

6.9. Statutory Auditors' Report on the Financial Statements

Year ended December 31, 2023

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of Englishspeaking 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 the verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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 financial statements of L'Oréal for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 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, 2023 to the date of our report, and specifically we did not provide any prohibited nonaudit 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 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 financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments and intangible assets (excluding software and assets in progress)

See Notes "1.6 - Accounting principles - Intangible assets", "1.8.1 - Investments", "11 - Intangible assets", "13 - Financial fixed assets" and "29 - List of subsidiaries and investments" to the financial statements

Risk identified	Our response
<p>As at December 31, 2023, investments and intangible assets (excluding software and assets in progress) were recorded in the balance sheet for a net book value of € 17 billion and € 3,5 billion, respectively, i.e. 77% of the balance sheet total. They were recorded at their date of entry at acquisition cost.</p> <p>An impairment loss is recognized if their value in use falls below their net book value.</p> <p>As described in Notes 1.6 and 1.8 to the financial statements, their value is examined annually by reference to their value in use, which takes into account:</p> <ul style="list-style-type: none"> • for investments: the current and projected profitability of the concerned holding and the share of equity held; • for intangible assets: discounted future cash flows. <p>Estimating the value in use of these assets requires Management's judgment in determining future cash flow projections and key assumptions used.</p> <p>Given the weight of investments and intangible assets in the balance sheet and the uncertainties inherent in certain items, including the realization of forecasts used in the valuation of the value in use, we considered the valuation of these assets to be a key audit matter with a risk of material misstatements.</p>	<p>We examined the methodology employed by Management to estimate the value in use of investments and intangible assets (excluding software and assets in progress).</p> <p>Our audit work mainly focused on examining, on the basis of the information provided to us, that the estimated values determined by Management were based on an appropriate valuation method, and in assessing the quality of these estimates by considering the data, assumptions and calculations used.</p> <p>We focused our work primarily on investments and intangible assets with a value in use close to their net book value.</p> <p>We assessed the reasonableness of the key estimates, and more specifically:</p> <ul style="list-style-type: none"> • the consistency of revenue projections and the margin rate, compared to past performance and to the economic and financial context; • the corroboration of the growth rates used with the performance analyses of the global cosmetics market, taking into account the specificities of the local markets and of the distribution channels in which the Company operates; • the discount rates applied to future cash flows by comparing their parameters with external references, by including valuation experts into our team.

Revenue Recognition: estimation of items deducted from revenue

See Notes "1.1 - Accounting principles - Sales" and "2 - Sales" to the financial statements

This risk relates to the revenue generated by L'Oréal France during the first six months of the year, prior to the partial contribution of assets of Affaires Marché France and International Distribution executed July 1st, 2023.

Risk identified	Our response
<p>Your Company's revenue is presented net of product returns made to distribution and discounts and rebates granted.</p> <p>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.</p> <p>At the end of the financial year, the valuation of the revenue 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 Company's different markets, (ii) sensitive, revenue being a key indicator in the valuation of the Company's and its Management's performance, and (iii) significant given their impact in the financial statements.</p> <p>The valuation of product returns, discounts, rebates and other benefits granted to customers is therefore considered to be a key audit matter.</p>	<p>We have assessed the appropriateness of your Company's accounting policies with respect to the recognition of product returns, discounts, rebates and other benefits granted to customers, in accordance with French accounting principles.</p> <p>We obtained an understanding of the internal control system put in place, which allows the valuation and recognition of the items deducted from revenue, particularly at closing, and we tested, by sampling, the main controls of this system.</p> <p>We also carried out substantive tests in order to assess the reasonableness of the estimate of product returns and customer benefits. These tests mainly consisted in:</p> <ul style="list-style-type: none"> • 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's provisions; • reconciling statistical data from past experience and contractual conditions with 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 financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 4416 of the French Commercial Code (-*Code de commerce*).

Information relating to Corporate Governance

We attest that the section of the Board of Directors' management report on corporate governance sets out the information required by Articles L. 22537-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (-*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 2210-9 of the French Commercial Code (-*Code de commerce*) relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 2210-11 of the French Commercial Code (-*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of preparation of the 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 financial statements intended to be included in the annual financial report mentioned in Article L. 4511-2, 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.

On the basis of our work, we conclude that the preparation of the 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 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 of April 29, 2004 for DELOITTE & ASSOCIES and of April 21, 2022 for ERNST & YOUNG Audit.

As at December 31, 2023, DELOITTE & ASSOCIES was in the twentieth year of total uninterrupted engagement and ERNST & YOUNG Audit in the second year.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements were approved the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the 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 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 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 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 financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Defense, February 16, 2024

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES

David Dupont-Noel

ERNST & YOUNG Audit

Céline Eydiou-Boulté