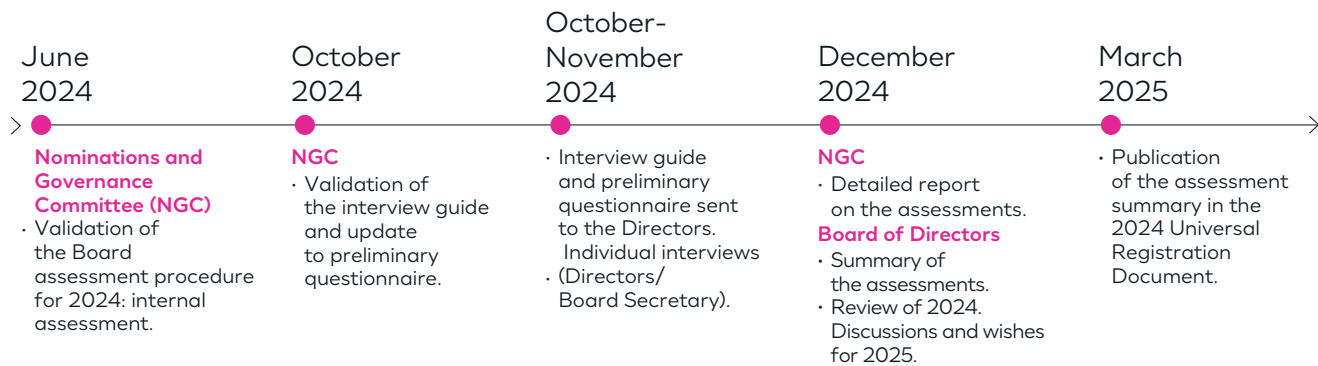


2.3.5 Board of Directors' self-assessment

ORGANISATION OF THE ANNUAL ASSESSMENT ON THE BOARD'S OPERATION



- **Annual procedure** for the formal evaluation of the Board, carried out within the framework of the AFEP-MEDEF Code which is used as the corporate governance code of reference, and of market recommendations such as those issued by the AMF.
- **Principal objectives:**
 - Ensure that the agendas for Board meetings cover the full scope of the Board's remit, that important issues have been appropriately prepared and discussed, and evaluate each member's contribution to the work of the Board;
 - Measure the extent to which the skills matrix and the composition of the Board are commensurate with the Group's current and future challenges;
 - Make suggestions for improvements; and
 - Put forward proposals on the strategic issues to be addressed next year, including those to be debated at the Strategic Seminar.
- **Format and procedure:**
 - A **thematic interview guide**, which was updated in October 2024, sets out the principles stipulated in the AFEP-MEDEF Code and identifies the Board's practices and market expectations. It enables each Director to ask questions about the operation of the Board and their personal contribution to its work and decisions;
 - A **questionnaire** was prepared and reviewed in 2022 with the assistance of the consulting firm **Spencer Stuart** and updated in 2024;
- **Individual meetings** were held between the Directors and the Board Secretary in October and November 2024; and
- **Feedback on responses and interviews** was given at the Nominations and Governance Committee meeting of 5 December 2024 and then at the Board of Directors meeting of 6 December 2024, which was followed by discussions between Directors and on 2025 priorities. If necessary, the Chairman may meet Directors individually.
- **Key themes of the evaluation:**
 - Composition of the Board, its organisation and its operation;
 - The quality and relevance of the information provided;
 - The Board's involvement in defining L'Oréal's strategy;
 - The work and composition of the Committees; and
 - Key governance topics.
- **Individual self-assessment of each Director's contribution to the Board and its Committees on the following subjects:**
 - Time spent preparing for Board and Committee meetings;
 - Attention paid to rereading meeting minutes;
 - Attention paid to implementing Board decisions;
 - Specific skills used by the Board; and
 - Areas where training would be useful.

