



# Biocon Policy on Corporate Social Responsibility

Version No : 1.2  
Prepared By : Secretarial & Risk Team  
Reviewed By : CSR Committee  
Approved By : Board of Directors  
Amendment Date : 24.01.2019

## Table of Contents

INTRODUCTION.....	2
SCOPE & PURPOSE.....	2
VISION, PHILOSOPHY & STRATEGY .....	2
GOVERNANCE .....	3
CONTRIBUTION.....	4
AREAS OF ACTIVITY .....	4
MODES OF EXECUTION .....	5
BENEFICIARY .....	6
REPORTING .....	6
EFFECTIVE DATE.....	6
CONTACT .....	7



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## INTRODUCTION

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Biocon (including subsidiaries and associates, excluding Syngene, hereinafter referred to as “the Company”) is Asia's premier biopharmaceutical company that is driven by the vision to make a difference in global healthcare through improved access to high quality and life-saving bio therapeutics by making them affordable for patients across the world.

The Company’s contributions and initiatives towards social welfare and environment sustainability have been integral to its business. The Company shall continue to pursue Corporate Social Responsibility activities (hereinafter referred to as “CSR”) as one of its fundamental priorities.

CSR activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. CSR shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company’s core values, operations and growth.

In the process of executing CSR, the CSR Committee (hereinafter referred to as “the Committee”) of the Company shall comply with the statutory requirements of the Companies Act 2013, and the related rules and regulations as may be amended from time to time (hereinafter referred to as “the Act”) under the guidance of this policy.

## SCOPE & PURPOSE

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This policy is formulated to meet the CSR objectives set by the Company as well as the applicable statutory requirements notified by the Ministry of Corporate Affairs through the Act. This policy shall apply to all CSR activities / projects / programs undertaken by the Company.

This policy also aims to establish boundaries for acceptable behaviour and guidelines for best practices in CSR.

## VISION, PHILOSOPHY & STRATEGY

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**Vision:** To strive towards developing and sustaining healthy and empowered communities by promoting social & economic inclusion and improving overall quality of life.

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**Philosophy:** The Company shall acknowledge its responsibility towards the environment, its consumers, employees and other stakeholders. CSR shall be a commitment and part of business behaviour at the Company. The Company shall make concerted efforts to protect and improve the



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welfare of the society as it demonstrates sustainable practices.

**Strategy and Action plan:** The CSR strategy shall create long-term and scalable values for communities and society. The Company shall adopt the following strategies and action plan in the CSR process:

- Embed CSR into the business
- Develop action plans
- Mobilise resources and expertise for the initiatives
- Build capacities for CSR at all levels
- Involve employees to volunteer for CSR activities
- Engage stakeholders on a regular basis
- Build partnerships for scale
- Make strategic grants to support worthwhile projects/programs
- Be transparent, consistent and fair in communication
- Carry out periodic reviews and reporting
- Continuous compliance with statutory requirements

## GOVERNANCE

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In line with the provisions of the Act, the Company's Board of Directors (herein after referred as 'Board') shall be responsible for:

- Forming a CSR Committee;
- Approving the CSR policy, including periodic review and update;
- Making disclosures in the Boards' report as specified in the Act and comply with any applicable statutory requirements.

### CSR Committee

Composition and functioning of the Committee shall be in line with the requirements specified in the Act.

### Roles and Responsibilities of the Committee:

- Formulate and recommend a CSR policy to the Board and seek their approval;
- Ensure that the list of CSR activities which the Company plan to undertake fall under the purview of the Act, the proposed activities are selected in a fair and transparent manner.
- Recommend CSR activities and budget to the Board from time to time and seek their approval;
- Review, implement and monitor all CSR activities from time to time and regularly report to



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the Board on the progress

- Periodically review and assess the adequacy of the existing policy and seek approval from the board for revision(s), if any.
- Ensure that the surplus fund that arises from the CSR activities shall not form part of the business profit;
- Ensure that CSR activities undertaken as per the ACT only shall account towards CSR expenditure;
- Ensure that any activity that benefits only the employees of the Company and their families shall not be considered as CSR activities;
- Undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance.
- Ensure compliance with the requirements of the Act.

