

ZYDUS WELLNESS LIMITED

CSR POLICY

[As approved by the Board of Directors at
their meeting held on 14th July, 2014]

A. Concept and Introduction

Zydus Wellness Limited is a part of the Zydus group which has a legacy of being in the service of the nation through innovation in healthcare and providing novel therapies to bridge unmet healthcare needs. The overarching belief of Group's Founder Chairman, Late Shri Ramanbhai Patel, an educationist and an entrepreneur, was that education, research and innovation are all inter-linked and one impacted the other. When combined they created a much larger universe of socially committed, purposeful and meaningful contributions to the society. Inspired by his vision and thoughts, the Company through its CSR programme, Zydus Srishti reaches out to make a difference in a myriad ways in the areas of Health – Swaasthya, Education – Shiksha, Research – Shodh and Outreach - Saath. Through these initiatives, the group reaches out to the community that it forms a part of, finding new expressions for its mission to create healthier communities globally.

This policy titled as the 'Zydus Wellness CSR Policy' encompasses the Company's philosophy for CSR, its responsibility as a corporate citizen and provides the broad guidelines and framework for undertaking programmes that can have a meaningful impact on the communities of which the Company forms a part of and the society at large. The policy shall apply to all the CSR initiatives undertaken by the Company at various locations in keeping with the guidelines enlisted in the Schedule VII of the Companies Act, 2013.

B. Objective of CSR Policy

The objective of the Zydus Wellness CSR policy is:

- To directly or indirectly take up programmes that can beneficially impact the communities in and around the Company's manufacturing facility, work centers, thus enhancing the quality of life of its consumers and creating wellbeing in the community.
- To ensure commitment and compliance at all levels within the organisation and create meaningful partnerships with stakeholders to achieve desired outcomes of the Policy.
- To create goodwill for the organisation and a continuity of the Zydus legacy through its CSR programme and reinforce the principles of corporate citizenship.

C. Scope:

In furtherance of its CSR objectives, the following are covered under the CSR Policy:

- i. CSR activities implemented by the Company on its own as a part of its flagship programme, Zydus Srishti.

- ii. CSR activities implemented by the Company through the registered trust, the Ramanbhai Foundation.

D. Definitions:

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
2. "Agency" (or Agencies) means any Section 8 Company or a registered trust / society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
3. "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Zydus Wellness Ltd., and wherever the context requires, shall signify the Company acting through its Board.
6. "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the year.
7. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
8. "CSR expenditure" means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
 - i. contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - ii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
 - iii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
 - iv. Any other contributions covered under Schedule VII.

9. A whole time person shall be engaged by the Company for activities envisaged in the CSR Policy.
10. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
11. "CSR Projects" or "Projects" means Corporate Social Responsibility projects / activities / programs / initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company

Projects / activities / programs / initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
12. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
13. "Group Companies" means Cadila Healthcare Limited, the holding Company and the subsidiaries of Cadila Healthcare Limited.
14. "Net profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
15. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
16. "Society" means a Society formed and registered under the Societies Registration Act, 1860 by the Company and includes a society jointly formed and registered by the Company with all or any of its Group Companies.
17. "Thrust Areas" shall have the meaning as ascribed to them as per provision E of the Policy.
18. "Trust" means a Trust created and registered under the India Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.
19. "Unit" shall mean the Company's facility at Changodar, Moraiya, Ahmedabad.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

E. Thrust Areas:

The Company at present proposes to undertake initiatives in the following thrust areas –

1.1 Swasthya–Programmes for Health and wellbeing including but not limited to:

- (1) Organising and implementing wellness programmes that are need-based, and address health and fitness concerns of diverse age groups and economic strata including the grass-root level.
- (2) Providing financial support and other assistance to institutions/organisations specialising in the nutrition, dietetics, fitness and wellness domain and monitoring that the amount given is utilized for the said purpose.
- (3) Initiatives concerning or promoting:
 - a. General healthcare including preventive healthcare and healthy living programmes in urban, semi-urban and rural areas
 - b. Wellness Camps including nutrition and fitness counseling.
 - c. Better awareness on lifestyle disorders and steps to combat them.
 - d. Ensuring environmental sustainability through maintenance of soil, air and water.

1.2 Shiksha and Shodh–Programmes for Education, knowledge enhancement and research including, but not limited to:

- (1) Creating and managing educational and knowledge enhancement infrastructure.
- (2) Providing financial support/scholarships to the deserving students from educational institutions of excellence as may be decided by the Company from time to time.
- (3) Providing financial assistance/support to any institution involved in education, research and knowledge enhancement.
- (4) Facilitating enhancement of knowledge, skill building and creating livelihood opportunities in partnership with reputed institutions.
- (5) Promoting knowledge enhancement and innovation in the wellness domain.
- (6) Contribution to the setting up of institutions in PPP model or start-ups in partnership with other institutions for vocational guidance and education.

1.3 Saath–Social care, concern and outreach programmes in times of emergencies including, but not limited to:

- (1) Creating public awareness on health concerns such as obesity, derma care, nutritional imbalances etc.
- (2) Protection and upgradation of environment including ensuring ecological balance and related activities.
- (3) Community upliftment through employment generation projects
- (4) Championing social causes and providing assistance in programmes on women's empowerment, ensuring gender equality etc.

F. Identification of CSR Projects:

1. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objectives in other areas, as prescribed under Section VII of the Companies Act of 2013.
2. As a cardinal principle, the CSR Projects in Thrust Areas shall be identified on the basis of a detailed assessment survey.

G. Implementation of CSR Projects:

The Company shall implement the identified CSR Projects by the following means:

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects presently through the Ramanbhai Foundation which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objectives provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

H. Monitoring:

Monitoring process for CSR Projects shall include the following:

- Evaluation of Planned progress V/s Actual progress
- Actual expenditure V/s expenditure as per Approved Budget

I. Fund allocation and Others:

A. Fund allocation

1. The Company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
 - a. Identified CSR Projects
 - b. CSR expenditure
 - c. Implementation Schedules
3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

B. Others

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects in the Thrust Areas. However, there shall not be any preference given to any particular Thrust Area for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
2. The Chairman of the Committee is authorized to decide on Projects to be implemented within the allocation as per the Annual Plan.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

4. The Company may build CSR capacities of their own personnel or personnel of its Trust or Society, as well as those of the Agencies through institutions with established track records of at least three Financial Years but such expenditure shall not exceed 5% of the Approved Budget of the Company in one Financial Year.

J. Duties and responsibilities:

i. Board of Directors

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

ii. CSR Committee

- i. The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least twice a year.
- ii. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- iii. The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting in April/May of the following year for Board review and finalization.
- iv. The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.
- v. A designated Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company and shall present the CSR report to the Committee.

K. Review Periodicity and amendment:

- i. CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.

- ii. The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

For, **ZYDUS WELLNESS LIMITED**

Sd/-

ELKANA N. EZEKIEL

MANAGING DIRECTOR