

ANNEXURE I

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities are as follows (Provided in Schedule VII of Companies Act 2013):

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. 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.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
5. 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 art and handicrafts.
6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
7. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
8. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
9. (a). Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b). Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department

of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

10. Rural development projects.

11. Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

12. Disaster management, including relief, rehabilitation and reconstruction activities.

Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.

Corporate Social Responsibility **Policy**

**COMPASS INDIA FOOD SERVICES
PRIVATE LIMITED**

**CSR Policy under the Companies Act,
2013 and the Companies (Corporate
Social Responsibility Policy) Rules, 2014**

TABLE OF CONTENTS

| S.No. | Contents | Page No. |
|--------------|-----------------------------------|-----------------|
| 1. | CONTEXT | 3 |
| 2. | OBJECTIVES | 3 |
| 3. | CSR ACTIVITIES | 3 |
| 4. | LOCATION OF CSR ACTIVITIES | 3 |
| 5. | CSR COMMITTEE | 3 |
| 6. | RESPONSIBILITIES OF THE COMMITTEE | 4 |
| 7. | RESPONSIBILITIES OF THE BOARD | 4 |
| 8. | FUND ALLOCATION | 4 |
| 9. | MONITORING OF CSR ACTIVITIES | 4 |
| 10. | REVIEW AND REPORTING | 5 |
| 11. | AMENDMENTS TO THE POLICY | 5 |

1. CONTEXT

India being one of the largest growing economies in the world, yet there are various sectors of the economy that are underserved and lacking attention. It is here that the government expects a corporation to assume some responsibility for the society in which it thrives. Hence the concept of Corporate Social Responsibility was included in the Indian Companies Act, 2013 and related Rules (the "Act") which mandates that certain companies spend a requisite percentage of their profits towards certain activities mandated by the law. The government shall, instead of monitoring these activities, provide a conducive environment for these companies to conduct themselves in a socially responsible manner.

The concept and need for Corporate Social Responsibility ("CSR") has gained prominence in recent years. The government as well as regulators have created various guidelines pertaining to such responsibilities and have also enacted mandatory Corporate Social Responsibility provisions under the Act.

Compass India Food Services Private Limited (here in after referred to as the "Company") recognizes the impact created on the society, environment and communities in which it operates and it also believes that a remarkable change can be made in the lives of these society, environment and communities. Further the company object is to take necessary steps to contribute to the social, economic and environmental progress for the development of the country. The Company remains committed to undertake CSR activities in both letter and spirit in accordance with the provisions of Section 135 of the Act.

2. OBJECTIVES

This CSR policy intends to:

- Strive for economic development that positively impacts the society at large with a minimal natural resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities by promoting education, skills development, building homes, community improvement, rural development, poverty eradication, etc.

3. CSR ACTIVITIES

This Policy recognizes that CSR is not merely compliance with laws; it is a larger commitment to support initiatives that measurably improve the lives of the underprivileged. The company shall focus on the areas as prescribed under the Act and also activities apart from the Act. The areas where such CSR activities shall be focused in provided as Annexure I.

4. LOCATION OF CSR ACTIVITIES

The CSR Committee shall decide upon the locations for CSR activities. Preference shall be given to the local areas in which the Company operates.

5. CSR COMMITTEE

As and when the provisions of constituting a CSR Committee becomes applicable to the Company, the CSR Committee shall consist of two or more Directors and shall have the authority to invite such employee(s), senior official(s) and or external participants, as it deems fit to its meetings.

The CSR Committee shall meet at least twice a year to discuss and review CSR activities and the Company's CSR Policy. Two Directors must be present to constitute a quorum for a meeting to take place. Such other meetings of the CSR Committee can be convened as and when deemed appropriate.

The members of the CSR Committee may attend the meeting physically or via such audio-visual means as permitted under the Act.

6. RESPONSIBILITIES OF THE COMMITTEE

The responsibility of the CSR Committee, if so constituted as mentioned in serial number 5 includes:

- Formulating and recommending to the Board, the CSR policy and indicating the activities to be undertaken by the Company.
- Recommending to the Board the amount of funds to be spent by the Company for CSR activities.
- Monitoring and updating the CSR policy from time to time as necessary.
- To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

In the absence of the committee, the Board shall directly carryout the same.

7. RESPONSIBILITIES OF THE BOARD

Following are the responsibilities of the Board:

- Approving the CSR Policy and approving or ratifying the CSR expenditures after taking into consideration the recommendations made by the CSR Committee, if applicable. In the absence of the committee, the Board shall directly carryout the same.
- Ensuring that, during the financial year, the Company allocates appropriate funds and spends the required amount on CSR activities.
- Ensuring that CSR activities included in the CSR Policy are undertaken by the Company and that such activities are in compliance with the activities specified in Schedule VII of the Act.
- Providing necessary disclosures in the Directors' Report as prescribed by the Act and in Company website, if any including the reason for failure to spend, if any, the required amount on CSR activities.

8. FUND ALLOCATION:

Amounts required to be spent annually on CSR activities shall be determined based on the following:

- 2% of the Average Net Profit made by the Company during the immediately preceding three Financial Years which shall be computed as per the method specified under the Act or such other limit as may be prescribed by the Regulator from time to time.
- Income arising from CSR activities, if any.
- Amount required to have been spent on CSR activities during the previous financial year still remaining, if any.
- Such higher amounts as may be approved by the Board.

Further the amount spent for the CSR activities undertaken only in India shall amount to CSR Expenditure. Also, the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

9. MONITORING OF CSR ACTIVITIES

The CSR Policy shall be formulated by the CSR Committee, which shall function as a sub-committee of the Board.

The CSR Committee shall have the power to delegate the responsibility of monitoring the CSR activities to a working group consisting of employees of the Company and/or external individuals. The CSR Committee shall oversee the activities of such working group.

The working group shall provide regular progress reports and updates to the CSR Committee as necessary.

Such reports should indicate:

- CSR achievements and activities undertaken since the last progress report.
- Actual spends on CSR activities as compared to the budget and the reasons for the variance, if any.

With respect to activities undertaken through any Companies registered under Section 8 of Companies Act, 2013 or previous Acts/Trust/Society/NGO, either singly or jointly there shall be a mechanism of periodic progress reporting on such activities or the amounts spent thereon.

The CSR Committee shall provide periodic reports on CSR activities to the Board as indicated below.

In the absence of CSR Committee, the Board shall carry out the above functions and monitor the CSR activities as mentioned above.

The CSR activities that benefit only the employees of the company and their families shall not be considered as CSR activities.

10. MONITORING AND REPORTING

The CSR Committee, if so constituted as mentioned in serial number 5 shall review the CSR activities of the Company and shall provide progress updates to the Board at least twice a year.

The Company shall report, in the prescribed format, the details of its CSR initiatives and activities in the Directors' Report as required under the Act.

11. AMENDMENTS TO THE POLICY

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