a dedicated Research and Innovation team of 4,000 scientists and over 3,000 tech professionals.

2021 KEY FIGURES



**1ST COSMETICS
GROUP
WORLDWIDE**



**85,400
EMPLOYEES**



**OPERATES
IN MORE THAN
150 COUNTRIES**



**1 BILLION EUROS
DEDICATED TO
RESEARCH AND
INNOVATION**



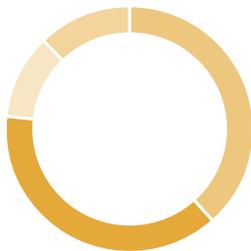
**€32.28 BILLION
IN SALES**



**35 MAJOR
INTERNATIONAL
BRANDS**

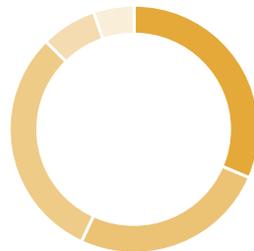
BREAKDOWN OF 2021 SALES

BY DIVISION



- **38.2%** L'ORÉAL LUXE
- **37.9%** CONSUMER PRODUCTS
- **12.2%** ACTIVE COSMETICS
- **11.7%** PROFESSIONAL PRODUCTS

BY GEOGRAPHIC ZONE



- **31.5%** EUROPE
- **30.5%** NORTH ASIA
- **25.3%** NORTH AMERICA
- **7.2%** SAPMENA-SSA²
- **5.5%** LATIN AMERICA

BY BUSINESS SEGMENT

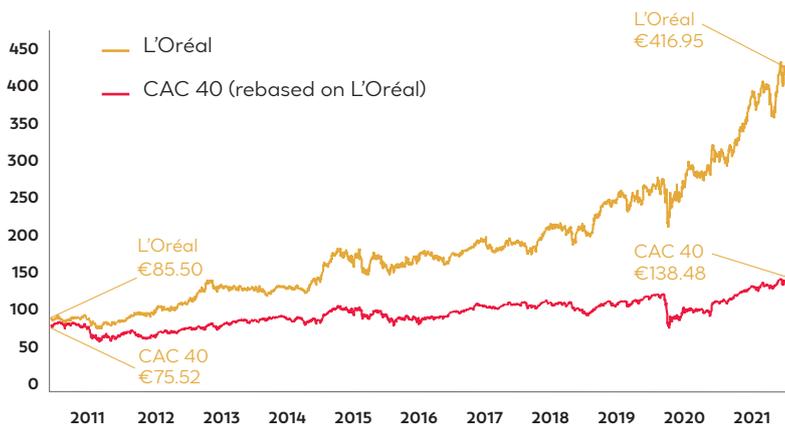


- **40.2%** SKINCARE AND SUNSCREENS
- **20.5%** MAKEUP
- **15.1%** HAIRCARE
- **10.9%** FRAGRANCES
- **9.3%** HAIR COLOURING
- **3.9%** OTHER³

² South Asia, Pacific, Middle East, North Africa and Sub-Saharan Africa.

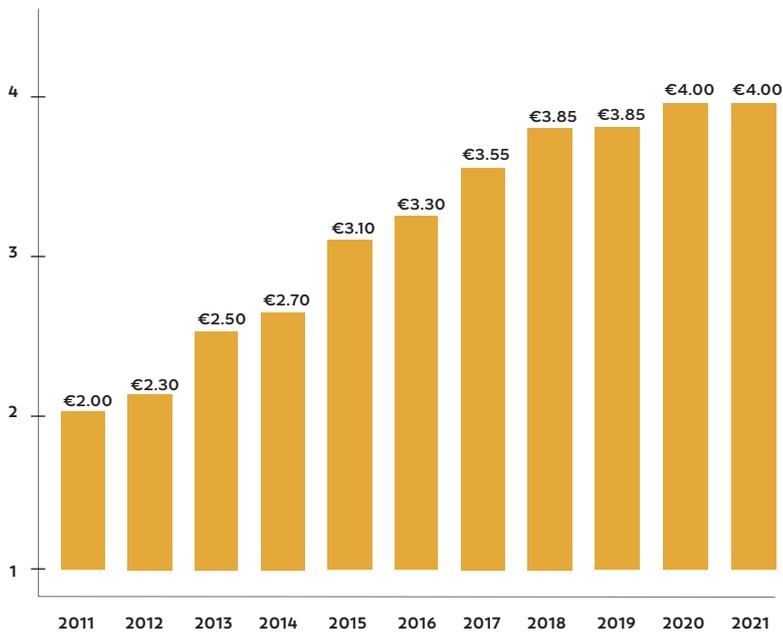
³ "Other" includes hygiene products as well as sales by American professional distributors with non-Group brands.