General assessment	Areas for improvement/Action to be taken/Issues to be addressed
COMPOSITION OF THE BOARD	
<ul style="list-style-type: none"> • Diversity in terms of gender, age, profile and experience. • Appropriate size in relation to quality of work, discussions and decision-making. • Appropriate number of independent Directors (50%), given their profile, considerable freedom of expression and the structure of share ownership. • Required expertise well represented in terms of the Board's requirements (see section 2.2.1.2), particularly experience of General Management of large international companies. • Directors have recognised international experience. • Appropriate composition of Committees, with sound expertise among Directors. 	<ul style="list-style-type: none"> • When future Directors are recruited, this level and diversity of skills, in particular on the subjects of sustainability and international experience, is maintained/reinforced. Priority could also be given to expertise in artificial intelligence, for example.
OPERATING METHODS OF THE BOARD OF DIRECTORS	
<ul style="list-style-type: none"> • An operating method enabling the Board to fully carry out its duties, in particular drawing up and monitoring the implementation of strategic priorities. • Very good level of involvement; active, committed Directors who express themselves very freely. • Agendas well suited to the challenges facing the company and the Board's remit; adaptable throughout the year; listening to Directors' requests. • Sufficient frequency and length of meetings, with real effort being made to keep to schedules. • Time set aside for debate entirely satisfactory. • Confidentiality of discussions well respected. • Proper application of the rules relating to conflicts of interest. • Organisation and logistics of meetings highly satisfactory. • Non-Board events helping to strengthen the collective. • Digital platform well used. • The induction process for new Directors is considered satisfactory. • 2024 areas identified for improvement addressed. • Issues identified for the 2023 review as being on the Board's agenda in 2024 addressed. 	<ul style="list-style-type: none"> • Exceptions could be made for printing figures that are difficult to analyse in digital format. • Off-site meetings could be organised more frequently, to visit factories or research centres, for example. • Off-site visits and a visit to the Le Visionnaire could be organised to onboard new Directors.
INFORMATION PROVIDED BY THE BOARD	
<ul style="list-style-type: none"> • Information "at the right level" for effective participation in the work of the Board. • Topics covered in 2024 very comprehensive and well aligned with the issues facing the company. • Document delivery times improving and generally satisfactory. • Presentations by managers concise and sufficiently analytical to give a clear understanding of the issues at stake. • Adequate information provided on acquisition projects. • Good information on market trends and the competitive environment. • Adequate information on key strategic issues, including CSR issues. • Useful and sufficient information provided between Board meetings. 	<ul style="list-style-type: none"> • Managers' presentations could be accompanied by a summary of the key points to remember. • Receiving a summary of analysts' reports after the publication of net sales figures and results.
TRAINING FOR BOARD MEMBERS	
<ul style="list-style-type: none"> • Ethics training in the domain of responsible marketing, the responsible use of artificial intelligence and social networks. 	

General assessment	Areas for improvement/Action to be taken/Issues to be addressed
THE BOARD AND STRATEGY	
<ul style="list-style-type: none"> • Good anticipation of medium- and long-term planning. • Holding a Strategic Seminar at least once a year is very useful. • Topics discussed at the Strategic Seminar in June 2024, which were deemed very interesting. • Acquisition projects well presented and discussed, in line with the strategy. • Good analysis of the main risks. 	<ul style="list-style-type: none"> • Inclusion of proposed topics for the next strategic seminar. • Requests for an additional Board meeting to allow more time to review the strategy in depth.
BOARD COMMITTEES	
<ul style="list-style-type: none"> • Strategy and Sustainability Committee: works very well with good discussions; presentations on acquisition projects very well structured; regular CSR overviews considered important. • Audit Committee: good coverage of CSR reporting issues; particular attention paid to risk issues; highly relevant business approach to the issues dealt with. • Human Resources and Remuneration Committee: meetings well prepared, enabling in-depth discussions; work well planned ahead of meetings. • Nominations and Governance Committee: very good planning in the selection of new Directors. 	<ul style="list-style-type: none"> • Continued focus on cross-cutting sustainability issues.
GOVERNANCE ISSUES	
<ul style="list-style-type: none"> • How General Management operates: <ul style="list-style-type: none"> • Separation of the roles of Chairman and Chief Executive Officer, which is working very well. • Complementary relationship between the Chairman and the Chief Executive Officer is valued. <ul style="list-style-type: none"> • Attentive and receptive Chairman, who leads discussions in a very open way, with excellent knowledge of the subject matter, which is a real added value. • Transparent communication with the Chief Executive Officer, enabling in-depth strategic discussions in a climate of trust. • Balance of power ensured (presence and number of major shareholders; profile of independent Directors; freedom of expression). • Lead Director: not relevant to L'Oréal given the current composition and <i>modus operandi</i> of the Board. • "Climate" Director: not recommended, as CSR is the responsibility of all Directors. • Executive sessions: running well. • Conflicts of interest: well managed by the rules in force (non-participation in debates and decisions, annual declaration of independence, procedure for reviewing current agreements). • Contact with investors and proxy advisors: current procedures for meetings with L'Oréal teams are deemed satisfactory. 	