5.7.2 Equity-accounted companies

Company	Head office	% interest
AMOUAGE SAOC	Oman	25.00%
INNEOV DEUTSCHLAND GmbH	Germany	50.00%[1]
INNEOV MEXICO S.A. DE C.V.	Mexico	50.00%[1]
INNEOV TAIWAN CO. LTD	Taiwan	50.00%[1]
LIPP DISTRIBUTION	Tunisia	49.00%
LOSHIAN CO., LTD	Korea	40.00%
NUTRICOS TECHNOLOGIES	France	50.00%[1]
SALON INTERACTIVE, INC.	United States	46.00%

(1) *Companies jointly owned with Nestlé.*

5.8 Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

L'Oréal

Year ended December 31, 2024

To the Annual General Meeting of L'Oréal,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of L'Oréal for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of goodwill and indefinite-life brands

See Notes 7.1 "Goodwill", 7.2 "Other intangible assets", 7.3 "Impairment tests of intangible assets" and 4 "Other operating income and expenses", to the consolidated financial statements

Risk identified	Our response
As at December 31, 2024, the net book value of goodwill and indefinite-life brands amounted respectively to M€ 13,382 and M€ 2,737 (representing a total of 29% of assets) as described in Note 7 to the consolidated financial statements. These assets are subject to an impairment test whenever an adverse event occurs, and at least once a year, in order to verify that their book value does not exceed their recoverable value. The recoverable values of each cash-generating unit (CGU) are determined based on the discounted projections of future operating cash flows over a ten-year period (the necessary period for the strategic positioning of an acquisition) and a terminal value. The assumptions taken into account in the valuation of the recoverable value are described in Note 7.3 and mainly relate to: • the increase in revenue and margin rate; • an infinite growth rate for calculating the terminal value, and • discount rates based on the weighted average cost of capital, including a country risk premium if necessary. The impairment tests carried out in 2024 showed an impairment of M€ 48,4 on goodwill and an impairment of M€ 1,6 on brands. We considered the valuation of these assets to be a key audit matter given their relative proportion in the consolidated financial statements, and because determining their recoverable value requires significant judgment from Management in order to determine future cash flow projections and the key assumptions used.	We obtained an understanding of Management's methodology for conducting impairment tests and sensitivity analyses. We evaluated these, especially by reconciling them with our own sensitivity analyses, in order to define the nature and scope of our work. We assessed the quality of the budgeting and forecasting processes. For the impairment tests of the assets considered the most sensitive, our work consisted, in particular, in assessing the reasonableness of the main estimates, and more specifically in: • assessing the consistency of revenue and margin rate projections with your Group's past performance and the economic and financial context in which your Group operates; • corroborating the future growth rates used with the performance analyses of the global cosmetics market, taking into account the specificities of the local markets and distribution channels in which your Group operates; • analyzing the discount rates applied to future cash flows by comparing the parameters used with external references, long-term growth rates and royalty rates by including valuation experts in our team; • examining sensitivity analyses against Management's key assumptions and against our own analyses. We assessed the appropriateness of the information given in the notes to the consolidated financial statements.

Revenue recognition: estimate of items deducted from revenue

See Note 3 "Operating items - Sector-specific information - Accounting principles – Revenue", to the consolidated financial statements

Risk identified	Our response
Your Group's revenue is presented net of product returns and discounts, rebates and other benefits granted to distributors or consumers (such as commercial cooperation), as described in Note 3 to the consolidated financial statements. These various deductions from revenue are recorded simultaneously with the recognition of sales in particular on the basis of contractual conditions and statistical data from past experience. At the end of the financial year, revenue valuation thus includes estimates related to the amounts deducted, which we considered to be (i) complex, due to the diversity of contractual agreements and commercial conditions existing in your Group's various markets, (ii) sensitive, the revenue being a key indicator in the valuation of the Group's and its Management's performance, and (iii) significant, given their impact in the financial statements. We considered the valuation of product returns, discounts, rebates and other benefits granted to customers to be a key audit matter.	We assessed the appropriateness of the Group's accounting principles relating to the recognition of product returns, discounts, rebates and other benefits granted to customers, in accordance with IFRS. We obtained an understanding of the internal control system put in place in the Group's commercial entities, which allows to evaluate and record the items deducted from revenue, especially at closing, and we tested, by sampling, the main controls of this system. We also carried out substantial tests in order to assess the reasonableness of the product returns and customer benefits estimates. These tests specifically consisted in: • analyzing the valuation methods used, in particular, by critically examining the assumptions used, checking the permanence of the methods and analyzing the anteriority and unwinding of the previous financial year provisions; • reconciling the statistical data from the past experience and contractual conditions with the data contained in the information systems used to manage commercial conditions; • verifying the arithmetic accuracy of the calculation of the corresponding entries (including the residual commitment at closing), their recording in the accounts and their presentation in the consolidated financial statements.

Valuation of provisions for tax risks and uncertain tax positions

See Notes 6 "Income taxes" and 12 "Provisions for risks and expenses – Contingent liabilities and significant outstanding litigation" to the consolidated financial statements

Risk identified	Our response
Your Group is exposed to various business risks, including tax risks. When the amount or maturity can be estimated with sufficient reliability, a tax liability is recognized for these risks. Otherwise, your Group discloses information on contingent liabilities in the notes to the consolidated financial statements. Note 12.2.1 "Tax disputes" to the consolidated financial statements sets out, in particular, the state of tax disputes in Brazil and in India, for which the administration's claims amount to M€ 631 and M€ 234, respectively. The uncertain tax positions are classified in the balance sheet on the non-current tax liabilities line for M€ 224 as at December 31, 2024. We considered the identification and valuation of these items to be a key audit matter, given: • the high level of judgment required of Management to determine the risks which need to be provisioned, and to assess the amounts to be provisioned with sufficient reliability; • the potential significant impact of these provisions on your Group's income.	In order to identify and obtain an understanding of all uncertain tax positions, existing liabilities and related judgments, we had discussions with tax departments at different levels of the organization, in France and abroad. We obtained an understanding of the internal control system put in place to identify and assess these risks. We reconciled the list of identified tax disputes with the information provided by the Group's tax departments and the main tax advisors. As for the main uncertain tax positions and tax risks for which a liability is made, we assessed the quality of Management's estimates by considering the data and assumptions used, as well as the calculations made. We also conducted a retrospective analysis by comparing the amounts paid over the last few years with the amounts previously provisioned. By including tax experts into our team when necessary, we: • examined procedural matters and/or tax or technical opinions issued by external advisors selected by Management, in order to assess the appropriateness of a liability; • carried out, on the basis of the information submitted to us, a critical review of the risk estimates, and verified that the assessments used by Management are within the acceptable ranges; • verified the continuation of the methods used for these assessments, when necessary. With regard to contingent liabilities, by including tax experts when necessary, we examined the procedural items and/or the tax or technical opinions issued by external advisors chosen by Management in order to assess the appropriateness of a lack of provision. We assessed the appropriateness of the information given in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of L'Oréal by your annual general meeting held on April 29, 2004 for DELOITTE & ASSOCIES and on April 21, 2022 for ERNST & YOUNG Audit.

As at December 31, 2024, DELOITTE & ASSOCIES was in the twenty-first year of total uninterrupted engagement and ERNST & YOUNG Audit in the third year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 17, 2025

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES
David Dupont-Noel

ERNST & YOUNG Audit
Céline Eydieu-Boutté