



McCain Foods (India) Private Limited

Corporate Social Responsibility Policy

Recommended by:	Approved by:	Effective Date: 31- Mar-17
 Deepshikha Madan CS & Legal Counsel - India	 Vikas Mittal Managing Director	 Debadatta Baxi GM HR
		Version – 1 A



Our Philosophy

Being one of the largest producers of French Fries and Potato Specialties across the world for six decades, in India we are striving as McCain Foods (India) Private Limited to be not just a business, but a 'Responsible Business'. McCain believes in making a positive contribution to rural communities across the world. Prior to setting up a manufacturing plant, McCain begins working with local farmers and setting up its supply chain in order to develop not only a source of quality raw material for the manufacturing plant but also a stable source of income for the farmers and the local rural community. *It's not just about potatoes but it is also about improving rural livelihoods.*

The McCain brothers founded our company on a simple philosophy - good ethics is good business. Today we see this is as a core company value and we call it "Be Good. Do Good". This value guides our Corporate Responsibility strategy and it's inherent in the way we do business. Our CSR strategy focuses on five key areas: Agriculture, Operations, Food, Communities and Employees.

Agriculture	Operations	Food	Employees	Communities
Procuring potatoes with a minimum impact on environment	Reducing the environmental impact of our manufacturing facilities	Ensuring that our branded products meet our nutritional guidelines	Being recognized as a good company to work for, providing positive working conditions for all employees while allowing them to grow	Making a positive difference improving rural livelihoods in the communities where we operate

We at McCain Foods (India) Private Limited (the "Company") acknowledge and recognize that, being a socially responsible corporate of India, we must contribute for the betterment of the society in which we are living.

CSR Policy

Corporate Social Responsibility ("CSR") has been a practice in India for a very long time, but recent changes in the laws of India have provided a legislative underpinning to existing practices. CSR has been defined by the Company as *"Initiatives that support the development of an environmentally sustainable and socially responsible business. This involves addressing social and environmental issues (such as climate change and rural development) as an integral part of the way McCain conducts its business"*. These would include programmes, projects and activities (collectively "CSR Programmes") aimed at climate-resilient farming, rural community development and generally aligned to similar national and international initiatives.

Objectives of the Company's CSR Policy

- ⌘ Defining what CSR means to the Company
- ⌘ Defining activities that the Company may undertake to achieve its CSR commitments of being environmentally sustainable and socially responsible
- ⌘ Ensuring that the Company's CSR Programme is consistent with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time
- ⌘ Providing a guideline for CSR Programme implementation and making appropriate provisions for social or environmental projects
- ⌘ Promoting the implementation of CSR initiatives in its truest spirit through appropriate procedures and reporting
- ⌘ Fostering employee engagement through participation in environmentally sustainable and socially responsible business initiatives

The Company's CSR Programmes

The Company's CSR Programmes will focus on elements such as improving rural livelihoods, promoting responsible nutrition and climate-friendly farming, operations and logistics, thus promoting that the initiatives are socially acceptable and environmentally friendly, and may include activities outlined in Schedule VII of the Companies Act, 2013.

The CSR Programmes will be appropriately supervised and monitored to promote the intended development impact.

Geographical reach of the CSR Programmes will be in local areas and in the vicinity of the Company. However, the Committee may identify such areas other than stated above, as it may deem fit for undertaking CSR activities, and recommend these to the Board.

CSR Programme Execution

The operational procedures will be aligned to the requirements of Clause 135 of the Companies Act 2013. Proposals for new CSR activities, as and when received, shall be evaluated in terms of appropriateness and alignment with this Policy by a team set up for the purpose.

This team may include employees from the Company and advisors from the non-government sector and as permitted by applicable law (if required). On clearing the evaluation process, the same shall be referred to the CSR Committee for approval. As per the CSR Policy, a budget for the approved projects and the projects in the pipeline shall be placed before the CSR Committee for approval. On a periodic basis, or as may be required by law, the actual expenditure vis-à-vis the budget shall also be placed before the CSR Committee for review.

CSR Programme execution shall follow all key steps identified as appropriate by the CSR Committee, including in respect of planning, compliance and implementation.

Governance

In accordance with the Section 135(1) of the Companies Act of 2013 read with rule 5(1) (i) of Companies (Corporate Social Responsibility) rules, 2014 the Company has Constituted a Corporate Social Responsibility Committee comprising 3 or more directors.

The details of the composition of the CSR Committee will be declared by the Board in its report and shall be updated as appropriate from time to time.

Roles of the CSR Committee and its Responsibilities

The CSR Committee will herewith be responsible for disclosure of the CSR budget, planning and taking forward the CSR initiatives as specified in this Policy, monitoring the progress and reporting for CSR at regular intervals in pursuance of Section 135 of the Companies Act, 2013. The Company will comply with the Provisions of the Companies Act, 2013 for CSR governance; CSR Committee roles and responsibilities and governance will also include the following:

- ⌘ The Company will disclose the content of the Policy, including projects undertaken, in its report and on the Company's website, as required by law.
- ⌘ Every year, the CSR Committee will place for the Board's approval a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary or appropriate.
- ⌘ The person authorized by the Board/ CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- ⌘ The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by McCain and report back to the Company on the progress thereon at such frequency as the Company may direct.
- ⌘ The Company shall review the implementation of the CSR Programmes periodically, as required by law, and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- ⌘ At the end of every financial year, the CSR Committee will submit its report to the Board.
- ⌘ The Committee will decide on spends, locations and projects in accordance with applicable law.
- ⌘ The CSR Committee of the Board will monitor the implementation of the activities included in the CSR policy.
- ⌘ The CSR Committee will monitor the spends on CSR activities by the Company in each financial year, in terms of the Companies Act, 2013.

Reporting

An annual CSR report and plan will be included in the Directors' Report within the Annual Financial Report of the Company, and placed before the Board by the CSR Committee for approval. The report will adhere to the specified

requirements of section 135 of the Companies Act, 2013. As per section 135 of the Companies Act, the Company will report reasons for under-spending of the allocated CSR budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be undertaken in the Annual Report and signed off by the Board of Directors. The CSR Policy and CSR Programmes, case studies, strategic communication and reports will be put up on the website for public disclosure in the manner and to the extent required by applicable law.

CSR Expenditure

In each financial year the Company will comply with applicable law in setting and spending its CSR budget.

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.