L'ORÉAL SHARE PRICE (IN EUROS) BETWEEN 2011 AND 2021



Growth: Thomson Reuters Datastream

EVOLUTION OF UNIT DIVIDEND (IN EUROS) BETWEEN 2011 AND 2021



The dividend is a portion of the Group net profit that, depending on the decision of the General Shareholders' Meeting, is distributed to shareholders. Past dividends are not predictive of future dividends.

SALES GROWTH FROM 2011 TO 2021 (IN BILLIONS OF EUROS)

2021	32,288
2020	27,992
2019	29,873
2018	26,937
2017	26,024
2016	25,837
2015	25,257
2014	22,532
2013	22,124
2012	21,638
2011	20,343

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.

The UK Share Incentive Plan (SIP)

AM I ELIGIBLE TO JOIN?

To join the L'Oréal SIP, you must:

- be a full or part-time employee of a UK subsidiary of L'Oréal;
- have been employed by L'Oréal for at least six months prior to 1st October 2022;
- pay tax on your earnings under the Pay-As-You-Earn (PAYE) system; and
- accept the terms and conditions these can be found on the www.invest.loreal.com website.

HOW DOES THE SIP WORK?

You can invest any amount between £10 and £300 per month between October 2022 and September 2023 (the "Accumulation Period") subject to a maximum total investment of £3,600¹. You will need to confirm in advance how much you would like to invest in the Accumulation Period.

The current L'Oréal share price of around €330 (£280) indicates that a minimum investment of at least £24 gross per month is likely to be required to acquire at least one share.

Your investment will be deducted from your salary prior to deduction of income tax and National Insurance Contributions ("NIC") and Health and Social Care Levy ("Levy")².

Following the end of the accumulation period your investment amount will be used to purchase ordinary shares in L'Oréal known as "Partnership Shares".

You may only join the SIP during the invitation period which runs from 8th June to 22nd June 2022.

RECEIVE FREE "MATCHING SHARES"

You will receive an award of "Matching Shares" when you purchase Partnership Shares.

The number of Matching Shares you receive will depend on the number of Partnership Shares you purchase:

If you purchase:	You will receive:
From 1 to 2 shares	1 Matching Share for free
From 3 to 5 shares	2 Matching Share for free
From 6 to 9 shares	3 Matching Share for free
10 or more shares	4 Matching Share for free

The shares are held on your behalf by an independent Trustee: Equiniti Share Plan Trustees Limited (the "Trustee") and are exempt from Capital Gains Tax ("CGT") whilst they remain in the SIP. Please see the Frequently Asked Questions for further details of the tax treatment of the SIP.

6 ¹ As long as the amounts invested in each UK tax year (6th April to 5th April) do not exceed 10% of your annual gross earnings.

² The Health and Social Care Levy will only apply to your salary in the 2023/24 tax year.

HOW LONG DO PARTNERSHIP AND MATCHING SHARES HAVE TO BE HELD FOR?

HM Revenue and Customs requires shares to be held in the SIP by a Trustee on your behalf. The Company have appointed Equiniti Share Plan Trustees Limited to act in this role. The Trustee's responsibility is to look after the administration of the SIP and to ensure compliance with the SIP rules and governing legislation.

Partnership Shares: You can sell your Partnership Shares at any time. You may choose to sell a proportion of your Partnership Shares and keep the remainder in the SIP. However, you will lose the full income tax and NIC/Levy benefits applicable to any Partnership Shares if they are not held in the SIP for 5 years.

Matching Shares: Matching Shares are subject to a 5-year holding period and cannot normally be sold or transferred before the end of this period. You may sell your Matching Shares following the end of the 5-year holding period. If you decide to sell or transfer Partnership Shares or you cease to be employed by L'Oréal (other than in certain specified circumstances as detailed below) before the Partnership Shares have been held in the SIP for at least 5 years, you will lose the corresponding Matching Shares.

