



CSR Policy

India is one of the largest growing economies in the world. However, it continues to be deluged with various problems and challenges of poverty, health hazards, unemployment, environmental degradation, illiteracy, poor educational standards, inadequate infrastructure amongst many others.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. Businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

From the very outset, L'Oréal has been a company committed to consumer safety, to protect the environment and to the welfare of our employees. As a market leader, we have a responsibility to go further, ensure that all our stakeholders share in our success, and thus make the world a more beautiful place.

We believe in the beauty of protecting the environment & biodiversity; the beauty of supporting communities; and providing security for employees, the beauty of delivering desirable and sustainable products for women and men who trust in us.

Sharing Beauty With All is our global sustainability commitment, is an ambitious and universal project for a better society, in which L'Oréal takes up a new stance in relation to its consumers, to citizens and communities.

We at L'Oréal India are convinced that beauty has a genuine societal utility, and can make a huge positive difference to communities and the environment. Across, our value chain we are committed to improving the way we do business, from research to operations, from marketing to communication with the consumer. We are fully involved with concrete and bold commitment's specific to India, covering Innovating Sustainably, Producing Sustainably and Living Sustainably.

In India, our priority will be to become the best practice leader in women's empowerment & environmental sustainability.

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013 and Rules made thereunder ("Act"). The Board of Directors has re-constituted the CSR Committee in its meeting held on 25th June 2019.

The CSR Committee re-formulated the policy on CSR and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board vide its resolution dated 25th June 2019 approved and adopted the CSR Policy with immediate effect.

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Policy / CSR Activities

The Policy recognises that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 read with Schedule VII of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts:
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste\$, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- Rural development projects.
- Slum area development
- Any other Projects / activities the Government may add from time to time to the Schedule VII of the Companies Act, 2013 or allow through clarifications/ Circulars.
- Any ancillary or incidental activities required to be performed to undertake any of the projects mentioned above subject to the prior approval of the CSR Committee.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

Annual spends / Allocation of Funds

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company.



CSR Committee

Guiding Principles for Constitution of CSR Committee:

The CSR Committee will consist of three members.

The Committee will meet as required, to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

Committee Members:

- 1. Mr. AMIT JAIN**
- 2. Mr. THIERRY LAURAIN**
- 3. Ms. SNEHHAL CHITNENI**

Scope of Functions of CSR Committee:

- The CSR activities enumerated above shall form part of scope of functions of the CSR Committee.
- To publicise the CSR Policy and initiatives org-wide, especially through mailers, screensaver and Policy documentation and upload(s) on website.
- To plan and carry out workshops to increase employee awareness on various projects and initiatives.
- Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the Committee for the furtherance of CSR objectives of the Company, in pursuance with the Regulations.

Transparent Monitoring Mechanism

- The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes /activities proposed to be undertaken by the Company.
- The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee or external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

Planning and Implementation:

A list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

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Identification of projects and the executing agency/NGO will be made, inter-alia, by assessing the following:

Project Objectives:

Sharing Beauty With All is a commitment in four areas:

1. **Innovating sustainably** - By 2020, we will innovate so that 100% of products have an environmental or social benefit.
2. **Producing sustainably** - By 2020, we will reduce our environmental footprint by 60 % whilst bringing beauty to one billion new consumers.
3. **Living sustainably** - By 2020, we will empower every L'Oréal consumer to make sustainable consumption choices while enhancing the beauty of the planet.
4. **Developing sustainably**

Employees: By 2020, L'Oréal employees will have access to health care, social protection and training, wherever they are in the world.

Suppliers: By 2020, 100% of our strategic suppliers will be participating in our supplier sustainability program.

Communities: By 2020, we will enable more than 100,000 people from underprivileged communities, equivalent to the size of our global workforce, to access work.

Projects / Partners

CSR Committee in consultation with the Board of Directors of the Company will identify suitable projects for implementation in line with the objects of the Company and requirements laid down under the Act. These projects would be executed either directly by the Company and/or through CSR Partner(s) as permitted under the Companies Act, 2013.

Remaining committed to the two fields science and beauty, the Company has its plans to implement its two flagship CSR programs called Beauty for a Better Life (BFBL) and For Young Women in Science (FYWIS).

Beauty for a Better Life program endeavours to provide high quality training opportunities to women from dis-advantaged sections of the society. Training to be imparted in beauty domains to help women be trained and equipped for livelihood opportunities in salon and beauty retail spaces. To implement the program and reaching to the intended beneficiaries, the company partners with LabourNet (and/or Sambhav Foundation) and Tata Community Initiatives Trust.

For Young Women in Science program supports and encourages young women from economically disadvantaged backgrounds to pursue their higher education in science stream from any recognized college/university in India. The FYWIS program gives 50 scholarships pan India annually. The scholarship awardees are chosen by our eminent jury comprising scientists, academicians, journalist etc.

Encouraging employees to volunteer for social and/or environmental causes, the company along with NGOs organizes Citizen Day wherein employees join hands to cause impact for a social or environmental cause.

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The focus areas being environment, education/information for employment, supporting people with disability, fighting exclusion and intergenerational solidarity.

Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, in the prescribed format as set out herein as Annexure, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

Monitoring

- Appropriate documentation and amendments of the CSR Policy, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- The CSR Committee and persons /entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
- Based on analysis of projects, the CSR Committee will carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.

Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.