

# **BIMBO BAKERIES INDIA PRIVATE LIMITED**

**(Formerly, Ready Roti India Private Limited)**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. PREAMBLE:**

The Ministry of Corporate Affairs (“MCA”) introduced the concept Corporate Social Responsibility (“CSR”) in the Companies Act, 2013.

This Corporate Social Responsibility Policy (hereinafter referred to as 'CSR Policy') of Bimbo Bakeries India Private Limited (Formerly, Ready Roti India Private Limited) (“Company” or “BBIPL”) is framed in terms of Section 135 of the Companies Act, 2013 (“Act”) read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments of any of them for the time being in force).

Corporate Social Responsibility (CSR) is a Company's commitment to ethical practices, environmental protection and community support while doing the business. It outlines efforts of the Company to give back to the society what it has earned from it, ensuring compliance with laws, promoting human rights and proactively supporting community initiatives, environmental conservation and educational programs.

This CSR Policy encompasses BBIPL’s philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such duties.

This policy applies to BBIPL and its subsidiaries.

### **2. CSR VISION & OBJECTIVES**

The CSR Policy sets out BBIPL’s commitment to ensure that our activities and responsibility extend beyond the business and include initiatives and endeavors for the benefit and development of the community and society. BBIPL recognizes the value of doing business responsibly while contributing positively to the community. It believes that managing the impacts of its operations and supporting the communities it operates in is vital to achieving long-term sustainable success.

The CSR Policy lays down the guidelines for evaluating, undertaking and implementing CSR programs and projects within applicable statutory framework.

This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and the rules issued thereunder.

Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, if the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:

- (i) Constitute/maintain the CSR Committee; and
- (ii) Comply with the provisions of this CSR Policy

till such time as it again meets the criteria specified in Section 135(1) of the Act

The Company will undertake CSR activities in following focus areas:

- i. Eradicating hunger, poverty, and malnutrition, [promoting health care including preventive health care] and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. 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].
- v. 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.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents.

- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports, and Olympic sports.
- viii. 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 Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women.
- ix. 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 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 Organization (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).
- x. Rural development projects.
- xi. 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.]
- xii. Disaster management including relief, rehabilitation, and reconstruction activities; and
- xiii. Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

- xiv. Such other matters as may be prescribed by the Central Government and approved by the Board of Directors / CSR Committee, as the case may be.

### 3. DEFINITIONS

**3.1 "Act"** means the Indian Companies Act, 2013 and the rules thereunder, including statutory modification or re-enactment thereof.

**3.2 "Administrative overheads"** means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or program.

**3.3 "Board"** means the board of directors of the Company.

**3.4 "Corporate Social Responsibility (CSR)"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained therein read with Rules, but shall not include the following:

- activities undertaken during normal course of business of the Company;
- any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- contribution of any amount directly or indirectly to any political party.
- activities benefiting employees of the Company.
- activities supported by the Company through sponsorship for deriving marketing benefits for its products or services.
- activities carried out for fulfilment of any other statutory obligations under any other law in force in India.

**3.5 "CSR Committee"** means the Corporate Social Responsibility Committee of the Board constituted/reconstituted as per section 135 of the Act.

**3.6 "CSR Policy"** means a statement containing the approach and direction given by the board of the Company, considering the recommendations of its CSR Committee, and includes guiding principles for selection, implementation, and monitoring of activities as well as formulation of the annual action plan as per the applicable Act and rules made thereunder.

**3.7 "International Organization"** means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947, to which the provisions of the schedule to the said act apply.

**3.8 "Net profit"** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- any dividend received from other companies in India and:

**3.9 "Ongoing Project"** means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

**3.10 "Rules"** means Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

#### **4. CSR GUIDING PRINCIPLES:**

BBIPL is committed to establish best practices in CSR and guided by the following principles:

**4.1 Shared Responsibility-** As CSR involves everyone in the organization, therefore everyone has to share the responsibilities of ownership as well as its rewards.

**4.2 Openness and Accountability-** Openly communicate CSR policy, objectives, and performance to BBIPL shareholders, employees, local community, and society at large.

**4.3 Continuous Improvement-** As part of BBIPL best practices, the Company is committed to measure and monitor CSR performance, set targets for improvement and report progress as per statutory requirements.

**4.4 Demonstrate Statutory Compliances-** Meet all relevant statutory legislations and compliances and where none exists, will seek to develop and implement own appropriate methods and standards.

## **5. CSR COMMITTEE**

- 5.1** The CSR Committee shall be constituted in accordance with the provisions of the Act.
- 5.2** The CSR Committee shall formulate and recommend to the Board the CSR Policy of the Company, including any subsequent changes / modifications therein.
- 5.3** The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules, which shall include the following:
- i. the manner of execution of such projects or programs as specified in sub-rule (1) of Rule 4 of the CSR Rules 2021;
  - ii. the modalities of utilization of funds and implementation schedules for the projects or programs;
  - iii. monitoring and reporting mechanism for the projects or programs;
  - iv. details of need and impact assessment, if any, for the projects undertaken by the company; and
  - v. recommending to the Board any change / alteration in the project or program at any time during its implementation, based on the reasonable justification to that effect.
- 5.4** The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist or arise in connection with the effective execution of this CSR Policy or any project or program undertaken by the Company.
- 5.5** The CSR Committee shall hold meetings, whenever required, which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
- 5.6** The CSR Committee may invite other experts/ invitees as per its requirements.
- 5.7** No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

