



GLAND PHARMA LIMITED

GLAND'S POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

Concept

Short title and applicability

This policy, titled as the 'Gland CSR Policy' encompasses the Company's (Gland) philosophy of "Serving Society through Industry" and is designed to employ Company's resources, strengths and strategies in discharging its responsibility as a corporate citizen.

This policy lays down the guidelines and mechanism for undertaking various useful programs for welfare of the community at large & sustainable development of the environment, its flora and fauna.

This policy shall apply to all Corporate Social Responsibility (CSR) initiatives and activities taken up at various Plants, Offices, ware houses and other locations of Gland Pharma Limited ('Gland' or 'the Company'), for the benefit of different segments of the Society.

CSR - Vision Statement & Objective

Gland continues to strive to transform the business environment in which it operates. It also works for the transformation of the Society. The aim of Gland is to create an environment which enhances opportunities for all the good things, better education and overall quality of living that life has to offer. Gland designs its CSR initiatives in alignment with its objective of enhancing the quality of life in all aspects.

The Objective of the Gland CSR Policy is to:

- ✓ Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- ✓ To directly or indirectly take up programs that benefit the communities, preferably but not necessarily in & around its Plants and offices.

Funding and allocation

As required under the provisions of the Companies Act, 2013 and the Rules made thereunder, Gland will allocate in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years, as its Annual CSR Budget.



Identification of thrust areas and strategic initiatives

The Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors of the Company has the power to approve the projects / programmes, for which the Annual CSR budget should be spent. However, the amount shall be spent on those activities as mentioned under Schedule VII of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.

As on the date of this policy, Schedule VII of the Companies Act, 2013 specifies the following activities for which the Company can spend its CSR budget-

- (i) 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;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) 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 setup by the Central Government for rejuvenation of river Ganga);
- (v) 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 arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) 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;





- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- (x) rural development projects.
- (xi) Slum area development

The CSR Committee has the authority to allocate budgets to various programs / projects approved by it. However, there is no restriction that Programs / Projects should be taken up in each of the above mentioned areas and the entire amount in a year can be spent on one or two activities also.

Any unutilized amount under the annual allocation will be carried forward to the next year and the CSR Committee shall explain the reasons to the Board of Directors as to why the entire amount could not be spent during a particular year. The Board of Directors after considering the explanation given by the CSR Committee shall include the same in the Board of Directors' Report.

Activities undertaken during Natural Calamities and Other Disasters

The Company may undertake activities like providing food, provisions, clothing, medical aid, etc. to the victims during Natural calamities and other Disasters like burning of huts in villages, major road accidents and other such things. The Company can spend amount out of the CSR budget for these activities with the approval of the Chief Financial Officer of the Company or any other Officer authorised by him, without referring to the CSR Committee, as time is the constraint in such cases. However, the same expenditure shall be approved by the CSR Committee in its next meeting.

Implementation

1. CSR programs will be undertaken majorly at the Plants and Offices of the Company.
2. The period / duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended purpose of the program to be met immediately.
3. Programs that involve considerable financial commitment and are undertaken on a Time frame of 1-5 years, will be considered as 'flagship programs' and accorded enhanced significance.
4. Largely, it may be ensured that atleast 50% of the CSR programs are executed in and around the areas where Gland has its Plants and Offices.
5. Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments, Agencies, Self-help groups, etc. would be dovetailed and synergized with the initiatives taken by Gland.



6. Project activities identified by Gland under CSR are to be implemented by specialized agencies, which could include – NGOs, voluntary organizations, formal / informal elected local bodies such as Panchayats, Institutes / Academic Institutions, Hospitals, Trusts, Self-help groups, Government / Semi-Government / Autonomous organizations, Mahila Mandals, Professional Consultancy Organizations, Educational and Training Institutes, etc.
7. The process of implementation of CSR programs will involve the following steps:

Identification of CSR initiatives

Identification of CSR programs will be done at Head Office level by:

- a. Need identification studies by professional institutions / agencies;
- b. Internal need assessment by cross-functional team at the local level;
- c. CSR Project Proposals / requests from District Administration / local Government etc.,
- d. Responding to request from NGOs / local representatives / civic bodies / citizen's forums / voluntary organizations, etc.

Project based approach

Gland follows a project based accountability approach to assess the sustainability of the project through its action plan to qualify as 'short-term' and 'long-term' initiatives.

Short-term - 1 month – 1 year

Long-term - > 1 year – 3 years – 'Flagship programs'

While identifying long-term programs, all efforts must be made to the extent possible to define the following:

- a. Program objectives;
- b. Baseline survey that would give the basis on which the outcome can be measured;
- c. Implementation schedules with timelines prescribed for execution, completion and commissioning of the project;
- d. Responsibility, authority and accountability;
- e. Benefits of the project results in measurable achievements.

Powers for approval

All CSR programs identified will be tabled before CSR Committee of the Board of Directors, for its evaluation, at the beginning of each financial year with due recommendations of the management team.



CFO is authorized to approve the proposals in terms of empowerment accorded to him by CSR Committee for meeting the requirements arising out of such projects in urgent situations.

All programs approved in terms of the above delegation to be subsequently brought to the notice of the CSR Committee of the Board of Directors.

Criterion for identifying Executing agency

Gland may establish and register a Trust by name 'Gland CSR Trust' and may undertake all or some of its CSR activities through that Trust. Depending upon the nature of the activities, Gland will transfer its full or part of its Annual CSR budget to that Trust. In that case, the 'Gland CSR Trust' should act as per the directions of the 'Gland CSR Committee' of Board of Directors and should be guided by this policy.

While identifying programs, Gland or the Gland CSR Trust will identify a professional external agency who can execute the said program. In case of program execution by NGOs / Voluntary Organizations, the following minimum criteria to be met:

- a. The NGOs/ Voluntary Organizations has a permanent office / address in India;
- b. The NGO is a registered society under Societies Registration Act or a registered Trust
- c. The antecedents of the NGO / agency are verifiable.

Agreement between Gland and External agency

Once the programs approved by the CSR Committee of the Board are communicated to the management, the management of Gland or the Gland CSR Trust will be required to enter into an Agreement with each of the executing / implementing agency, if any, as per the Standard Model Agreement.

Monitoring and feedback

To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place at the Head Office. The progress of CSR programs under implementation at various locations will be reported to Head Office on a monthly basis and the Head Office will report to the Committee on a quarterly basis.

The CSR Department at the Head Office will conduct impact studies on a periodical basis, through independent professional third parties / professional institutions, especially on a strategic and high value programs.





Appropriate documentation of the Gland CSR Policy, Annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis and the same will be available for information to all the stakeholders.

CSR initiatives of the Company will also be reported in the Annual Report of the Company as per the Companies Act, 2013.

General

In case of any doubt with regard to any provision of the policy and in respect of matters not covered herein, a reference to be made to Chief Financial Officer. In all such matters, the interpretation and decision of the Chief Financial Officer shall be final.

Any or all the 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 Company and the CSR Committee reserves the right to modify, cancel, add, or amend any of the matters in this policy.

for **GLAND PHARMA LIMITED**

A handwritten signature in black ink that reads 'S. Srinivas'.

SRINIVAS SADU
MANAGING DIRECTOR & CEO