KEY BENEFITS

- Tax efficient savings made from pre-tax and NIC/Levy pay deductions.
- Benefit from additional Matching Shares provided by the Company.
- Partnership Shares and Matching Shares are exempt from income tax and NIC/Levy once held for 5 years.
- Benefit from any rise in the L'Oréal share price.
- Benefit from any dividends declared on L'Oréal shares.

EXAMPLES OF WHAT YOU MIGHT SAVE:

Basic Rate Taxpayer

Monthly contribution ³	Reduction in take home pay	Income tax and NIC/Levy saving
£50.00	£33.38	£16.62
£100.00	£66.75	£33.23
£300.00	£200.25	£99.75

Higher Rate Taxpayer

Monthly contribution ³	Reduction in take home pay	Income tax and NIC/Levy saving
£50.00	£28.38	£21.62
£100.00	£56.75	£43.25
£300.00	£170.25	£129.75

Additional Rate Taxpayer

Monthly contribution ³	Reduction in take home pay	Income tax and NIC/Levy saving
£50.00	£25.88	£24.12
£100.00	£51.75	£48.25
£300.00	£155.25	£141.00

³ In each case the total contribution for 2022/23 will be twelve times the monthly contribution mentioned above.

HOW DO I APPLY AND NEXT STEPS?

1. CHOOSE HOW MUCH TO INVEST

• The minimum amount that you can invest monthly is £10 while the maximum is £300 over the 12 month Accumulation Period. Your investment in each UK tax year is also capped at 10% of your annual gross earnings. The amount you choose must be covered by your monthly pay when the deduction is made. As noted above, the current L'Oréal share price of around €330 (£280) indicates that a minimum investment of at least £24 per month is likely to be required to acquire at least one share. Under UK legislation, the maximum amount an individual can contribute per UK tax year to a SIP is £1800. April 2023 is the start of a new tax year and the Accumulation Period ends on 30th September 2023. As such, the £1800 limits for each of the 2022/23 and 2023/2024 tax years are spread over six months' worth of contributions each, giving a total maximum contribution of £3600.

When you apply you will need to confirm how much you want to invest between October 2022 and September 2023. You will not be able to vary your contributions during the Accumulation Period, though you can pause your contributions, as referred to in question 3 on page 11 below.

2. APPLY NOW

- All you need to do is log onto <http://www.invest.loreal.com>
- **Click** the "Subscribe" button
- **Login** using the Personal ID sent to you by email (if you have not received a Personal ID, please contact tracey.caccavale@loreal.com)
- Fill in the online subscription form and confirm your subscription

Confirmation of your application will be sent to the email address you supplied when registering, which you should keep.

If you do not have access to <http://www.invest.loreal.com>, you may request a personalised hard copy application form from L'Oréal HR by text to 07935 705921.

If you apply to participate in this way, you will need to return your application form to Tracey Caccavale, L'Oréal HR, 255 Hammersmith Road, London, W6 8AZ so that it is received by no later than 5pm on 22nd June 2022.

Before the first deduction is taken from your salary in October, you will be invited to log onto the Equiniti Employee Share Plans Portal ("ESP Portal"). You can use the ESP Portal to manage your participation in the SIP. The ESP Portal was used for the 2018 and 2020 SIP Offerings.

To use the ESP Portal, all you need to do is log onto www.esp-portal.com/clients/loreal.

On the ESP Portal homepage, click in the "Register" box and complete the brief registration steps.

You will be asked to create a password, which is required when you log into the ESP Portal. Where possible, you should register with your L'Oréal email address. Once registered the system will send you an Activation Code.

- If you register with an e-mail address using the L'Oréal domain, your Activation Code will be emailed to you

immediately which will enable you to activate your account instantly and get immediate access. If you register with any other domain name (e.g. gmail.com or hotmail.com) then for security reasons the Activation Code will be sent to you by post to your registered address. Once received you will need to log back into the ESP Portal to activate your account and use its functionality.

If you participated in the 2018 and/or 2020 SIP offering, you will not need to register as a first-time ESP Portal user.

