

HEINZ INDIA PRIVATE LIMITED

CIN: U15200MH1994PTC138918 - 9724134909

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Corporate Social Responsibility (“CSR”) Policy for Heinz India Pvt. Ltd

I. BACKGROUND AND STATUTORY RELEVANCE

Section 135 of the Companies Act, 2013 (*“the Act”*) and the Companies (Corporate Social Responsibility) Rules, 2014 (*“the CSR Rules”*) came into effect on April 01, 2014.

According to the Act and the Rules, Heinz India fulfills the condition laid down by the Act and therefore becomes eligible to constitute a Corporate Social Responsibility Committee (*“CSR Committee”*), and spend at least 2% of the average net profits (calculated in accordance with Section 198 of the Act) of last three immediately preceding financial years on CSR activities.

Conditions for constitution of CSR Committee (Section 135 (1) of the Act)-

- a. Company has a net worth of Rs. 500 Crore or more, or
- b. Company has a turnover of Rs. 1000 Crore or more, or
- c. Company has a net profit of Rs. 5 Crore or more.

Conditions for dissolution of CSR Committee (Rule 3(2) of the CSR Rules)-

When a Company ceases to have net worth, turnover or net profit of the value described in Section 135 (1) of the Act for a period of three consecutive financial years, it shall cease to carry out activities as specified in the Act and Rules, and may dissolve the CSR Committee.

II. SCOPE AND APPLICABILITY

This policy sets establishes the scope of the CSR Policy, the CSR goals of the Company and the funding approval process. This policy is broadly based on goals and vision of the Global Kraft Heinz Policy on CSR.

This policy is implemented in accordance with the appropriate guidelines and procedures as may be prescribed by the Company from time to time and in compliance with the Companies Act, 2013 and the Rules made thereunder. In the event of a conflict between this Policy and Companies Act, 2013 or such other laws as may be applicable, the Companies Act, 2013 shall prevail. In the event there is no conflict between the policy and the Companies Act, 2013, but the policy

imposes a higher standard and/or more onerous requirements than local laws, the higher standard and/or more onerous requirements of the policy shall prevail.

III. CSR PHILOSOPHY

CSR is at the core to our operating vision at Heinz India and at the Kraft Heinz Company on a global level and to our objective of bringing about a difference and adding value to our stakeholder's lives in line with the Kraft Heinz Company's vision of "Growing a Better World". We believe that to succeed, an organization must maintain the highest standards of corporate behavior towards its employees, consumers and the societies in which it operates and give back to the society. We are dedicated to the sustainable health of consumers who trust our Company to manufacture safe, high-quality, great-tasting, nutritious foods. Finally, we wish to continue building our enduring legacy of being a good corporate citizen in the communities we operate.

Thus, Heinz India's CSR policy is rooted in the Company's core values of quality, reliability and trust guided by global policies and best practices, and driven by our aspiration for excellence in the overall performance of our business.

IV. CSR VISION

"Growing a Better World" is our CSR Vision. We are committed to focusing on areas that contribute to the social wellbeing of the communities in which we operate. We shall undertake CSR activities falling broadly within the ambit of the below listed efforts which will help fulfill our CSR Vision:

1. Participating in government programs to improve sanitation;
2. Engaging in Community Health Programs;
3. Dissemination of Nutrition Awareness;
4. Organizing Mobile Health Outreach Programs;
5. Participating in National Disaster Relief Operations.

Details of the proposed CSR activities and how it will add value to the beneficiary has been enumerated in the below table:

Sn.	Proposed Activity	Benefits to Community	How it aligns with Kraft Heinz Company's CSR vision
1.	Participating in Government Initiatives which address Sanitation issues		
	Build and maintain sanitation facilities in and around Aligarh Factory.	<ul style="list-style-type: none"> - Eradication of open defecation in and around Aligarh where sanitation facilities are marginal - Prevention of diseases leading to Improvement in the health of the community at large 	<ul style="list-style-type: none"> - Participation in the flagship program of India Govt. - Heinz India regarded as a responsible Corporate engaged in the betterment of local communities - Generates goodwill
2.	Community Health Programs in Aligarh and Sitarganj (factory locations)		
	<ul style="list-style-type: none"> - Develop Health Centers and/or sponsor infra in government health centers in areas around factories - Maintain street lighting in roads leading up to Sitarganj factory - Engage in Animal Welfare Programs in and around Aligarh 	<ul style="list-style-type: none"> - Eradication of open defecation in and around Aligarh where sanitation facilities are marginal - Prevention of diseases leading to Improvement in the health of the community at large 	<ul style="list-style-type: none"> - Strengthens Heinz India's relations with local community and milk farmers - Improves productivity of cattle supplying milk - Generates Goodwill
3.	Nutrition Awareness Programs for Adults and children		
	<ul style="list-style-type: none"> - Disseminating knowledge on Nutrition through Heinz Nutrition Foundation of India (HNFI) - Distribution of notebooks in schools for girls 	<ul style="list-style-type: none"> - Awareness amongst adults and children on the importance of good nutrition - Educating children through distribution of notebooks 	<ul style="list-style-type: none"> - Supports "nutrition" platform of Heinz India - Generates goodwill
4	Health Outreach Program		
	<ul style="list-style-type: none"> - Mobile Health Care units in rural areas 	<ul style="list-style-type: none"> - Awareness amongst rural population on the importance of good nutrition - Free health check-up for low health facility areas 	<ul style="list-style-type: none"> - Generates goodwill in rural areas
5	Participating in National Disaster Relief Operations		
	<ul style="list-style-type: none"> - Donating Company Products during relief operations of National Disasters (as and when) 	<ul style="list-style-type: none"> - Nutritional requirements in times of food scarcity due to natural disasters 	<ul style="list-style-type: none"> - Generates goodwill

Further, upon the recommendation of the CSR Committee and with necessary approval of the Board, the Company may also undertake any of the following activities which are defined in Schedule VII of the Companies Act, 2013, as part of its CSR.

1. Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
2. Promotion of education, including special education and employment enhancing vocation skills especially among children, woman, 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 centers, 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, agro- forestry, conservation of natural resources and maintaining of quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries, promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
8. 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 Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects.

Any socially responsible corporate project, program or activity that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.

CSR activities undertaken in India alone shall be taken into consideration, in order to satisfy the requirement of Section 135 of the Companies Act 2013.

V. CSR COMMITTEE OF THE COMPANY

Constitution

In line with the provisions of the Act and the CSR Rules, the Board of Directors of the Company shall constitute a CSR Committee consisting of a minimum of 3 Directors, by passing a resolution at a Meeting of the Board or via circulation which is then ratified at the subsequent Board Meeting.

Where a Director, being a member of the CSR Committee, ceases to be Director of the Company, he shall automatically cease to be a member of the CSR Committee, effective from his date of resignation.

Provided that, the minimum number of Directors in the CSR Committee shall remain three (3) at all times.

The Board of Directors may re-constitute the CSR Committee by increasing or decreasing the members of the Committee, by passing a resolution at a Meeting of the Board or via circulation.

Chairman

The Chairman of the Board of Directors of the Company shall be the Chairman of the CSR Committee.

Meetings

The CSR Committee shall meet as frequently as it deems necessary, but at least twice in a financial year.

The quorum shall be 2 members present in person or participating through audio-visual means.

If the Chairman of the CSR Committee is not present, the members present shall elect one amongst themselves to chair the meeting.

The CSR Committee shall maintain the minutes of each of its meetings.

The Secretary of the Company shall be the Secretary of the CSR Committee.

The Meetings of the CSR Committee shall be conducted in the same manner as the Meetings of the Board of Directors of the Company.

VI. ROLE OF THE CSR COMMITTEE

The CSR Committee shall be in charge of overseeing the execution of CSR Projects by the Company and shall report to the Board. It shall be responsible for selecting CSR proposals, deciding the amount and manner of funding for CSR Projects and recommending the same to the Board, and overseeing the implementation of the CSR Projects by the Company.

