



CORPORATE SOCIAL RESPONSIBILITY POLICY

CSR Policy v2.0



MAY 30, 2022

ANTHEM BIOSCIENCES PRIVATE LIMITED

#49, F1 & F2, Canara Bank Road, Bommasandra Industrial Area Phase I, Hosur Road, Bangalore 560099

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1. Introduction

ANTHEM BIOSCIENCES PRIVATE LIMITED (hereinafter referred to as the “**Company**”), incorporated in Bangalore on 13th June 2006 under the provisions of Companies Act, 1956, having CIN: U24233KA2006PTC039703, is a Contract Development & Manufacturing Organization (CDMO) offering early-stage drug discovery services with its services encompassing medicinal chemistry, process chemistry, custom synthesis, discovery research and analytical R&D. Over the years, the company has forward integrated into contract manufacturing with a view to benefit from the synergies arising out of its involvement in the development of the product.

The Company is a Contract Research and Innovation Service Provider with the main object of carrying on the business of developing through collaborative research either independently or in tandem or in association with any other person or persons to meet the challenges of emerging technologies in the field of Biosciences including but not limited to Bio Technology, in India or abroad.

The Company’s contributions and initiatives towards social welfare have been integral to its business, and it shall continue to pursue **Corporate Social Responsibility** activities (hereinafter referred to as “**CSR**”) as one of its fundamental priorities for a long-term sustainability of business, social wellbeing, and economic growth at large. The Board has delegated oversight over CSR activities to the **Corporate Social Responsibility Committee** (hereinafter referred to as “the **Committee**”).

In the process of executing CSR, 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.

2. Objective

This policy is formulated to meet the CSR objectives set by the Company as well as meet 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, and it also aims to establish boundaries for acceptable behaviour and guidelines for best practices in CSR related initiatives.

The framework of the policy has been created to ensure:

- We are committed to common good of the society by practicing good governance and responsible business activities
- Support the agenda of the State and Country as a whole to ensure sustainability
- To undertake projects/programmes which will enhance the quality of life and
- Economic well-being of the communities

3. Constitution of the CSR Committee

As required and in compliance with the CSR Regulations, the Board of Directors has constituted the Committee at the meeting held on 2nd August 2014. The Committee shall consist of 3 Directors.

- **Chairperson: Mr. Ajay Bhardwaj**, Chief Executive Officer and Managing Director – Anthem Biosciences Private Limited, has been appointed by the Board as the Committee Chairperson. In the absence of the Committee Chairperson, the members present at any meeting of the Committee shall elect one amongst them to chair the meeting.
- **Membership:** The members of the Committee shall be appointed by the Board
 - **Dr. Sambasivam Ganesh** Chief Scientific Officer and Director – Anthem Biosciences Private Limited, has been appointed by the Board as the Committee Member
 - **Mr. K.C. Ravindra** Chief Operating Officer and Director – Anthem Biosciences Private Limited, has been appointed by the Board as the Committee Member
- **Invitees:** Only members of the Committee have the right to attend the 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.
- **Secretary:** The Company Secretary shall act as the secretary to the committee.
- **CSR Team:** To fulfill the CSR responsibility of the Company a CSR Team shall be setup on recommendation of the Board, to ensure effective implementation of the CSR activities.

4. Functioning of the CSR Committee

The Committee shall assist the Board of Directors in implementing the CSR Regulations and the CSR Policy. Following are the areas of functioning for the Committee:

- **Formulate and revise the Company's CSR Policy:** At time-to-time and as applicable the Committee shall formulate, revise and recommend the CSR Policy for the Board of Directors of the Company for approval and adoption
- **Selection of CSR activities/ project:** CSR engagement areas will be chosen in adherence to the CSR policy ensuring they are of local / state / national context. CSR domains chosen shall be in convergence with the broader goals of sustainable development. CSR activities chosen will be as stated under Schedule VII of the Act
- **Recommending CSR Budget to the Board of Directors:** 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. Accordingly the Committee should recommend the CSR Budget to the Board of Directors and seek approval for the amount of expenditure to be incurred on the CSR activities;
- **Transparent mechanism for 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 shall ensure transparency, consistency & commitment towards the programs.
- **Monitoring of CSR activities:** The emphasis shall be on a systematic, objective and iterative framework for review of activities. The Committee will prepare and submit periodic reports to the Board of Directors in respect of the CSR activities undertaken by the Company, which 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 (as substantiated under the Companies Act, 2013) shall be created with a definite mechanism by CSR functionaries and document the stated objectives of the CSR programs. It shall clarify the content of relevant interventions as per agreed timelines and budgetary allocations. Based

on project timelines, the annual action plan shall undergo periodic review for scope, relevance and timelines of envisaged outcomes.

▪ **Ensure following compliances with respect to CSR activities:**

- Surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the Company and only shall be utilized in accordance with the regulatory provisions of the Companies Act, 2013;
- CSR activities undertaken as per the Act only shall account towards CSR expenditure;
- Any activity that benefits only the employees of the Company and their families shall not be considered as CSR activities;
- CSR projects or programmes or activities undertaken in India only shall amount to CSR expenditure however, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- Compliance with the requirements of the Act.