3. YOUR CONTRIBUTIONS WILL BE DEDUCTED FROM YOUR PAY EACH PAY PERIOD FOR TWELVE MONTHS (THIS IS CALLED THE "ACCUMULATION PERIOD")

- **Your first deduction will be taken from your pay after the start of the Accumulation Period in October 2022 and your last deduction will be in September 2023. The Partnership Shares will be purchased on 9 October 2023 and will be awarded to you based on the lower of:**

- i. the market value of L'Oréal shares at the start of the Accumulation Period; and
- ii. the market value of L'Oréal shares on the purchase date.

For the above purposes, market value will be calculated as the average opening price of L'Oréal shares in Pounds Sterling over the 5 dealing days preceding each of the dates mentioned above.

4. AT THE END OF 5 YEARS

- If you hold your Partnership Shares in the SIP until the end of 5 years, your Matching Shares will no longer be subject to forfeiture and you will be able to keep them.
- If you hold your Partnership Shares and Matching Shares in the SIP until the end of 5 years, they can be taken out of the SIP free from income tax and NIC/Levy.

If you choose to keep your Partnership Shares and Matching Shares in the SIP following the end of the 5-year period, any further increase in the value of the Partnership Shares and Matching Shares will be exempt from Capital Gains Tax ("CGT") whilst they remain in the SIP.

All of your shares (including your Matching Shares, if they have not been forfeited) must be taken out of the SIP.

Should you leave L'Oréal for one of the following reasons, you will not be liable to pay income tax or NIC/Levy on any Partnership or Matching Shares which cease to be subject to the SIP and your Matching Shares will not be subject to forfeiture:

- retirement;
- redundancy;
- injury or disability;
- transfer of your employment to a non- group company to which TUPE (Transfer of Undertakings Protection of Employment) regulations apply;
- your employing company ceases to be an associated group company; or
- death.

What if I leave L'Oréal?

Investing in L'Oréal shares is a personal decision

Before you decide to invest in the SIP, 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.

How do I monitor my shares?

Shortly prior to your first deduction in October 2022, you will be able to log into the ESP Portal. Once you have registered and activated your account, the ESP Portal (www.esp-portal.com/clients/loreal) will also allow you to do the following:

- view your contributions made during the accumulation period;
- view your Partnership Shares, Matching Shares and any dividends;
- sell any L'Oréal SIP Shares; and
- use online calculators to model potential gains and tax benefits.

You will receive another communication confirming once the ESP Portal has been opened.

The value of your investment depends on the L'Oréal share price

Please note the price of shares may go down as well as up, and as an investor you may not receive back the full amount of your investment. You should also be aware that as L'Oréal shares are traded in Euros on the Paris stock exchange and your investment is made in Sterling, the value of your shares will also be subject to fluctuations in the exchange rate between the Euro and Sterling.

If you are in any doubt as to whether this type of investment is appropriate for your individual circumstances, you should consult an Independent Financial Adviser (IFA).

Neither L'Oréal nor the Trustee is able to provide you with investment advice.

What happens if the shares are oversubscribed?

If more Partnership Shares are requested than are proposed to be made available under the SIP, the biggest subscriptions (including the relevant Matching Shares) will be reduced until the number of shares proposed to be made available is reached.

This scaling down will occur before the shares are definitively allocated and paid for, and any excess investment will be returned to you.



I'M IN!

OFFER SCHEDULE

ACCUMULATION PERIOD

Your contributions are made to the SIP (and will be held by the SIP Trustee) during this period out of your pre-tax salary. Your first deduction will be taken from your first pay slip after the start of the Accumulation Period on 1st October 2022 and your last deduction will be in September 2023.



CAPITAL INCREASE AND SHARES DELIVERED

Partnership Shares are purchased by the SIP Trustee and the relevant number of Matching Shares are awarded. You will receive a statement from the SIP Trustee which shows the number of Partnership Shares and Matching Shares you hold in the SIP.



(11:59 PM CET)

8-22

8TH JUNE TO
22ND JUNE 2022



1

ON OR AROUND
1ST OCTOBER 2022

SEPTEMBER

DURING
SEPTEMBER 2023

9

9 OCTOBER 2023

OCTOBER

2028

INVITATION PERIOD

You have the opportunity to join the SIP during the invitation period from 8th June to 22nd June 2022.

