

JHS SVENDGAARD LABORATORIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

| REVISION HISTORY OF CSR POLICY | | |
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| 2 nd Version | Approved by the Board on 22 nd June,2021 | Effective from 22 nd June,2021 |

Corporate Social Responsibility (CSR) builds a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time, it has become an integral part of business. JHS Svendgaard Laboratories Limited (“Company”) has been engaged in charities and philanthropic activities, along with a number of others social activities. The key objective is to promote education, fight against hunger, provide medical relief help in combating chronic disease and addressing environmental issues.

1. SHORT TITLE & APPLICABILITY

This Policy describes and contains the Company’s philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large. Titled as the “**JHS Svendgaard Laboratories Limited CSR Policy**” (CSR Policy), it has been prepared keeping in mind the Company’s business ethics and the requirements of the Companies Act, 2013 Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

2. DEFINITIONS

2.1 ‘**Act**’ means the Companies Act, 2013;

2.2 ‘**Board**’ means the Board of Directors of JHS Svendgaard Laboratories Limited;

2.3 ‘**Company**’ means JHS Svendgaard Laboratories Limited;

2.4 ‘**Corporate Social Responsibility (CSR)**’ means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- i. activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in 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 organisations 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;
- ii. 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;

- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- 2.5 ‘**CSR Expenditure**’ shall include all expenditure including contribution to projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee;
- 2.6 ‘**CSR Committee**’ means the committee constituted under the provisions of Section 135 of the Act;
- 2.7 ‘**Directors**’ shall mean the directors of the Company;
- 2.8 ‘**Net profit**’ means the net profit of a Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and 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.
- 2.9 “**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.
- 2.10 “**Rules**” means the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time.

Please note that meaning/definition of the words/ abbreviations used in this policy shall have the same meaning as defined under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014

3 CSR VISION STATEMENT & OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

4 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition:

The Corporate Social Responsibility Committee of the Company shall consist of at least three directors amongst whom at least one shall be Independent Director or as may be constituted by the Board of Directors from time to time in compliance with the Act.

Meetings: The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least one meeting in a financial year.

Quorum: The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

Sitting Fee: The sitting fees for attending the meeting shall be determined from time to time by the Board of Directors.

Role of CSR Committee

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor this Policy from time to time.
- d. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d) monitoring and reporting mechanism for the projects or programmes; and
 - e) details of need and impact assessment, if any, for the projects undertaken by the company:

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect

- e. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

5 CSR BUDGET/CSR SPEND

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on CSR activities or projects as recommended by the CSR Committee. CSR expenditure shall include all expenditure including contribution to projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.

If during any financial year, the Company is not able to meet its CSR obligation, then the unspent amount shall receive the treatment as prescribed in the Act.

While approving any Ongoing CSR project or programme, the Board of Directors of the Company shall lay down the following:

- Estimated budget outlay on CSR project or programme during the course of its implementation
- Estimated budget outlay during every financial year.
- Manner of implementation

In case of CSR projects or programmes, which are not Ongoing Projects, the Board shall endeavour to spend the complete such projects or programmes during the relevant financial year. In case for any reason(s), such projects or programmes will go beyond one year then Board shall re-categories such projects or programmes as Ongoing Projects.

The Company may during any financial year, spend in excess of its CSR obligation and carry-forward and set-off, such excess amount from its CSR obligation during next immediate succeeding three financial years subject to the conditions that –

- i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- ii. the Board of the Company shall pass a resolution to that effect

6 CSR ACTIVITIES

The Company will undertake its CSR projects or activities in one or more areas mentioned below:

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- 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 centers 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 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 recognised sports, paralympic sports and olympic sports;
- h) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
- i) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- j) Rural development projects;
- k) Slum area development; the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force;
- l) Disaster management, including relief, rehabilitation and reconstruction activities;
- m) Such other matters as may be prescribed from time to time.

The CSR Committee shall recommend the activities to be carried to the Board every financial year.

7 CSR EXPENDITURE

The CSR projects or programs or activities undertaken by the Company in India only, shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company shall prefer to take up projects for spending the amount earmarked for CSR at local areas and regions where the Company operates.

All expenses and contributions for CSR activities will be made upon recommendation of CSR Committee followed by approval from the Board of Directors of the Company.

Suitable delegation of powers would be granted to the executives for approving CSR expenditure within specified limits by the CSR Committee.

8 SURPLUS ARISING FROM CSR ACTIVITY

The surplus arising from CSR projects, programs or activities shall not form part of the business profit of the company and shall be, (a) ploughed back into the same project or (b) transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or (c) transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

9 AGENCY FOR IMPLEMENTATION

The Company may undertake its CSR activities approved by the CSR Committee directly or through a Registered Trust or a registered society or a company established under section 8 of the Act by the Company either singly or along with any other Company or any other entity(ies) allowed under the Act provided such entity (ies) have valid CSR registration number allotted by Government of India. Where the CSR activities are undertaken through entities established by any other Company, the Company shall make sure that expenses incurred can be demarcated in respect to all the contributors involved and

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs.

A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the rules

Where the CSR activities are undertaken directly, the Company shall appoint its officers to undertake, supervise and monitor the CSR activities and expenditures and they shall work under the control and supervision of the CSR Committee. Such officers will submit periodical report to the Committee.

The Company shall ensure that these officers have CSR capacities of their own and if required, they will be given the requisite training to undertake these tasks.

10 MONITORING AND FEEDBACK

- a. The annual action plan approved by the Board every financial year, shall provide the manner in which CSR projects or activities undertaken during the said year, will be monitored.
- b. The report on progress on the CSR program undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis.
- c. Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and presented to the CSR Committee.
- d. CFO shall certify to the Board at the end of the every financial year, that CSR funds disbursed have been utilised for the purposes and in the manner as approved by Board.

11 IMPACT ASSESSMENT

The Company may take up appropriate evaluation and impact assessment of its CSR projects or activities on voluntary basis. External parties may be engaged for this, right from inception to ensure objective assessment across baseline and end line parameters. There shall be clarity about the objective/scope of the project and the need it is attempting to address. Impact assessment of the project is to be done after a reasonable duration. For conducting the Impact assessment, it is necessary that the baseline data or indicators are well defined. .

In case the Company's CSR expenditure obligation is ten crore rupees or more, in the three immediately preceding financial years, the Company shall mandatorily undertake impact assessment, through an independent agency, of their CSR projects or activities having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Further, the Board on the recommendation of the CSR Committee shall appoint the impact assessment agency.

Any expenditure incurred on impact assessment may also be booked towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

12 DISCLOSURES

- a) The Board's report, being a part of the Annual Report shall disclose the composition of the Corporate Social Responsibility Committee, web-link of the CSR policy along with salient features of the policy and changes (if any) undertaken during the last financial year and the CSR initiatives undertaken. This CSR Policy shall also be placed on the website of the Company.
- b) Composition of the CSR Committee, CSR Policy and Projects approved by the Board shall mandatorily disclose on the website of the Company and be updated on regular intervals, for public access.

13 MISCELLENEUOS

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board