

Kellogg India Private Limited

Policy Document

Corporate Social Responsibility

31 December 2021

Preamble

At Kellogg India Private Limited (“**Company**”), Corporate Social Responsibility (CSR) is based on the belief that business sustainability is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates.

Purpose

The Corporate Social Responsibility Policy (“**CSR Policy**”) of Kellogg India Private Limited lays down the guiding principles for (a) selecting the Corporate Social Responsibility Activities (“**CSR Activities**”); (b) implementing CSR Activities as may be recommended by the Corporate Social Responsibility Committee (“**CSR Committee**”) of the Company and approved by the Board of the Company; (c) monitoring and providing oversight over the CSR Activities being executed by the Company’ (d) formulation of annual action plan for identification of activities in which the amount shall be spent by the Company.

CSR Activities

The CSR Activities that may be undertaken by the Company may include all the items or activities in the areas as specified in the Schedule VII of the Companies Act, 2013 or any other law as may be in force from time to time and the CSR Committee and Board of Directors shall identify the expenditure to be incurred in relation to such CSR Activities.

The main focus of the CSR Activities of the Company shall be on projects that are aimed at endeavouring to “eradicating hunger and malnutrition” and can add such other initiatives as may be specified in the Schedule VII of the Companies Act, 2013 or by any other law as may be in force from time to time.

The Company shall not spend amount on those CSR Activities which are specifically excluded from being identified as CSR activities as per the CSR Rules.

Corporate Social Responsibility (CSR) Principles for Funding, Selection, Implementation and Monitoring of activities

I. Funding Obligation:

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), the Company is committed to spend 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. If the Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the Company has under spent or over spent, the project cost and administrative overheads not exceeding 5% of the total CSR expenditure of the Company for the financial year shall be considered.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company or shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

II. Selection:

The CSR activities can be undertaken either directly or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013. Additionally, the Company shall overview goodwill and financial sustainability of the Implementing Agency by undertaking a basic due diligence which shall cover aspects like reviewing financial statement, conflict of interest and existing and past litigations.

III. Implementation and Monitoring:

The CSR activities undertaken by the Company either directly or through an implementing agency shall be periodically monitored. While monitoring, the Company shall ensure the Implementing Agency or the vendor, follow ethical practices and endeavor to ensure all payments made to the Implementing Agency or the vendor to be milestone based. The Company shall conduct its operations with integrity and respect and in the interest of our stakeholders. The growth and environmental sustainability need not be conflicting. The Company may collaborate and engage with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers, and Distributors to tackle the challenges faced by the society.

The Monitoring process adopted by the Company may include obtaining of reports of different kind, self-declaration, On-site visit, etc.

The Company may also collaborate with other companies for undertaking projects/programmes/activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Act and Rules made thereunder.

Guiding Principles for Annual Action Plan

All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

Governance Mechanism:

We follow structured governance procedures to monitor CSR activities. Our CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee of minimum two directors to monitor the Policy and the programmes from time to time.

I. Board of Directors

- The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
- The CFO shall certify to the fact that CSR funds so disbursed have been utilised for the purposes and in the manner approved by the Board.

II. CSR Committee of the Board of Directors

The CSR Committee provides oversight and guidance on CSR performance and monitors compliance with the CSR Policy, commitments and the applicable CSR provisions. The role & responsibilities of CSR Committee shall be as set out in the Act and the terms of reference of CSR Committee.

The CSR Committee may invite such attendees to attend the meetings of the CSR Committee as it may deem fit.

The CSR Committee shall meet at frequent intervals as may be deemed fit and the meetings shall be chaired by a member so nominated by the other members of the CSR Committee. The quorum of CSR Committee meetings shall be two (2) provided one member present is also the Director of the Company. All proceedings of the CSR Committee shall be recorded in writing.

Reporting by CSR Committee

The CSR Committee will also be responsible for presenting to the Board of the Company a regular report detailing:

- a. the consolidated list of CSR Activities being implemented and planned;
- b. implementation status of the CSR Activities; and
- c. details of expenditure towards CSR Activities

The CSR Committee shall, annually, submit to the Board of the Company a Report on all CSR Activities in the format prescribed under the applicable rules and regulations as may be in force from time to time.

Amendments to the CSR Policy

The Board of Directors on its own and/or on the recommendation of CSR Committee can amend the CSR Policy as and when deemed fit, ensuring that the CSR Policy will at all times be in lines with applicable rules and regulations as may be in force from time to time.