ACQUISITION PRICE AND EXCHANGE RATE FIXED

You will be informed of these on the website (www.invest.loreal.com), on the Portal (www.esp-portal.com/clients/loreal) and by e-mail.



All shares can now be withdrawn from the SIP and sold free from income tax and NIC /Levy. If shares are kept within the SIP, any further increase in value whilst they remain in the SIP will be exempt from CGT.



FREQUENTLY ASKED QUESTIONS

1. DO I HAVE TO JOIN STRAIGHT AWAY?

Yes. The only opportunity to join the SIP this year is during the invitation period from 8th June to 22nd June 2022.

2. ARE THERE ANY CONDITIONS ATTACHED TO THE MATCHING SHARES?

You will lose your Matching Shares if prior to October 2028, being the 5th anniversary of the grant of the Matching Shares:

- you cease to be employed by the L'Oréal group for any reason other than those listed on page 8;

or

- you withdraw/sell the Partnership Shares to which those Matching Shares are linked in the SIP.

If you leave L'Oréal for any reason listed on page 8 before the fifth anniversary then you will not forfeit your Matching Shares.

3. IF I NEED TO, CAN I STOP MY CONTRIBUTIONS?

During the 12 month accumulation period, you can cease contributions at any time and withdraw your funds. You can restart your contributions once. If you need to withdraw you can do so via the ESP Portal or by contacting your HR.

4. WHY DOES THE ACCUMULATION PERIOD START IN OCTOBER, WHILST THE INVITATION PERIOD IS IN JUNE?

Under UK legislation, the maximum amount an employee can contribute to a SIP is £1800 per UK tax year. April 2023 is the start of a new UK tax year; the SIP Accumulation Period is over the last 6 months of the 2022/23 UK tax year (October 2022 to March 2023) and the first 6 months of the 2023/24 UK tax year (April 2023 to September 2023).

This timing has been chosen to allow a total contribution of up to £3600 over the Accumulation Period, maximising the amount that you can invest.

The Invitation Period runs from 8th June 2022 to 22nd June 2022; this time period has been chosen to align with the timing of the L'Oréal 2022 share offering in other countries.

The price of the Partnership Shares that you purchase will be the lower of: (i) the market value at the start of the Accumulation Period and (ii) the market value at the purchase date. As the Accumulation Period starts in October, the maximum Partnership Share price will not be known during the Invitation Period.

5. CAN OTHER BENEFITS BE AFFECTED BY THE PURCHASE OF SHARES?

Purchasing Partnership Shares will reduce the pay on which income tax and NIC/Levy are assessed. This may affect your and/or your spouse/ civil partner's entitlement to certain State benefits including statutory maternity pay and statutory sick pay. This is important if your participation in the L'Oréal SIP means that your earnings, on which NIC/Levy are due, fall below the Lower Earnings Limit so that you are not paying any NIC/Levy. HM Revenue & Customs (HMRC) publish a guidance leaflet "Share Incentive Plans and your entitlement to benefits" (IR177) which can be viewed on their website at www.hmrc.gov.uk.

6. DOES PARTICIPATION IN THE SIP AFFECT MY COMPANY PENSION?

Joining the SIP does not affect your company pension or any salary sacrifice scheme (if applicable).

7. WHAT IF MY ACCUMULATED SAVINGS ARE NOT SUFFICIENT TO PURCHASE A WHOLE NUMBER OF SHARES? WILL THE NUMBER OF PARTNERSHIP SHARES I ACQUIRE BE ROUNDED UP OR DOWN?

Only whole shares may be bought with your investment. It is therefore possible that there may be a small cash amount left over after the Trustee has bought your Partnership Shares. Any cash balance remaining will be returned to you via Payroll, less any income tax and NIC /Levy due on this amount and will be paid to you as soon as practicable. As noted above, the current L'Oréal share price of around €330 (£280) indicates that a minimum investment of at least £24 per month is likely to be required to acquire at least one share.

8. WHAT HAPPENS IF I MOVE TO WORK IN ANOTHER L'ORÉAL ENTITY?

Whether you move to another part of L'Oréal within the UK or overseas, your SIP account will remain open and your Partnership and Matching Shares will continue to be held in the SIP.

