

Engagement Policy Implementation Statement (“EPIS”)

L'Oréal (UK) Limited Retirement Benefits Plan (the “Plan”)

Plan Year End – 5 April 2025

The purpose of the EPIS is for us, the Trustees of the L'Oréal (UK) Limited Retirement Benefits Plan, to explain what we have done during the year ending 5 April 2025 to achieve certain policies and objectives set out in the Statement of Investment Principles (“SIP”). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan’s investments have been followed during the year; and
2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the ‘most significant’ votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In our view, most of the Plan’s material investment managers were able to disclose adequate evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

We expect improvements in disclosures over time, in line with the increasing expectations on investment managers and their ability to generate positive outcomes for the Plan through considered voting and engagement. The Plan’s property managers struggled to provide the engagement information requested. The Plan’s BlackRock allocation has now been fully redeemed and therefore, is not a concern. The Plan’s other property investments with Invesco and Threadneedle are in the process of being sold down and are not anticipated to be ongoing Plan investments.

Our investment adviser, Aon Investments Limited (“AIL”), will continue to engage with any managers that fail to provide requested information and communicate our expectations.

How voting and engagement policies have been followed

The Plan is invested in pooled funds, and so the responsibility for voting and engagement is delegated to the Plan's investment managers, which is in line with the policies set out in our SIP. We reviewed the stewardship activity of the material investment managers carried out over the Plan year and in our view, most of the investment managers were able to disclose adequate evidence of voting and/or engagement activity. More information on the stewardship activity carried out by the Plan's investment managers can be found in the following sections of this report.

Ongoing Monitoring and Training

Over the reporting year, we monitored the performance of the Plan's investments on a quarterly basis and received updates on important issues from our investment adviser, AIL. In particular, we received quarterly ESG ratings from AIL for the funds the Plan is invested in where available.

During the year, our investment adviser provided insight on ESG and stewardship topics, and we agreed our policies in relation to these.

In September 2024, the ISC was presented with the results of the Report on Exposures to ESG Restricted Sectors, as specified in the Responsible Investment Section of the L'Oréal Financial Charter. The Charter outlines restrictions against the Plan investing in certain sectors like controversial weapons. As at 31 December 2023, the Plan had no exposure to the restricted sectors and the Plan was found to be in accordance with the Charter.

Cost Transparency Reporting

Over the year, we engaged with ClearGlass to collate cost transparency information on the Plan's investment managers for the period 1 January 2023 to 31 December 2023. The Clearglass cost transparency report was presented to our ISC in November 2024 and annual fees were deemed to be in line with the median.

Each year, we review the voting and engagement policies of the Plan's investment managers to ensure they align with our own policies for the Plan and help us to achieve them.

The Plan's stewardship policy can be found in the SIP:

<https://www.loreal.com/-/media/project/loreal/brand-sites/corp/master/lcorp/7-local-country-folder/uk/documents/2025/2025-06--statement-of-investment-principles.pdf?rev=00b5e6411ca64151a6cc8b3a5ca95ca3>

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental, Social and Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. We have signed up to AIL's RI-360i solution which provides an annual in-depth analysis of our investment managers. We will continue to receive manager level insights into the ESG profile of our investment portfolio. We will also monitor how this changes over time, allowing us to better understand the alignment of our portfolio with Plan policies.
2. We will continue to invite select investment managers to future meetings to get a better understanding of their voting and/or engagement practices, and how these help us fulfil our Responsible Investment policies.

Our fund of funds manager's engagement activity

We invest some of the Plan's assets in AIL's Global Impact Fund. This is a fund of funds arrangement, where AIL selects the underlying investment managers on our behalf.

We delegate monitoring of ESG integration and stewardship of the underlying managers to AIL. We have reviewed AIL's latest annual Stewardship Report and we believe it shows that AIL is using its resources to effectively influence positive outcomes in the funds in which it invests.

Over the year, AIL held several engagement meetings with many of the underlying managers in its strategies. AIL discussed ESG integration, stewardship, climate, biodiversity and modern slavery with the investment managers. AIL provided feedback to the managers after these meetings with the aim of improving the standard of ESG integration across its portfolios.

Over the year, AIL engaged with the industry through white papers, working groups, webinars and network events, as well as responding to multiple consultations.

AIL has a net zero commitment to deliver UK delegated investment portfolios and default strategies which have a net zero carbon emissions profile by 2050.