### Procedure and Quorum

- **Time and frequency of meetings** – The Committee shall meet at least twice a year or as and when the need arises to discharge its roles and responsibilities. Members who are not physically present may attend through video / teleconference.
- **Quorum for meetings** – A minimum of two members shall be present for the meeting including those who attend via video conference. Members attending meeting through teleconference shall be excluded for the purpose of quorum.
- **Onward Reporting** – The minutes of each meeting of the Committee shall be circulated within 15 days from the date of each meeting or as per ACT or Secretarial Standards to all the committee's members for their comments and be placed before the Board in the subsequent meeting.

**Clarifications** - In case of any ambiguity or clarification, the Company shall refer applicable Secretarial standards, provisions of the Act, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Articles of Association of the Company and the law shall prevail in such a situation.

## CONTRIBUTION

The Company shall spend at least two percent (2%) of its average net profit of the immediately (3) three preceding financial years on CSR activities in accordance with the provisions of the Act. The amount of net profit shall be calculated in accordance with the Act.

Any surplus arising out of CSR activities shall be reinvested into CSR initiatives and this shall be over and above the spending of mandated 2% spend, in pursuance of the Act.

## AREAS OF ACTIVITY



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The Company shall undertake CSR activities in any of the following core areas:

- I. Eradicating hunger, poverty and malnutrition.
- II. Promoting healthcare including preventive healthcare.
- III. Promotion of sanitation and making available safe drinking water.
- IV. Promoting education, including special education and employment enhancing vocational skills and livelihood enhancement projects.
- V. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- VI. Rural development projects.

In addition, the Company may undertake other activities (as listed below) on a need basis, as approved by the Committee in accordance with the Act:

- I. Promoting gender equality and 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.
- II. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- III. Measures for the benefit of armed forces veterans, war widows and their dependents.
- IV. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- V. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- VI. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

## MODES OF EXECUTION

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The Company can either partner with external agencies (hereinafter referred to as 'Implementing Agencies') for undertaking various CSR activities or execute them directly. Such Implementing agencies shall satisfy all requirements as specified in the Act in this regard.

The Committee and the Implementing agencies shall be responsible for strategizing, planning, execution, monitoring and evaluation of the CSR activities on behalf of the Company, either directly or through meaningful partnerships.

Below provided are the implementing agencies through which CSR activities are implemented.



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- A) Biocon Foundation:** Biocon Foundation is one of the Implementing agency for CSR activities. Biocon Foundation shall implement the CSR activities in any of the following modes:
- I. Direct execution of projects/programs.
  - II. Partnership - Build fruitful collaborations with like - minded organisations through memorandum of understanding.
  - III. Grants - provide grants to NGOs, trusts and academic institutions under Grant-in-Aid initiative for innovative and impactful social projects. In such scenario, the Foundation shall employ its expertise to evaluate the proposals of grant seekers and conduct due diligence when necessary before seeking approval from CSR Committee for releasing grants to them. Organisations with an established record of at least three years in undertaking similar initiatives shall be selected to carry out such activities, in pursuance of the Act. The grantees shall share fund utilization and project progress reports with the Foundation.
- B) Biocon Academy:** Biocon Academy is one of the Implementing agency, which aims to address the skill deficit in the Biopharma sector, by developing high-end talent through advanced learning.
- C) Any other Agency:** CSR activities can be undertaken through any other Implementing agency. Such agency shall satisfy the statutory requirements as specified in the Act.

## BENEFICIARY

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The target beneficiary of CSR initiatives shall primarily be disadvantaged, impoverished, underserved and marginalised sections of the society. The emphasis shall be given to communities living around the area of operations of the Company.

## REPORTING

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The Implementing agency shall report to the Committee twice a year based on the progress of the projects / programs.

In addition, CSR initiatives of the Company shall be reported in the Annual Report including any unspent budget allocated to CSR initiatives.

## EFFECTIVE DATE

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This amended policy shall come into force from the date of its approval by the Board of the Company. This policy shall revoke and replace any and all previous policies and understandings that are inconsistent with those contained herein.

The Committee shall review the policy at least annually. The Committee shall amend the policy as necessary or appropriate on the approval of Board. Once approved by the Board, the Committee shall thereafter apprise all the major stakeholders and provide them with a copy of the approved new version.

## CONTACT

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### **Biocon Limited:**

20<sup>th</sup> KM, Hosur Road, Electronic City,  
Bengaluru, Karnataka 560 100, India.

E: [info.bioconfoundation@biocon.com](mailto:info.bioconfoundation@biocon.com) ;

T: +91-8028082175