## **6. CSR EXPENDITURE AND ALLOCATION**

- 6.1** CSR Committee shall recommend to the Board the annual CSR budget and its allocation amongst CSR projects and programs for the Company. The CSR spent shall be as per the requirements of the Act and Rules.
- 6.2** CSR Committee will also ensure that CSR projects and programs selected for recommendation to the Board adhere to the 'Global Donations and Social Impact Policy (FGB-IR-02)', 'Global Integrity Policy (GGB-004)' and other relevant policies, if any, of Grupo Bimbo, the parent company.
- 6.3** The Board shall approve the allocation of the CSR Expenditure on the CSR activities and, to the extent possible, give priority to the local areas wherever BBIPL has its operations. In case of lack of feasible/impactful CSR projects, the said funds shall be utilized for any other project as deemed suitable in consonance with CSR Policy.
- 6.4** In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen. As per section 135 of the Act, the Company will report in its annual report to the shareholders of the Company, the allocated CSR budget in any of the financial years.
- 6.5** The Board shall ensure that the administrative overheads relating to the general management and administration of CSR functions in the Company shall not exceed five percent of total CSR expenditure for the financial year.
- 6.6** Where a company spends an amount in excess of requirements provided under the Act, such excess amount may be set off against the requirements to spend up to immediate succeeding three financial years subject to the conditions that -
- I. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
  - II. the Board shall pass a resolution to that effect.
- 6.7** The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
- I. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or

- II. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- III. a public authority.

**6.8** The expenditure towards impact assessment studies shall be booked and be as per the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

**6.9 Unspent CSR amount** - If unspent CSR amount for any year relates to any Ongoing Project, such amount shall be transferred to a special bank account for that year called 'Unspent Corporate Social Responsibility account' within 30 days from the end of financial year. The amount in 'Unspent Corporate Social Responsibility account' shall be spent within 3 financial years from the date of transfer. Failing which, the amount shall be transferred to a fund specified under Schedule VII within 30 days of completion of 3 Financial years. In other cases, the unspent CSR amount shall be transferred to a Fund specified under Schedule VII within six months from expiry of the financial year.

## **7. IMPLEMENTATION MECHANISM**

**7.1** The CSR Committee / Board shall ensure that the CSR activities are carried out in accordance with the CSR Policy and in compliance with the Act and Rules.

**7.2** The projects, programs or activities identified by the CSR Committee and approved by the Board shall be implemented within the prescribed timelines.

**7.3** The Company shall undertake the CSR activities itself or through any of the following entities being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021):

- i. a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company, or
- ii. a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or any entity established under an Act of Parliament or a State Legislature; or
- iii. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act,

1961, and having an established track record of at least three years in undertaking similar activities.

- 7.4 In case activity is implemented through the registered entity having a unique CSR Registration Number (with effect from 1<sup>st</sup> April 2021), suitable documents/ agreements shall be entered into with them for the purposes of implementation of the CSR activity. The conditions of grant of amounts for all CSR activities and the break-up of the allocations shall be set out and evaluated from time to time.
- 7.5 The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
- 7.6 The Company may engage International Organization(s) for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR projects execution.
- 7.7 The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs.
- 7.8 The Board shall appoint, nominate and designate officer(s) of the Company for the purpose of implementation of the CSR projects / programs approved by the Board from time to time (“**Nodal Officer**”) and submitting report of the progress on the CSR Activities to the CSR Committee and the Board.
- 7.9 If it is observed that any CSR Activity taken up for implementation is found not suitable due to the changing context or not implemented properly for any reason, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such funds for any other project. Further, CSR committee with approval of the Board, may alter the annual plan with respect to the CSR activity or the allocation of the funds as deemed fit based on reasonable justification.

## **8. MONITORING MECHANISM AND IMPACT ASSESSMENT**

- 8.1 The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

- 8.2** In case of Ongoing Project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- 8.3** To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the progress of the CSR projects and programs and utilization of the amount sanctioned shall be reported by the Nodal Officer to the CSR Committee on quarterly basis in such manner as the Committee or Board may direct.
- 8.4** Upon receipt of such progress report by the Nodal Officer, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board.
- 8.5** CSR Committee or any member(s) thereof may organize field visits at regular intervals to ensure effective implementation of CSR projects, programs, and activities. They may conduct regular and interactive feedback sessions at all levels including with the Nodal Officer, implementation entities as well as the respective beneficiaries of all the CSR activities.

## **9. REPORTING AND RECORD KEEPING**

- 9.1** The CSR Committee shall maintain proper minutes of all its meetings. The CSR Committee shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board's report annexed to the financial statements.
- 9.2** The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the Rules.
- 9.3** The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the Rules are complied with.
- 9.4** The impact assessment reports, if applicable, shall be placed before the CSR Committee / Board, and annexed to the annual report on CSR as may be required and applicable from time to time.
- 9.5** Display of CSR activities on its website - The composition of the CSR Committee, CSR Policy and CSR projects approved by the Board shall be disclosed on the website of the Company for public.

## **10. REVISION/ AMENDMENT**

The CSR Committee is empowered to amend or modify the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable law, at any time approve or alter, amend, or modify the CSR Policy, as it deems fit to comply with the statutory obligations to undertake the CSR Activities.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.