AIL also successfully renewed its signatory status to the 2020 UK Stewardship Code, a set of high stewardship standards for asset owners and asset managers which is maintained and assessed by the Financial Reporting Council.

Our managers' voting activity

Good asset stewardship means being aware and active on voting issues, corporate actions and other responsibilities tied to owning a company's stock. We believe that good stewardship is in the members' best interests to promote best practice and encourage investee companies to access opportunities, manage risk appropriately, and protect shareholders' interests. Understanding and monitoring the stewardship that investment managers practice in relation to the Plan's investments is an important factor in deciding whether a manager remains the right choice for the Plan.

Voting rights are attached to listed equity shares, including equities held in multi-asset funds. We expect the Plan's equity-owning investment managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Plan's material funds with voting rights. Managers collate voting information on a quarterly basis. The voting information provided is for the year to 31 March 2025 which broadly matches the Plan year.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Legal and General Asset Management ("L&G") - Developed Balanced Factor Equity Index Fund GBP Hedged	11,446	99.8%	20.8%	0.4%
In AIL's Global Impact Fund:				
Lyrical Partners, L.P. ("Lyrical") - Global Impact Value Equity Fund	470	100.0%	4.0%	0.0%
Mirova - Global Sustainable Equity Fund	720	100.0%	40.4%	1.4%

Source: Investment managers. Please note that the 'abstain' votes noted above are a specific category of vote that has been cast, and are distinct from a non-vote.

Use of proxy voting advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers provide recommendations to institutional investors on how to vote at shareholder meetings on issues such as climate change, executive pay and board composition. They can also provide voting execution, research, record keeping and other services.

Responsible investors will dedicate time and resources towards making their own informed decisions, rather than solely relying on their adviser's recommendations.

The table below describes how the Plan's managers use proxy voting advisers.

Managers	Description of use of proxy voting adviser(s) (in the managers' own words)
L&G	L&G's Investment Stewardship team uses Institutional Shareholder Services' ("ISS") 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by L&G and we do not outsource any part of the strategic decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions.
Lyrical	Lyrical has adopted a proxy voting policy, as required by the Advisers Act. The policy provides that we will act in the best interests of our Accounts in determining whether and how to vote on any proxy voting matter.

Why is voting important?

Voting is an essential tool for listed equity investors to communicate their views to a company and input into key business decisions. Resolutions proposed by shareholders increasingly relate to social and environmental issues.

Source: UN PRI

Why use a proxy voting adviser?

Outsourcing voting activities to proxy advisers enables managers that invest in thousands of companies to participate in many more votes than they would without their support.

The Firm has hired Broadridge Financial Solutions Inc. to help implement these policies and procedures. Broadridge's default is to follow the recommendations of Glass Lewis. The Firm can override any such recommendation and typically supports proposals to improve company ESG and impact policies, practices, and outcomes. We also seek to carefully consider any concerns company management raises with us about upcoming proxy votes. We use Proxyedge for the majority of our clients.

Mirova Mirova votes pursuant to our own policy and utilizes ISS proxy voting platform and research recommendations as one of many sources of research when determining how to vote.

Source: Investment managers

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Plan's investment managers to provide a selection of what they consider to be the most significant votes in relation to the Plan's funds. A sample of these significant votes can be found in the appendix.

Our managers' engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Plan.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
L&G - Buy and Maintain Credit Fund	383	4,399	Environment - Climate Change Social - Human and Labour Rights Governance - Remuneration; Board Effectiveness - Independence or Oversight Strategy, Financial & Reporting - Financial Performance; Strategy/Purpose
L&G - Developed Balanced Factor Equity Index Fund GBP Hedged	682	4,399	Environment - Climate Change Social - Human and Labour Rights; Human Capital Management Governance - Remuneration; Board Effectiveness - Diversity Strategy, Financial & Reporting - Financial Performance; Strategy/Purpose
In AIL's Global Impact Fund:			
Lyrical - Global Impact Value Equity Fund	85	185	Environment - Net Zero Social - Quality of Care Governance - Remuneration
Mirova - Global Sustainable Equity Fund	23	79	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management
BlackRock - UK Property Fund	<i>Not provided</i>	3,384	Environment* - Climate Risk Management; Other Company Impacts on the Environment Social* - Human Capital Management; Social Risks and Opportunities Governance* - Remuneration; Corporate Strategy; Business Oversight/Risk Management; Board Composition and Effectiveness