The function of the CSR Committee is to :

1. Formulate and recommend to the Board the CSR Policy which shall indicate the activities to be undertaken by the Company as detailed in the Schedule VII to the Act;
2. Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy;
3. Monitor the CSR Policy from time to time;
4. Monitor the basis of selection of CSR Projects;
5. Review proposed CSR Projects and make recommendations to the Board;
6. Allocate the funding for the CSR Projects basis the recommendations of the Board;
7. Institute a transparent monitoring mechanism for the implementation of selected CSR Projects.

All decisions of the Committee shall be ratified by the Board.

VII. FUNDING OF CSR PROJECTS

The CSR Commitment by the Company for every Financial Year (01st April to 31st March) shall comprise of the following:

1. 2% (two percent) of the average Net Profits of the Company for the last 3 (three) financial years;
 2. Any income arising from the CSR Commitment; and
 3. Surplus arising out of CSR activities, if any.
- In case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount.
 - The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
 - CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee, but shall not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.

VIII. **SELECTION OF CSR PROJECTS**

The designated manager handling Corporate Social Responsibility portfolio shall identify and approach external organizations aided by government or non-governmental organizations or not-for profit organizations which focus on areas which are part of the Company's CSR Vision for CSR Project Proposals.

The said manager shall then prepare and submit a CSR Project Proposal to the CSR Committee which shall contain the following information:

- i. Information about the external organization and a list of sample projects that they have undertaken in the past three years;
- ii. Proven track record of the external organization for the past 3 (three) years in the area of project activity that it has been nominated for.
- iii. Information of the project and the activities that the organization proposes to undertake in relation to which funding is sought from the Company;
- iv. A budget indicating various heads under which expenditure is proposed to be made and the quantum of such expenditure;
- v. The impact of the activities that are proposed to be conducted;
- vi. Any other information that may be material for the Company to make an informed decision on supporting the project.

* Such information may include but is not limited to relationships that the organization (i.e. its Directors or Management) may have with any employee of the Company.

The Company may undertake CSR activities through a registered trust or registered society or a company established by Heinz India or otherwise, provided that– If such a trust or society is not registered by Heinz India, it shall have an established track record of 3 years in undertaking similar programs or projects.

All CSR Proposals, whether for external organizations or for a trust or society registered by Heinz India or for a Company established by Heinz India shall be approved by the Selection, Approval, Implementation and Monitoring mechanism laid down herein.

IX. **APPROVAL AND IMPLEMENTATION OF CSR PROJECTS**

Upon receipt of a CSR proposal, the CSR Committee shall carry out appropriate due diligence of the CSR Proposal and the organization to ensure alignment of the CSR Proposal with the CSR Policy of the Company. The CSR Committee shall approve the funding (amount and structure of disbursement) after deliberations and modifications in the Proposal submitted to it, as it deems necessary in alignment with the CSR Policy.

Such CSR Project approved by the CSR Committee shall be placed before the Board together with the recommendations of the CSR Committee for the Board's consideration and approval.

Funding shall only be made for such projects which are approved by the Board.

Subsequent to approval of the CSR Proposal by the Board, the Company and the organization may enter into appropriate documentation regarding the terms of the CSR Project, the terms of funding and the manner of disbursement. This documentation shall serve as the blueprint for the duration of the CSR Project. The Implementation of the CSR Project shall be overseen by the Customer Care and Corporate Communications Department which shall report to the CSR Committee about the progress of the Project periodically.

X. **MONITORING AND REPORTING MECHANISM**

Progress of the CSR activity shall be monitored every quarter by way of independent and / or internal audits sanctioned by the CSR Committee. The CSR Committee shall report to the Board of Directors of the Company. The Company will publish the list of specific projects it plans to undertake for any financial year, and the modalities of execution, including implementation plan as an Annexure to this policy from time to time. The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Act and the Rules.

This policy will also be available on the Company's website in compliance with Section 135(4) of the Act.

31 March 2016