



**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

**RESTAURANT BRANDS ASIA LIMITED**  
*(Formerly known as Burger King India Limited)*

**Document Control:**

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# Corporate Social Responsibility CSR Policy

## Document Approval Matrix

|                             |                                                |
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| <b>Version</b>              | <b>2</b>                                       |
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## 1. Preamble

Restaurant Brands Asia Limited (*'the Company'*), is one of the rapidly growing Quick Service Restaurant (*'QSR'*) chains in India. The Company was incorporated in the year 2013 and has widely covered the Indian Market within such a lesser time span.

The Company believes that society plays a pivotal role in the success of an organization. Unknowingly, the society is serving for the benefit of everyone and therefore we believe that as a Corporate Citizen it is our responsibility to make every possible endeavor to serve the society as a whole by adhering to the Social ethics and through the undertaking of Corporate Social Responsibility ("**CSR**").

The Policy demarcates the responsibilities of the Company as a corporate citizen and also lays down the guidelines and implementing mechanisms for undertaking CSR.

This policy has been formally formulated and adopted in terms of Section 135 of the Companies Act, 2013 (the "**Act**") and the Companies (Corporate Social Responsibility) Rules, 2014 (the "**Rules**") made thereunder.

## 2. Objectives

As per the provisions of the Act, CSR has become mandatory to certain class of Companies based on the prescribed limits under the Act.

The Policy shall be read in line with the provisions of the Act and the Rules made thereunder as may be applicable and as amended from time to time and will, *inter-alia*, provide for the following:

- Ensure an amplified commitment towards CSR across all the levels of the Company;
- Ensure bona-fide planning and implementation of the CSR initiatives; and
- To build a governance and monitoring framework for the CSR initiatives.

## 3. Scope

This Policy shall apply to all CSR projects and activities undertaken by the Company in India in accordance with the Act, the Rules and as per Schedule VII of the Act.

#### 4. Definitions

- (a) 'Act' means the Companies Act, 2013 as amended, modified or re-enacted from time to time.
- (b) 'Administrative Overheads' means the expenses incurred by the Company for 'general management and administration' of CSR 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 programme.
- (c) 'the Board' means Board of Directors of the Company.
- (d) 'Corporate Social Responsibility' means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act and the Rules as amended from time to time but does not include certain activities as given under the Rules from time to time.
- (e) 'CSR Policy' means this policy, as amended from time to time.
- (f) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board of Directors referred to in Section 135 of the Act, as amended from time to time.
- (g) 'Net Profit' means the net profit of a company as per its financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
  - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.

- (h) 'Ongoing Project' means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding 3 (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 1 (one) year by the board based on reasonable justification.

Words and expression used and not defined herein this policy but defined in the Act shall have the meaning respectively assigned to them in the Act.

#### 5. CSR Activities

The activities that may be undertaken as CSR initiatives by the Company are as follows:

- (a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation ;
- (b) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood

- enhancement projects;
- (c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (d) 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;
- (e) 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;
- (f) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (g) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (h) contribution to any fund set up by the Central Government . for socio economic development and relief and welfare of the schedule castes, schedule tribes, other backward classes, minorities and women;
- (i)
  - (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, as per the provisions of the Act and rules made thereunder from time to time;
  - (b) Contributions in the field of research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs) and other such contributions, as may be specified, as per the provisions of the Act and rules made thereunder from time to time;
- (j) rural development projects;
- (k) slum area development;
- (l) disaster management, including relief, rehabilitation and reconstruction activities.

The CSR Activities may vary as per the amendments in the Act, and Rules made thereunder as well as any Clarifications/ Notifications/ Circulars issued by the Ministry of Corporate Affairs from time to time.

CSR activities shall be undertaken as projects, programs or activities (either new or ongoing), excluding activities undertaken in pursuance of the normal course of business of the Company.

The following activities **shall not be considered as CSR Activities**:

- (a) activities undertaken in pursuance of normal course of business of the company as per the provisions of the Act and Rules made thereunder, from time to time;  
 Provided that any company engaged in the Research and Development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for Financial Years 2020-21, 2021-22, 2022-23 subject to the conditions that:

(a) such Research and Development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report.

- (b) 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;
- (c) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (d) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (f) activities carried out for fulfillment of any other statutory obligations under any law in force in India.

## **6. The Geographic Outreach**

The Company is required to give preference to the local areas and the areas where activities of the Company generally operate for spending the amount designated towards Corporate Social Responsibility as given under the Act.

Consequently, the Company will give preference w.r.t. implementation of CSR Activities to the local areas and the states where it operates, including the areas from where the Company sources the materials for operation.