Invesco - Real Estate UK Residential Fund	<i>Not provided</i>	134	Environment* - Climate Change; Natural Resource Use/Impact Social* - Human and Labour Rights; Conduct, Culture and Ethics Governance* - Strategy, Financial and Reporting; Remuneration
Threadneedle AM - Property Unit Trust	<i>Not provided</i>	942	Environment* - Climate Change; Natural Resource Use/Impact Social* - Human Capital Management; Human and Labour Rights Governance* - Leadership - Chair/CEO; Board Effectiveness - Other; Remuneration

Source: Investment managers. *BlackRock, Invesco and Threadneedle did not provide fund level themes; themes provided are at a firm-level.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- The property managers Invesco and Threadneedle did not provide fund-level engagement information. The Plan is in the process of redeeming from these funds and they are not anticipated to be an ongoing Plan investment.

This report does not include commentary on certain asset classes such as liability gilts or cash because of the limited materiality of stewardship to these asset classes. Further, this report does not include the additional voluntary contributions (“AVCs”) due to the relatively small proportion of the Plan’s assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Plan’s managers. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

L&G - Developed Balanced Factor Equity Index Fund GBP Hedged	Company name	JPMorgan Chase & Co.
	Date of vote	21 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.6
	Summary of the resolution	Elect Director Todd A. Combs
	How you voted?	Votes against resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	L&G publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an Annual General Meeting as our engagement is not limited to shareholder meeting topics.
	Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as L&G expects companies to respond to a meaningful level of shareholder support requesting the company to implement an independent Board Chair.
	Outcome of the vote	Pass
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	L&G will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.
	On which criteria have you assessed this vote to be most significant?	Thematic - Board Leadership: L&G considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.
Lyrical - Global Impact Value Equity Fund	Company name	Centene Corporation
	Date of vote	14 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.4
	Summary of the resolution	Shareholder Proposal Regarding Greenhouse Gases (“GHG”) Targets and Alignment with the Paris Agreement
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	This proposal requests that Centene develop near- and long-term science-based targets aligned with the Paris Agreement and summarise plans to achieve them. While the company discloses its Scope 1-3 emissions, it does not currently maintain any associated targets for its emissions. The company states that it continues to evaluate options for reducing emissions and managing climate-related risk. Centene intends to evaluate its ability to reduce Scope 3. In its response to this proposal, the company also states that it is subject to multiple laws and regulations governing GHG emissions and related disclosure requirements. While emissions are not material per Sustainability Accounting Standards Board, we believe that our companies should set goals to lower emissions in line with the goals of the Paris Agreement.

	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The implication of this outcome is to ensure that our portfolio companies are implementing ESG best practices. Our Director of Sustainability continues to monitor the situation.
	On which criteria have you assessed this vote to be most significant?	Adoption of this proposal could help mitigate potential climate and regulatory risk.
Mirova - Global Sustainable Equity Fund	Company name	Eli Lilly and Company
	Date of vote	6 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	4.0
	Summary of the resolution	Shareholders request that Eli Lilly report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics for workforce diversity, hiring, promotion, and retention of employees, including data by gender, race, and ethnicity.
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	While we focused our 2024 engagement on other social topics, In 2023, we challenged the company on their D&I disclosure, and let the company know that in line with this engagement we would support items in favour of transparency.
	Rationale for the voting decision	On diversity and inclusion, Eli Lilly has a comprehensive approach regarding its Diversity & Inclusion policy and has announced two goals: increase the number of women and minority group members in leadership and increase the current representation of Black/African Americans in their U.S. workforce from approximately 10% to 13%. Additionally, the company is committed to pay equity and has been conducting pay equity studies in the US for years, and also in the UK, Brazil, China, Ireland, Italy and Spain since 2018, however no quantitative information is published. Overall, the company is assessed as advanced regarding D&I. Nevertheless, greater transparency would be beneficial for shareholders. The resolution requests for a report production enabling better voting decision for shareholders. As such, Mirova supports this resolution.
	Outcome of the vote	Fail
	Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	This vote is one of the steps of our long-term engagement with the company. We continue to engage with the company to foster the adoption of best practices.
	On which criteria have you assessed this vote to be most significant?	This resolution concerns a topic that is core for the company and its business model.

Source: Investment managers