

CORPORATE SOCIAL RESPONSIBILITY POLICY AND CHARTER
OF
SYNGENE INTERNATIONAL LIMITED

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PREAMBLE

Syngene International Limited (“the Company”), a leading Contract Research Organization, shall pursue Corporate Social Responsibility initiatives based on the principles of social and economic inclusion.

The Company’s CSR activities shall continuously evolve and integrate social well-being, economic growth and environmental sustainability with the Company’s core values, operations and growth.

In the process of executing CSR activities, the CSR Committee (“the Committee”) of the Company shall comply with the statutory requirements of the Companies Act, 2013 (“the Act”) under the guidance of this policy.

SCOPE & PURPOSE

This policy has been formulated in accordance with section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as “the CSR Rules”) as notified by the Ministry of Corporate Affairs. The Policy shall apply to all CSR activities undertaken by the Company as per the Act, whether directly or through implementing agencies.

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

VISION, PHILOSOPHY & STRATEGY

Vision- To strive towards creating and sustaining healthy and productive communities by improving the quality of life.

Philosophy- The Company shall acknowledge its responsibility towards the environment, its customers, employees and other stakeholders. CSR shall be a commitment and business behaviour at the company. The Company shall make concerted efforts to protect and improve the welfare of society as it demonstrates sustainable practices.

Strategy- The CSR strategy shall create long-term and scalable values for communities and society at large. The company along with implementing partners shall evolve a system to assess the scale of the initiatives and measure the output and impact of the initiatives.

APPROACH AND DIRECTION OF CSR

Approach - The Company’s contributions and initiatives towards social welfare, promoting education in the fields of science and medicine, and environment sustainability have been integral to its business all along. The overarching principle on Company’s CSR highlights an inclusive, integrated and participatory approach towards the community and ecology.

Direction - The CSR initiatives shall be focused towards creating social well-being, promoting education, economic growth and environmental sustainability.

GUIDING PRINCIPLES

The CSR Committee may constitute and adhere to the following guiding principles as given below, in connection with the CSR activities/ projects of the Company:

- **Selection of CSR activities/ project:**
Areas for CSR engagement shall be carefully chosen based on relevancy with regards to the national and local context. Focus on social welfare, healthcare, promoting education in the fields of science and medicine and environment sustainability will be integral to the selection of CSR activities.
- **Implementation of CSR activities/ projects:**
CSR programs shall be implemented in an inclusive and equitable manner, focused on data-driven, scalable and sustainable practices. A holistic framework of engagement with community and relevant stakeholders and impact assessment shall ensure transparency, consistency & commitment towards the programs.
- **Monitoring of activities:**
The emphasis shall be on a systematic, objective and iterative framework for review of activities as well as assessing impact. Periodic reviews of CSR activities shall help inform progress towards objectives, appropriate resource allocation, continued relevance and course correction where required.
- **Formulation of the annual action plan:** *
The annual action plan shall be formulated by the CSR Committee after ascertaining that the programs conform to the direction and approach as laid down in this Policy. The Plan shall specify the modalities of relevant interventions along with the agreed timelines and budgetary allocations. Based on project timelines, the annual action plan shall undergo periodic review for scope, utilisation of funds and the impact of envisaged outcomes.

**Note: Annual action plan shall assume the meaning as substantiated under the Companies Act, 2013.*

GOVERNANCE

In line with the provisions of the Act, the Company's Board of Directors shall be responsible for:

- Forming a CSR Committee;
- Approving the CSR policy, including periodic review and updates;
- Ensuring that the activities as included in CSR Policy of the Company are undertaken by the Company;
- Ensuring disclosure of the composition of the CSR Committee, CSR Policy and projects approved by the Board on the Company's website for public access.
- Approve the CSR budget and annual action plan and any alterations thereto as recommended by the CSR Committee.
- Making disclosures in the Boards' report as specified in the Act and complying with any applicable statutory requirements.

Composition of CSR Committee

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

- **Chairperson** - In case the Chairperson is not available for the meeting the members present may elect one among them to be the Chairperson of the meeting.
- **Invitees** – In addition to the members of the Committee, any other director/person may be invited to the meeting for bringing special knowledge etc. into the discussion.
- **Secretary** – The Company Secretary of the Company acts as coordinator and Secretary to the Committee.

