



**Biocon Policy on  
Corporate Social  
Responsibility**

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**CORPORATE SOCIAL RESPONSIBILITY POLICY  
OF  
BIOCON LIMITED**

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## INTRODUCTION

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 AND PURPOSE

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

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

**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 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

In line with the provisions of the Section 135 of the Companies Act 2013, the Company's Board of Directors (herein after referred as 'Board') shall be responsible for:

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

## CONSTITUTION, MEMBERSHIP AND COMPOSITION

The Committee shall consist of minimum of 3 Directors out of which at least one shall be an Independent Director.

- **Chairperson:** The Committee Chairperson shall be appointed by the Board. In the absence of the Committee Chairperson, the members present at any meeting of the Committee shall elect one among them to chair the meeting.
- **Membership** - The members of the Committee shall be appointed by the Board on the recommendation of the Nomination and Remuneration Committee.

- **Invitees:** Only members of the Committee have the right to attend Committee meetings. all Directors may be invited to attend all or part of any meeting as and when appropriate. In addition, other individuals such as Company employees or external advisors may be invited to attend all or part of any meeting as and when appropriate. However, invitee directors do not have any voting rights and may be entitled to sitting fees, if any, as mutually agreed upon by the members of the Board.
- **Secretary:** The Company Secretary shall act as the secretary to the committee.

## 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 meeting 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 draft Minutes of each meeting of the Committee shall be circulated within the statutory time period as stated in the Secretarial Standards as issued by the Institute of Company Secretaries of India read along with the Companies Act, 2013 or any other applicable law, rules or regulations as applicable from time to time. A copy of the signed minutes, certified by the Company Secretary, shall be circulated within the timelines as stated under the Secretarial Standards, to all the Members as on the date of the Meeting and appointed thereafter, except to those Members who have waived their right to receive the same either in writing or such waiver is recorded in the Minutes.

## ROLES AND RESPONSIBILITIES OF THE COMMITTEE:

- To formulate and recommend a CSR policy to the Board and seek their approval;
- To formulate and recommend to the Board of Directors the activities to be undertaken by the Company as specified in Schedule VII of the Act and the applicable Rules;
- To formulate the CSR Budget and recommend to the Board to seek approval for the amount of expenditure to be incurred on the CSR activities;
- To decide on the locations for CSR activities, though preference be given to the local areas where it operates, for spending the amount earmarked for CSR activities.
- To review, implement and monitor all CSR activities from time to time and regularly report to the Board on the progress;

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

## 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

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

- I. Eradicating hunger, poverty and malnutrition;
- II. Promoting healthcare including preventive health care;
- III. Sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- IV. Promotion of education, including special education and employment enhancing vocation skills and livelihood enhancement projects;
- V. Ensuring environment sustainability including Sustainable Urban development and Urban Transportation, 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;
- VI. Rural development projects; &
- VII. Slum area development\*.

*\*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.*

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

- I. 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;
- 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, Tribes, other backward classes, minorities and women;
- VI. 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 as mentioned under Schedule VII, engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs); &
- VII. Disaster management, including relief, rehabilitation and reconstruction activities.

## MODES OF EXECUTION

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.

**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/Company:** CSR activities can be undertaken through any other Implementing agency or Company incorporated under section 8 of the Companies Act, 2013. Such agency/company shall satisfy the statutory requirements as specified in the Act.

## BENEFICIARY

The target beneficiary of CSR initiatives may 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

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

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 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. The policy shall be reviewed at least on an annual basis.

In case of any ambiguity or need for clarification, the Company should refer applicable Secretarial Standards, provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and any other applicable law. Further, in case there prevails any inconsistency between the provisions of this charter and the law, the law shall prevail.

## CONTACT

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