5. CSR Activities: Focus Areas

The Company shall undertake CSR activities as recommended by the Committee and in accordance with the CSR Regulations, in particular Schedule VII of the Companies Act 2013 and the directions and clarifications issued by the Ministry of Corporate Affairs from time to time in this regard. Such CSR activities may be undertaken in collaboration with other organizations/institutions/trusts, etc, as may be recommended by the Committee from time to time. The Committee is authorized to approve any modification to the existing CSR activities or to propose any new activity during the relevant financial year. The Committee will determine the monitoring mechanism for CSR initiatives and may employ consultants to monitor the progress on the CSR initiatives of the Company.

Along with the activities enlisted in Schedule VII of the Companies Act 2013, Company shall undertake projects focusing in any of the following areas:

a) Education, Differently abled, livelihood

- Promote Education
- Livelihood Enhancement Projects
- Special Education
- Vocational Skills

b) Encouraging Sports

c) Environment, Animal Welfare, Conservation Of Resources

- Agro Forestry
- Animal Welfare
- Conservation Of Natural Resources
- Environmental Sustainability

d) Gender Equality, Women Empowerment, Old Age Homes, Reducing Inequalities

- Gender Equality
- Senior Citizens Welfare
- Setting Up Homes And Hostels For Women
- Setting Up Orphanage
- Socio-Economic Inequalities
- Women Empowerment

- e) **Health, Eradicating Hunger, Poverty And Malnutrition, Safe Drinking Water, Sanitation**
 - Health Care
 - Poverty, Eradicating Hunger, Malnutrition
 - Safe Drinking Water
 - Sanitation

- f) **Other Sectors (Technology Incubator And Benefits To Armed Forces And Admin Overheads)**

- g) **Contributions to Prime Minister's National Relief Fund**

- h) **Contributions to Swachh Bharat Kosh**

6. Planning, Implementation & Monitoring of CSR

The CSR policy is implemented as per the Act and the Rules. The CSR policy will be implemented ensuring that all projects/programmes as budgeted are duly carried out. CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved work plans. This may include monthly field visits, comprehensive documentation, and regular interaction with beneficiary communities. Further, CSR spends will be audited in an accountable and transparent manner.

Long term activities shall, as far as possible, be implemented in a project mode. To ease the implementation process, long-term CSR projects shall be broken down into medium-term and short-term plans. Each plan shall specify the CSR activities planned to be undertaken for each year. Accordingly, the budget shall be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.

Projects especially the construction/civil activities and other projects which require specialized knowledge and skills shall be executed by the external specialized agencies. Further, co-ordination shall also be done with Central/State/Local Governments/NGO's to synergize the activities undertaken by the Company with their developmental programme.

All the CSR activities shall be monitored regularly by the Chairman of the Committee and any feedback shall be regularly obtained about benefits of various activities and/or suggestions.

7. Annual Action Plan, Reporting & Documentation

The committee shall formulate & recommend an annual plan to the Board, which shall inter alia include the following:

- The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- The manner of execution of such projects or programs;
- The modalities of utilization of funds and implementation schedules for the projects or programs;
- Monitoring and reporting mechanism for the projects or programs;

The Board may alter such action plan, anytime during the financial year, based on the reasonable justification and recommendation of the Committee.

The Chief Financial Officer/Company Secretary of the Company shall submit reports regarding the progress in implementation of CSR activities and utilization of annual budget to the Committee. The periodicity of submission of reports shall be on quarterly basis for review by the Committee.

The Committee will prepare the Annual CSR report to be filed by the Company on approval of the Board. This report will ensure:

- CSR projects and programmes are being documented properly;
- An MIS is maintained on expenditure across sectors and geographies and beneficiaries impacted. The MIS structure will be in alignment with the prescribed reporting format;
- Accountability is fixed at each level of CSR process and implementation.

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

8. Treatment of Unspent CSR Obligation

If the Company spends less than the amount required to be spent under CSR obligation, the Board shall specify the reasons for not spending such amount, in the Board's report. The Company shall deal with the unspent amount in the following manner:

- **In case of an On-going Project:**

As per the provisions of Section 135(6), any amount remaining unspent 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, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility 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.

- **In case of projects having a tenure of one year or lesser:**

As per the provisions of Section 135(5), the unspent amount as on end of financial year shall be transferred to a Fund specified in Schedule VII, as regulated by the Government, within a period of six months of the expiry of the financial year.

9. Contingency

Certain projects/activities which are not approved by the Committee but are required to be implemented on an urgent basis in unforeseen circumstances, can be taken up for implementation after approval from Managing Director. The Committee and Board of Directors would be appraised about such projects/activities during their next meeting.

10. Policy Review & Future Amendment

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board of Directors of the Company.

11. 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 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.

FOR ANTHEM BIOSCIENCES PVT. LTD.

Sd/-

AJAY BHARDWAJ
MANAGING DIRECTOR

Version History:

- The CSR Policy was first approved and adopted by the CSR Committee on 11th August 2014
- It is subsequently amended and substituted vide resolution passed at the Board Meeting held on 30th May 2022