

Sodexo SVC India Private Limited
Corporate Social Responsibility Policy

Date : 21ST OCTOBER, 2014

1. INTRODUCTION

We, at Sodexo SVC India Private Limited are always conscious of our responsibility towards the society & community. We believe in carrying on business to strive a better tomorrow and making the world a better place to live.

Sodexo's commitments include, but are not limited to, stop hunger, education, healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

Corporate Social Responsibility (CSR) in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally engaged in doing CSR activities voluntarily, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The new Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

Our vision through this policy is – “to actively contribute to the social and economic development of the communities where-in we operate .”

This policy is effective from 1st April, 2014

2. CSR COMMITTEE

- (i) The Committee shall be comprised of a minimum of three (3) members of the Board.
- (ii) The Committee members shall be appointed by Resolution of the Board. Each member shall continue as a member until a successor is appointed, unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board.

- (iii) Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.
- (iv) The Board, or in the event of its failure to do so, the Committee, shall appoint a Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.

3. DUTIES AND RESPONSIBILITY

The CSR committee shall:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- (ii) Recommend CSR activities as stated under Schedule VII of the Act.
- (iii) Approve to undertake CSR activities through a registered trust or a registered society or a Company established by the Company or its holding or subsidiary or associate Company under Section 8 of the Act in accordance with the CSR Rules.
- (iv) Recommend the CSR Budget.
- (v) Spend the allocated CSR amount on the CSR activities in accordance with the Act and the CSR Rules.
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- (viii) Monitor CSR Policy from time to time.

4. OBJECTIVES & SCOPE:-

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

Following activities (but not limited to) as specified in Schedule VII of the Companies Act, 2013 may be undertaken by the Company as Corporate Social Responsibility activities of the Company:-

Activities relating to:—

- (i) eradicating extreme hunger and poverty and promoting preventive health care;
- (ii) promotion of education including employment enhancing vocation skills;
- (iii) promoting gender equality and empowering women;
- (iv) protecting environment, ecological balance, flora and fauna, animal welfare, conservation of natural resources etc;
- (v) protection of national heritage, art and culture ;
- (vi) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (vii) reducing child mortality and improving maternal health;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contribution or funds provided to technology incubators located within academic institutions which are approved by Central Government;
- (x) rural development projects
- (xi) such other programs as may be recommended by CSR Committee to the Board provided the such program will be within the areas as enumerated in Schedule VII of the Act.

Note :

- The activities undertaken by the Company are not the activities undertaken in pursuance of normal course of business of Company .
- The surplus if any, arising out of the Corporate Social Responsibility projects or programs or activities does not forms part of the Business Profit of the Company.
- Contribution of any amount directly or indirectly to political parties under Section 182 of the Companies Act, 2013 is not considered as CSR activity.
- The CSR projects or programs or activities undertaken by Company that benefit only the employees of the Company or their families is also not considered as a CSR activities by the Company.

- The CSR projects or programs or activities undertaken in India will be taken into consideration.

5. CSR EXPENDITURE:-

- (i) The Company shall spend atleast 2% of average Net Profit of preceding three financial years, net profit being calculated in accordance with section 198 of the Companies Act, 2013.
- (ii) CSR expenditure includes all expenditure including contribution to corpus, the projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
- (iii) The amount spent by the Company in India, is only taken into consideration for CSR activities.

- Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

6. CSR INITIATIVES:-

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

6.1 Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

- (i) Tailor-made CSR projects depending upon allocated spend and geographical presence
- (ii) Targeted Beneficiaries & their key needs
- (iii) Alignment with Schedule VII of Companies Act, 2013
- (iv) Activities and Timelines including expected closure dates
- (v) CSR Budget with projections
- (vi) Any other information as may be required by the CSR Committee

6.2 Collaboration

The Company may collaborate with its Group Company or any other Company as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR Plan. The Company may form Company or Trusts on its own or tie up with other NGO's/ Section 8 Company to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities.

6.3 Display of Corporate Social Responsibility (CSR) Activities on Company's Website:-

The Board of Directors of the Company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose the contents of such policy in its report and the same shall be displayed on the Company's website in the manner as specified in Corporate Social Responsibility Rules, 2014.

6.4 Implementation Process & Projects to be undertaken:-

The CSR Committee will frame a CSR policy of the Company and will recommend the said policy to the Board. The Board on receiving recommendations from the Committee will approve the CSR policy and disclose it in its report. The Board shall ensure that the activities mentioned in CSR Policy of the Company are undertaken by the Company and shall also ensure that the Company spends at least 2% of average net profit during the preceding three financial years.

The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program. To ensure effective implementation of the CSR programs undertaken by Company, a monitoring mechanism will be put in place by the CSR Committee. The progress of Corporate Social Responsibility programs under implementation will be reviewed by the CSR Committee and reported to the Board.

7. CONFIDENTIALITY

All deliberations of the Committee, and all records, material and information pertaining to the Corporation obtained by a member of the Committee, shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

Any or all provisions of the CSR Policy would be subject to revision/amendment by the CSR Committee in accordance with the guidelines on the subject as may be issued by the Government from time to time.

Date : 21st October, 2014

Chairman