Role and Responsibilities of CSR Committee

- Formulate and recommend a CSR policy to the Board and seeks their approval.
- Ensure that the list of CSR activities which the Company plans to undertake falls under the purview of the Act and the proposed activities are selected in a fair and transparent manner.
- Recommend CSR activities and budget to the Board for approval.
- To review, implement and monitor all CSR activities from time to time and regularly report to the Board on the progress.
- To review and reassess periodically the adequacy of this policy and recommend any proposed change to the Board for its approval.
- To ensure that the surplus fund that arises from the CSR activities shall not form part of business profit and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- To ensure that CSR activities undertaken only in India are accounted towards CSR expenditure except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- To ensure that CSR activities that benefit the employees of the Company and their families shall not be considered as CSR activities except as otherwise provided under the law.
- To formulate and recommend to the Board, an annual action plan in pursuance of this 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 rule 4(1) of the CSR Rules;
 - (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:
- To recommend to the Board alteration, if any, to the annual action plan at any time during the financial year based on the reasonable justification to that effect.
- To 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 thrice 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 present including those who attend via video conference shall be considered as quorum. Members attending meeting through teleconference are to be excluded for the purpose of quorum.
- **Sitting fees** – The members of the Committee are eligible for payment of sitting fees, if any, approved by the Board.
- **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 prevailing applicable laws or Secretarial Standards to all committee's members for their comments and shall be placed before the Board in the subsequent meeting.
- **Clarifications** - In case of any ambiguity or clarification, the Company should refer to the applicable Secretarial standards, provisions of Companies Act, 2013 and CSR Rules thereunder, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Articles of Association of the Company and the law will prevail in such a situation.

CSR 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% expenditure, in pursuance of the Act.

AREAS OF ACTIVITY

The Company has identified following core areas for undertaking its CSR activities. The selection of these areas is at the discretion of the Committee and may be revised to meet the changing requirements of the communities, and in accordance with the Act.

- Eradicating hunger, poverty and malnutrition.
- Promoting healthcare including preventive healthcare.
- Promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills and livelihood enhancement projects.
- 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.
- Rural development projects.
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State

Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

In addition, the Company may undertake other activities as provided under Schedule VII of the Companies Act, 2013 including the following on a need basis, and as approved by the Committee from time to time and in accordance with the Act:

- 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.
- 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.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- 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.
- 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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

The Company shall, wherever possible, carry out need assessment and impact assessment of the projects/activities to be undertaken or already undertaken, and build up reports and materials available for internal as well as external use to scale up the cause.

MODES OF EXECUTION

The Company can either partner with external agencies ('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 including registration with the Central Government

by filing the form CSR-1 electronically with the Registrar with effect from the 1st day of April 2021 in the manner as prescribed under the CSR Rules.

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.

The 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 CSR Rules.

Below are the implementing agencies through which CSR activities will be implemented.

1. Biocon Foundation:

- **In-house execution-** directly execute projects/programs.
- **Partnership-** forge fruitful collaborations with like-minded organisations through a memorandum of understanding to fulfil the CSR obligations.
- **Grants -** provide grants to NGOs, trusts and academic institutions under Grant-in-Aid initiative for innovative and impactful social projects. In such scenario, Biocon 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 as prescribed under the Companies Act and CSR Rules made thereunder shall be selected to carry out such activities. The grantees shall share fund utilization and project progress reports with Biocon Foundation.

2. Biocon Academy:

Biocon Academy is one of the implementing agencies, which aims to address the skill deficit in the Biopharma sector, by developing high-end talent through advanced learning for the country at large.

- 3. Other external Agency:** CSR activities can be undertaken through any other Implementing agency. Such agency shall satisfy the statutory requirements as specified in the Act.

REPORTING AND ADMINISTRATION

1. The Implementing agency shall report to the Committee at least 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.
2. The Board shall satisfy itself that the funds disbursed for CSR activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. In case of an ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and make modifications, if any, for smooth implementation of the project within the overall permissible time period.
("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)

3. Where the Company spends an amount in excess of requirement provided under section 135(5) of the Companies Act, 2013, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to 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 and
 - (ii) the Board of the Company shall pass a resolution to that effect.
4. Any amount remaining unspent under Section 135(5), pursuant to any ongoing project, undertaken by the Company in pursuance this Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account. Such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
5. Unless the unspent amount relates to any ongoing project, the amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
6. Where the average CSR obligation of the Company is Rs. 10 crore or more in pursuance of Section 135(5) of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of Rs. 1 crore 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. The expenditure on impact assessment in such a case can be booked towards CSR expenses 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.
7. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

("Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme)

AMENDMENTS

The Committee shall revisit the policy on a regular basis so as to maintain CSR competency and compliance with new laws and regulations. The Committee shall amend it as necessary or appropriate with approval of the Board of Directors to safeguard the contemporary interests of the Company and relevant stakeholders. 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.

EFFECTIVE DATE

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

CONTACTS

For more information, please contact us at-

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