



STRIDES PHARMA SCIENCE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREAMBLE

Strides Pharma Science Limited ('Company' or 'Strides') has framed this Corporate Social Responsibility Policy ('Policy') in accordance with section 135 of the Companies Act 2013 and rules made thereunder.

Strides has been an early adopter of Corporate Social Responsibility ('CSR') initiatives.

At Strides, community development programmes are integral to our sustainability strategy. The Company strives to go beyond compliance and create sustainable value for communities. Strides CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education, Employability and Disaster Management.

The Policy encompasses our philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programmes for welfare and sustainable development of the community at large.

2. DEFINITIONS

- a) **"Act"** shall mean the Companies Act, 2013 read with the relevant Rules framed thereunder and as amended from time to time.
- b) **"Board"** shall mean the Board of Directors of the Company.
- c) **"Company"** shall mean Strides Pharma Science Limited.
- d) **"CSR Committee or the Committee"** shall mean the Committee constituted by the Board of Directors of the Company in accordance with Section 135 of the Act.
- e) **"CSR Rules"** shall mean The Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.
- f) **"Unit CSR Team"** shall mean Strides Team comprising of the respective location's Head of Operations, Finance, Engineering and HR.
- g) **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced.

Ongoing Project 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 justification.

- h) **"Permissible CSR Activities"** means such activities as specified in Schedule VII of the Act, as amended from time to time and as may be allowed by the Ministry of Corporate

Affairs, Government of India or such other statutory authority from time to time through notification, circulars or press releases.

- i) **“Strides Foundation”** is a Trust established by the Promoters of the Company as a not-for-profit organisation which is the CSR Implementation Agency for the Company

As prescribed under the CSR Rules, Strides Foundation is registered with Ministry of Corporate Affairs for undertaking CSR activities under registration no. CSR00006315.

Note on Interpretation:

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time shall have the meaning respectively assigned to them therein.

If due to subsequent regulatory changes, any part of this Policy become inconsistent, then provisions of the Companies Act, 2013 and the Rules framed thereunder shall prevail.

3. OBJECTIVES OF THE POLICY

- a) Serve as the principal guiding document for Strides CSR initiatives;
- b) Describe core themes and related impact areas as per Schedule VII;
- c) Outline projects and geographies for undertaking CSR initiatives;
- d) Provide framework for selection, implementation, management and monitoring of CSR initiatives.

4. FOCUS AREAS OF ENGAGEMENT

The Company shall carry out Permissible CSR activities as approved by the Board/ CSR Committee.

Strides CSR initiatives help address socio-economic challenges in the realms of Health and Hygiene, Education, Employability and Disaster Management.

I	Health and Hygiene
1.	<p>Focus is on increasing awareness on health and hygiene and provide high-quality preventive, promotive, and curative services.</p> <p>To provide better and affordable healthcare facilities to the communities through Arogyadhama, a state-of-the-art primary healthcare centre, set up in the Bangalore Rural near the Company’s facility in Jigani.</p> <p>Arogyadhama is a specialty healthcare centre offering free consultations and highly subsidised medicines and diagnostic services.</p>

	It also participates actively in various Government sponsored programmes for community health care.
2.	Improved outlook towards sanitation and hygiene by building underground drainage system, septic tank, amongst others.
3.	Provide self-sustainable drinking water units to increase the accessibility of safe drinking water to communities around us.
II	Education
4.	<p>Focus is on improving the quality of education and learning outcomes, increase retention of students, building better infrastructure for the schools, access to relevant learning material, empowering and training teachers, improve in-school performance of students and develop them as responsible citizens through life skill program, mentoring, amongst others.</p> <p>Accordingly, build schools in the stakeholder community and/ or adopt existing schools and anganwadis by providing infrastructure, amenities, training to teachers, amongst others.</p>
III	Employability/ Livelihood
5.	<p>Focus is to enhance the employability of youth, conduct Employment Empowerment Program to them and train them in job-oriented courses with a holistic approach to make them responsible citizens.</p> <p>Vocational training to empower women to attain self-sufficiency financially.</p> <p>In this regard, sponsor students to pursue technical education, develop and sponsor add-on modules to existing courses and provide vocational training to the youth and women from under-privileged communities.</p>
IV	Disaster Management
6.	Extend support to communities in times of natural calamities, pandemics, disasters in helping restore lives of the affected.

*Apart from the above, Company may also engage and spend CSR fund in areas mentioned in **Schedule VII** of the Companies Act, 2013, subject to approval of the Board/ CSR Committee.*

5. CSR PROJECTS SELECTION & IMPLEMENTATION

The Company shall undertake CSR activities directly or through Strides Foundation or such other Implementation Agencies as approved by the CSR Committee of the Company.