However, the Board may identify such areas other than the one's stated above, as it may deem fit for undertaking CSR Activities.

## **7. CSR Implementation**

The Company may initiate/ implement/ undertake CSR activities either on its own or through implementing agencies ('IGs').

The implementing agencies are as follows:

|                                                                                                                           |                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| A company established under Section 8 of the Act or;<br>A Registered Public Trust or<br>A Registered Society <sup>1</sup> | <ul style="list-style-type: none"><li>• Either Singly or</li><li>• Along with any other Company</li></ul>                             |
| A company established under Section 8 of the Act or;<br>A Registered Public Trust or<br>A Registered Society              | <ul style="list-style-type: none"><li>• established by the Central Government</li><li>• or State Government</li></ul>                 |
| Any Entity                                                                                                                | <ul style="list-style-type: none"><li>• established under an Act of parliament; or</li><li>• State Legislature</li></ul>              |
| A company established under Section 8 of the Act or;<br>A Registered Public Trust or<br>A Registered Society <sup>1</sup> | <ul style="list-style-type: none"><li>• having a track record of at least 3 (three) years in undertaking similar activities</li></ul> |

The Company shall ensure that the aforesaid IG's are registered with the Central Government for carrying out the CSR activities.

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<sup>1</sup> Registration under Section 12A and 80G of the Income Tax Act, 1961 is mandatory.

## 8. CSR Funding, Allocation and Transfer of Unspent CSR Expenditure

### CSR Funding and Allocation:

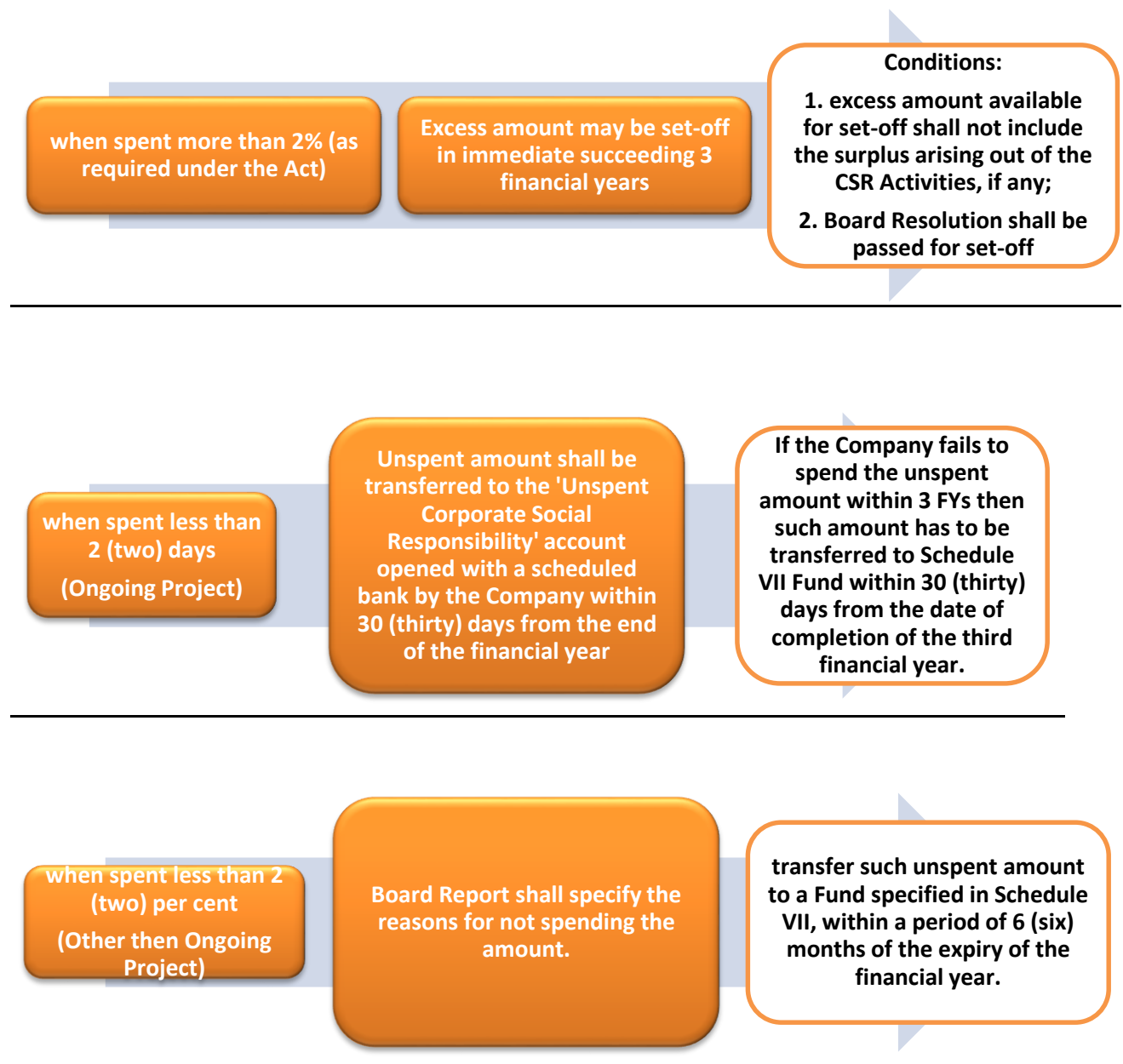
The Board of Directors of the Company shall ensure that the Company spends, in every financial year:

- At least spend 2 (**two**) **per cent** of the average net profits of the Company;
- made during the 3 (three) immediately preceding financial years; and
- calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Rules made thereunder and amended from time to time.

The Board of Directors shall ensure that the administrative overheads **shall not exceed 5 (five) per cent** of total CSR expenditure of the Company in a financial year.

The Company may book up to 5 (five) per cent of the total CSR expenditure in one financial year or INR 50,00,000 (Fifty Lakh Rupees Only), whichever is less, on undertaking impact assessment for the applicable projects, as may be required by the law.

#### **Treatment of CSR Expenditure:**



### **9. Monitoring and Reporting Framework**

- The IGs, if any, shall report on quarterly basis on the developments of the CSR Activities and utilization of funds allocated to the respective CSR Activities.
- The Board shall monitor and review the progress w.r.t. the CSR Activities or projects on annual basis or whenever required.
- Actual year-to-date spends compared to the budget and reasons for variance shall also be

prepared by the Company.

## 10. Reporting

- The Board Report shall contain an Annual Report on CSR comprising of the details as required under the Act and Rules from time to time, whenever applicable to the Company.
- In addition to the above, the Company shall also furnish a CSR report in **Form CSR-2** for the preceding financial year as an addendum to the consolidated financial statements.
- The Company shall carry out impact assessment through an 'Independent Agency' of the CSR projects having outlay of INR 1,00,00,000 (One Crore Rupees Only) or more where average CSR obligation of the Company is INR 10,00,000 (Ten Crore Rupees Only) or more in the 3 (three) immediately preceding financial years, whenever applicable to the Company.

The project(s) which has been completed not less than 1 (one) year before undertaking the impact study shall be subject to impact assessment.

- The report of the impact assessment shall be placed before the Board of Directors and required to be annexed to the Annual Report on CSR, whenever applicable to the Company.
- The Board of Directors will satisfy itself that the CSR funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or Finance Head will certify the same to that effect, whenever applicable to the Company.

## 11. CSR Committee

Pursuant to the provisions of the Act, as on date the Company is not required to constitute the CSR Committee.

Consequent to the applicability of the constitution of the CSR Committee, the Company shall constitute the CSR Committee as required under the Act.

## 12. Role of the Board

- a. To approve the CSR Policy for the Company in pursuance of the Act. To ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- b. Ensure that in each financial year, the Company spends at least 2 (two) per cent of the average net profits of the Company made during the 2 (three) immediate preceding financial years, calculated in accordance with the Act, in pursuance of its CSR policy, whenever applicable to the Company.
- c. As per Section 135 of the Act, specify the reasons for not spending the CSR amount in the Board's Report.
- d. As the constitution of CSR Committee is not applicable to the Company, the functions of such Committee shall be discharged by the Board of Directors of the Company such as:
  - To formulate a Corporate Social Responsibility Policy and any amendments thereto

in compliance with Section 135 of the Companies Act, 2013.

- Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities, including the modes of utilization of funds and implementation schedules for the projects or programmes.
- Monitor the implementation of the CSR Policy from time to time.
- Such other functions as the Board may deem fit.

### **13. Website Disclosure**

The Board of Directors of the Company shall mandatorily disclose the following on the website of the Company for public access:

- Composition of the CSR Committee, if any;
- CSR Policy; and
- Projects approved by the Board, if any.

### **14. Amendments of the Policy**

This CSR Policy would be subject to revisions/amendments/modifications by the Board of Directors on its own or else in accordance with the Rules or Regulations on the subject as may be issued by the relevant statutory authorities from time to time.

### **15. Effective Date**

This version is effective from August 12, 2022.