9. WHAT HAPPENS IF I MOVE HOUSE OR CHANGE MY NAME?

You should inform your HR Department in the normal way. They will notify the SIP Administrator.

10. WHAT HAPPENS IF A TAKEOVER OFFER IS MADE FOR L'ORÉAL SHARES?

The Trustee will write to you to explain the offer that has been made and the choices open to you. You will have the opportunity to instruct the Trustee as to whether or not you want them to accept the offer on your behalf and, if there is a choice of consideration, which consideration you wish to receive for your L'Oréal shares. The Trustee will act in accordance with your instructions.

11. HOW DO I FIND OUT THE SHARE PRICE FOR L'ORÉAL SHARES?

L'Oréal shares are listed on the Paris stock market. You will be able to see the share price on the L'Oréal website: www.loreal-finance.com or by registering at www/esp-portal.com/clients/loreal.

12. HOW WILL MY SHARES BE TAXED IF I WITHDRAW THEM FROM THE SIP AT THE END OF THE 5 YEAR HOLDING PERIOD?

Any growth in the value of your Partnership Shares and Matching Shares whilst they are held in the SIP during the 5-year holding period will be outside the scope of Capital Gains Tax (CGT) (and, as discussed above, income tax and NIC/Levy). Following the end of the 5-year holding period, you may choose to continue to keep your Partnership Shares and Matching Shares in the SIP, in which case any further growth in value after the five-year date will also be exempt from CGT. You may then choose to sell your Partnership and Matching Shares immediately upon withdrawal from the SIP, in which case no CGT or other tax liability should arise.

If you withdraw your Partnership Shares and Matching Shares from the SIP following the end of the five-year period but do not immediately sell them on, any further growth in value after their withdrawal from the Plan will be subject to CGT. CGT applies on capital gains in excess of your annual capital gains tax allowance (£12,300 for tax year 2022/23). More information on CGT can be found at <https://www.gov.uk/capital-gains-tax>. Any capital gains you make from other sources in the same tax year will be relevant when calculating the extent to which CGT is payable on the sale of your Partnership and Matching Shares.

13. HOW WILL ANY DIVIDENDS THAT ARE PAID ON PARTNERSHIP AND MATCHING SHARES BE TAXED?

UK taxpayers may receive dividends up to the annual dividend allowance each tax year before becoming subject to taxation (£2,000 for tax year 2022/23). Any dividends above this amount will be subject to UK income tax at 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers and 39.35% for additional rate taxpayers. Dividends you receive from other sources will impact upon whether you meet this threshold for the relevant tax year. Dividends are subject to withholding tax in France. If you receive dividends in excess of the annual allowance you may be able to claim a tax credit for a portion of this withholding tax.

14. WHO SHOULD I CONTACT IF I HAVE FURTHER QUESTIONS?

You can contact the SIP Administrator, Equiniti, whose contact details are provided at the end of this Guide. Alternatively, you can contact your HR Department.



CONTACTS:

Equiniti Limited, Aspect House, Spencer Road,
Lancing, West Sussex BN99 6DA United Kingdom.

Equiniti Employee Helpline:
8:30am to 5:30pm, Monday to Friday,
excluding UK public holidays.
+44(0) 371 384 2040

You should retain this brochure for future reference.

For RelayUK users with a textphone you can either download the RelayUK app or use the Relay UK website, <https://www.relayuk.bt.com>. You can also contact us by using our email service myshareplan@equiniti.com.

Please contact us to request this document in an alternative format, for example large print, Braille or audio.

This booklet is not a legal document and will always be overridden by the formal rules of the SIP if there are any differences between the two. In the event of any conflict between this brochure and the SIP rules/legislation, the latter will take precedence. Any references to tax consequences within this document are for guidance only.

Data Protection:

Your personal details and the knowledge obtained from operating the SIP will be kept in an Equiniti database. This information will be used to provide you with services. When you speak to Equiniti on the telephone, some calls may be monitored or recorded in case Equiniti needs to check they have carried out your instructions correctly and to help improve the quality of service.



L'ORÉAL
WWW.INVEST.LOREAL.COM