Strides Team and Strides Foundation shall receive requests from the community for CSR Programs.

Strides Foundation shall evaluate the proposals by assessing their potential impact and forward the proposal to the CSR Committee for its recommendation. The CSR Committee shall deliberate on the proposals and approve them for implementation at its discretion.

Strides Foundation shall assist the Strides Team in implementing the proposal either directly or in collaboration with other partners/ registered trusts, society, as may be necessary.

Strides Foundation shall monitor and provide periodic reports to the Committee to enable the Board of Directors of the Company to meet their monitoring, reporting and other legal obligations.

6. CSR SPEND

1) CSR Spend

Board of Directors of the Company shall ensure that in each financial year, the Company spends at least 2% of its average net profit made during the three immediately preceding financial years towards CSR activities.

Explanation: For the aforesaid purpose, Net Profit shall be calculated in accordance with the provisions of Section 198 of the Act.

2) Surplus arising out of CSR Projects

In case of any surplus generated from CSR projects, the same shall be treated as follows:

- (i) Ploughed back into the CSR project which gave rise to the surplus; or
- (ii) Transferred to the Unspent CSR Account of the Company and spent in line with the CSR Policy & Annual Action Plan of the Company; or
- (iii) Transferred to a Fund specified in Schedule VII of the Act, within the prescribed timeline as specified in the CSR Rules.

3) Excess CSR Spend

In case the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess CSR amount may be set off against the prescribed CSR spend upto the immediately succeeding three financial years, subject to compliance with the conditions stipulated under the CS Rules.

4) Unspent CSR Amount of Ongoing Projects & Recurring/ Annual Projects

- a) Unspent CSR amount relating to Ongoing Projects shall be transferred to “Unspent CSR Account” of the Company (within 30 days from the end of FY) and spent as per the provisions of Act, failing which such amount shall be transferred to the Fund specified in Schedule VII of the Act within 30 days from the completion of third FY.
- b) Unspent CSR amount relating to Recurring/ Annual Projects shall be transferred to the Fund specified in Schedule VII of the Act within six months from the end of FY.

Unspent CSR Amount shall be reported by the Board of Directors in their Report under Section 134 of the Act, specifying the reasons for not spending the amount.

5) Capital Assets

The Company may spend its CSR funds for creation or acquisition of capital assets subject to fulfilment of conditions as specified under the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

7. ANNUAL ACTION PLAN (AAP)

The CSR Committee shall formulate and recommend to the Board, an AAP in pursuance of its CSR Policy, which shall include the following:

- a) the list of CSR projects or programs 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 programs as specified in the CSR Rules;
- c) the modalities of utilization of funds and implementation schedules for the projects or programs;
- d) monitoring and reporting mechanism for the projects or programs; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company:

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

8. PROJECT MONITORING AND IMPACT ASSESSMENT

A. Monitoring Process

1. For each of the CSR Projects, Company shall agree with Strides Foundation, a plan and budget for the year;
2. Strides Foundation shall implement the projects directly or in collaboration with other partners/ sector experts, as are deemed necessary, and shall submit periodic updates to the Committee.
3. The Committee shall review progress/ outcome of Company's CSR activities during its meetings.

B. Impact Assessment

The Company will ensure that baseline statistics are collected before each program is rolled out and data is collected on an on-going basis to track impact.

The detailed project plan of each program will also include measuring specific metrics and its comparison with the baseline metrics.

The Company shall undertake impact assessment of its CSR projects in compliance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall be as per the provisions of the CSR Rules, as may be amended from time to time.

9. REPORTING

The Company shall report CSR performance in its Annual Report in the prescribed format.

10. PENAL PROVISIONS UNDER THE SEBI ACT

- 1) **For non-compliance** with respect to prescribed spend and unspent amount as per the CSR provisions, the Company and every Officer in default shall be penalized as under:
 - **Company:**
 - a) Twice the amount required to be transferred to the Fund specified in Schedule VII or Unspent CSR Account, as the case may be, OR
 - b) Rupees One Crore, *whichever is less*.
 - **Every Officer in Default:**
 - a) 1/10th of the amount required to be transferred to the Fund specified in Schedule VII or Unspent CSR account OR
 - b) Rupees Two Lakh, *whichever is less*.
- 2) **For any other non-compliance/ default** under any other provisions of the Section, or Rules, then the provisions of general penalty under section 450 of the Act shall be applicable.

11. PERIODIC REVIEW OF POLICY

This Policy shall be subject to review as may be necessary and in accordance with any regulatory amendments.
