

## **Glenmark Life Sciences Limited – Corporate Social Responsibility (CSR) Policy**

### **Preamble**

Acceptance of the communities and societies in areas where companies operate is the key to sustain in the long-term and create shareholder value. Society in retrospect depends on businesses to provide critical economic and community benefits. Glenmark Life Sciences ('the Company') believes in aligning its values with social goals. We believe CSR is a prerequisite for sustainability and a core part of our main-stream business. Creating social change embodies our values and we continue our actions for social change through replicable and sustainable solutions.

### **CSR Vision**

To actively contribute to the community and environment in which we operate through our initiatives, services and conduct so as to enable sustained growth for the society and communities in our role of being a socially responsible organisation.

### **CSR Mission**

- To lay down guidelines to make CSR a key business process for sustainable development
- To promote sustainable development through water stewardship
- To empower and support the needs of communities near our operating locations
- To promote access to healthcare to enhance quality of life and wellbeing
- To undertake direct and indirect projects which will enhance quality education and sustainable livelihood opportunities
- To encourage and leverage employee volunteering, expertise and networks to address the community needs
- To promote Olympic level sports and place India on the global map.

### **Objective**

The objective of the policy statement is to cover the Company's philosophy towards its CSR and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

### **CSR Focus Areas**

#### **Water Management**

- Support innovative technologies for improving quality and accessibility of water at community level
- Support initiatives on water conservation, rejuvenation and rain water harvesting

#### **Access to Healthcare**

Support initiatives in healthcare domain focussing on research, quality, accessibility and awareness based on community need and emerging requirements and amounts so expended by the Company will be considered towards meeting the CSR obligation of the Company to the extent permitted under the Act.

**Community Development**

- Support local community initiatives focussing on rural and urban development based on the identified needs

**Sustainable Livelihood**

- Support sustainable livelihood initiatives through promoting education including enhancing vocational skills and supporting micro-entrepreneurs

**Employee Volunteering Programs**

- Our CSR initiatives are further supplemented through our employee volunteering programs where employees are encouraged to contribute financially or non-financially for a social cause

**Promotion of Sports**

- Promotion of Olympic Level Sports through infrastructure and training and support to athletes

**Selection and Implementation**

- The Company, on the recommendation of the CSR Committee, will identify indicative projects/activities in line with the CSR vision and mission of the Company amongst areas/activities covered under Schedule VII of the Companies Act, 2013 ('the Act').
- The CSR Committee will formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy
- The CSR Budgets to be spent will be authorized by the CSR committee.
- CSR Committee will formulate the procedures for processes, practices, programs and activities that ensure the teams implement the CSR strategy
- CSR program will be undertaken by the Company within the defined ambit of CSR policy.
- The time period/duration over which a particular program will be vary as per the intended impact of the program with clearly identifying Ongoing Projects<sup>1</sup>
- The Company will enter into partnerships with the government, business partners and communities to create scalability potential of its social projects over long term
- All our projects will be implemented either through Glenmark Foundation, Glenmark Aquatic Foundation, The Company may further engage with other NGO partners, government bodies and social institutions, from time to time, qualifying the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that our implementing partners are registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961) and with the Ministry of Corporate Affairs, by filing form CSR 1;
- Company may, however, also undertake CSR Projects/activities directly.
- The Company will select its partners after appropriate due diligence and yearly disclose their CSR Registration numbers in annual CSR reports
- The Company may use services of expert agencies, consultancy firms, international organizations etc. wherever required for carrying out surveys, guidance on project design, capacity building, implementation and audits

<sup>1</sup> "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 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 one year by the board based on reasonable justification;

## Monitoring

- Need based assessments will be conducted before the commencement of the projects.
- Quarterly reports and monitoring will be done against the agreed deliverables.
- Impact assessments will be conducted to review qualitative and quantitative impact on communities.
- Our monitoring process will ensure that all allocated CSR corpus is spent for only the intended purpose within the approved timelines.
- For the CSR projects, the CSR Committee of the Company shall take on the role of the mentor, while the ultimate responsibility of ensuring successful and time bound implementation of the CSR projects will remain with the board of directors of the Company.
- The board of directors of the Company shall ensure that the funds disbursed for the CSR Projects identified have been utilised for the purpose and in the manner allocated approved by it.
- The Chief Financial Officer (CFO) shall certify that the funds allocated for meeting the CSR obligation of the Company has been administered in the areas or projects as approved by the Board of the Company and in accordance with the Act (please refer **Annexure 1** for the suggested format). Such certification will be based on the utilisation report as received from the implementing agencies where the CSR project are being implemented through such agencies.
- The Company through the CSR Committee shall annually analyze the applicability of impact assessment and compliance in this regard in accordance with the Companies (Corporate Social Responsibility) Rules, 2014, as amended. Further, the expenditure towards impact assessment shall not exceed 5 percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less or such other limit as may be prescribed under the Act
- The Company through the CSR Committee shall ensure that the administrative overheads<sup>2</sup> shall not exceed 5 percent of total CSR expenditure of the company for the financial year or such other limit as may be prescribed under the Act

## Budgets

- All projects will be presented and approved at the annual planning and budgeting meet.
- Any surplus arising out of the CSR activities will not be a part of the business profits of our company and shall be ploughed back into the same project or shall be transferred to a separate account named as “Unspent CSR Account” which can be spent in pursuance of this CSR Policy and the annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year.
- *Excess spending:*  
Where the Company spends an amount in excess of CSR obligation required under the Act, subject to passing of board resolution, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding three financial years.
- *Under spending:*  
The unspent CSR amount pertaining to an annual CSR project shall be transferred to any fund included in Schedule VII of the Act such as Prime Minister's National Relief Fund, Swachh Bharat

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<sup>2</sup> “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility 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

Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of concerned financial year.

If the unspent CSR amount pertains to an Ongoing CSR Project<sup>3</sup>, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per its CSR policy within a period of 3 (three) financial years.

In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned financial year.

### **Governance**

The CSR Committee of the Board will be responsible for governance of CSR initiatives. The CSR Committee will review and monitor the timely implementation of the projects and programs, utilisation of the funds disbursed by the Company to its implementing partners. The CSR Committee, may appoint such professionals, firms, agencies, etc., as it may deem fit, for effective monitoring/ evaluation/ implementation/ designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required under the Act or deemed necessary by the Committee.

### **Formulation of annual action plan**

The CSR Committee shall formulate the annual action plan, as per the format suggested in **Annexure 2**, in each financial year and recommend the same to the Board. The CSR Committee and the Board shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

- Evaluation of CSR activities of the preceding financial year: The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- Identifying projects/activities for the current financial year: The CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.
- The CSR Committee shall endeavour to formulate and approve the annual action plan before the commencement of the financial year based on projected financials and finalise the same and recommend it for the Board's approval before the end of the first quarter in every financial year. Any delay in preparation and approval of the action plan can be ratified by the Board.
- The CSR Committee shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year,

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<sup>3</sup> Please refer footnote 1

- Any amendment to the annual action plan shall be recommended by the CSR Committee and approved by the Board.

**Reporting of CSR Initiatives**

Our engagement will be disseminated on our website, annual reports, CSR reports, in-house journals and through the media. The composition of CSR committee and this CSR Policy will also be available on the website of the Company.

**Management commitment**

The management and employees are committed towards achieving the goals of the CSR policy.

**General**

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

The Company reserves the right to modify, cancel, add, or amend any of the provisions of this CSR Policy.

**Sridhar Gorthi****Yasir Rawjee****V S Mani****Gita Nayyar****CSR Committee**