

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)

<p>OPU name: Boehringer Ingelheim India Pvt. Ltd</p> <p>Location: Mumbai, India</p> <p>Classification : Internal</p>	<p>Document version: 3.0</p> <p>Document ID: 088-COM-IN- CSR003</p> <p>Original policy Effective Date: 1st April 2014</p>
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<p>Review : General Counsel and Compliance officer</p> <p><i>Delvin Jacob Mathews</i></p> <hr/> <p>Delvin Jacob Mathews</p>	<p>Date: <u>6th July, 2017</u></p>
<p>Review: Director Finance and Administration</p> <p><i>Thomas Wilmesmeier</i></p> <hr/> <p>Thomas Wilmesmeier</p>	<p>Date: <u>6th July 2017</u></p>
<p>Approval : Chairman & Managing Director</p> <p><i>Sharad Tyagi</i></p> <hr/> <p>Sharad Tyagi</p>	<p>Date: <u>7th JULY 2017</u></p>

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1. Purpose

This Corporate Social Responsibility (CSR) Policy of Boehringer Ingelheim India Private Limited (BI IN) is guidance document that defines the nature of activities, process, financing, monitoring and reporting of CSR activities of BI IN.

2. Definitions:

- 2.1 "Act" means the Companies Act, 2013, Rules, Notification and Circulars issued there under and any amended thereon;
- 2.2 "Annexure" means the Annexures of this Policy; all annexures incorporated and amended from time to time shall form part of this policy and from the effective date of such amendment. In case of any contradiction in interpretation of the context or content of this policy or the annexures then the content of this policy shall have precedent.
- 2.3 "Corporate Social Responsibility (CSR)" means and includes :-
- 2.3.1 BI IN projects or programs undertaken with respect to activities defined in Annexure A of this policy, any addition or amendment therein as approved by BI IN Board of Directors (Board) as per notification issued by the Government under Section 135 and Section 469 and for the activities provided in Schedule VII to the Act; and
- 2.3.2 Projects or programs relating to activities undertaken by the Board of Directors of a BI IN pursuant of recommendations of the CSR Committee.
- 2.4 "CSR Committee" means the Corporate Social Responsibility Committee constituted in BI IN as per this policy and as specified in Annexure B.
- 2.5 "CSR Policy" relates to the activities undertaken by the BI IN as per activities provided in Schedule VII to the Act (Annexure A of this policy) and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business and for the welfare of employees of BI IN.
- 2.6 "duties" will be taken to mean those voluntary actions that BI IN organization has chosen to impose upon itself, in the spirit of good Corporate Citizenship practice and for implementation of CSR.
- 2.7 "Net Profit" means the net profit of a BI IN as per its financial statement prepared in accordance with the applicable provisions of the Act
- 2.8 "undertakings" is intended to mean those specific actions and standards contained within the text of this CSR policy.

3 Scope:

- 3.1 Corporate Social Responsibility (CSR) is responsibility of BI IN as an organization towards society, taking into account economic, social and environmental impacts and—maximizing the benefits to the society at large and minimizing the downsides. BI IN shall actively participate in execution of the CSR Plan, partner with organisations and other agencies, to contribute toward sustainable development of its CSR goals and activities.
- 3.2 BI IN shall undertake to uphold the values of good citizenship, through its own behaviour and by influencing other organisations to behave in a similar way. In this way BI IN intend to become champions of CSR, leading by example. BI IN envisages three pillars of CSR – economic, social and environmental, which will underpin BI IN CSR policy.
- 3.3 BI IN believe that an organisation with sound ethical and accountable practices has a competitive advantage in the modern marketplace, and so investment in the development and implementation of effective CSR practices is cost effective, and legitimate in terms of sustainable development of an organization. CSR projects/programmes of a BI IN shall focus on integrating business models with social and environmental priorities and processes in order to create shared value.

4 Responsibilities:

4.1 CSR committee shall be responsible:-

- 4.1.1 to formulate and recommend to the Board, a Corporate CSR Policy and Plan which shall indicate the activities to be undertaken by the BI IN as specified in Schedule VII;
- 4.1.2 to recommend the amount of expenditure to be incurred on the activities referred to above;
- 4.1.3 to monitor the Corporate Social Responsibility Policy of the BI IN from time to time

4.2 The Board of BI IN shall consider recommendations of CSR Committee to :

- 4.2.1 approve the CSR Policy for the BI IN and disclose contents of such Policy in its report and also arrange to place it on the BI IN's website, and
- 4.2.2 ensure that the activities as are included in CSR Policy of BI IN are undertaken by the BI IN, and BI IN spends, in every financial year, at least two per cent of the average net profits
- 4.2.3 ensure that surplus arising out of the CSR activity will not be part of business profits of a company.
- 4.2.4 establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only

5 Undertakings:

- 5.1 The CSR activities shall be undertaken by BI India, as per CSR Plan approved by its CSR Committee and Board of Directors ("Board") at the beginning of every Financial Year. The approved CSR Plan shall form part of this CSR Policy. Head Communication shall budget the proposed financial spend on CSR activities at the beginning of the every financial year and shall monitored spends during the year to adhere CSR budget.
- 5.2 The Board of Directors of BI IN may undertake its CSR activities recommended by the CSR Committee, through a registered trust or a registered society or a BI IN CSR Committee.
- 5.3 BI IN may collaborate with other companies for undertaking projects or programs 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 programs in accordance with these rules. BI IN may build CSR capacities of their own personnel or those of the implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the BI in one financial year. The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- 5.4 The CSR projects or programs or activities that benefit only the employees of the BI IN and their families shall not be considered as CSR activities. The contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

6 Key Provisions under Company Law

- 6.1 The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act (as provided in Annexure A to this policy), lists out the CSR activities, suggests communities to be the focal point.
- 6.2 The Act provides that every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, under sub-section (1) of section 135 of the Act shall comply with the provisions the Act and the rules. The CSR Clause applies to any company, during any fiscal year, with (1) a net worth of rupees 500 crore (about U.S. \$90 million) or more; (2) a turnover of rupees 1,000 crore (about U.S. \$180 million) or more; or (3) a net profit of rupees 5 crore (about U.S. \$900,000) or more. The company must spend at least two percent of its average net profits made in the preceding three financial years (the "Two Percent Formula") on government approved categories of CSR. The CSR Clause states that companies must give preference to local areas where the company operates. Further, CSR activities developed and implemented during the year by the company must be detailed in its board report. The CSR Clause requires a targeted company to make changes within its board of directors, to spend on government

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delineated categories of CSR, and to formulate and publicly disclose an official policy on its CSR activities.

6.3 The company shall follow the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, that have been laid down by the Ministry of Corporate Affairs in order to provide companies with guidance in dealing with the expectations of inclusive growth and imperatives of climate change, while working closely within the framework of national aspirations and policies. These are applicable to all businesses irrespective of size, sector or location.

6.3.1 Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability.

6.3.2 Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

6.3.3 Principle 3: Businesses should promote the wellbeing of all employees.

6.3.4 Principle 4: Businesses should respect the interests of, and be responsive toward all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

6.3.5 Principle 5: Businesses should respect and promote human rights.

6.3.6 Principle 6: Business should respect, protect, and make efforts to restore the environment.

6.3.7 Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

6.3.8 Principle 8: Businesses should support inclusive growth and equitable development.

6.3.9 Principle 9: Businesses should engage with and provide value to their customers and consumer

7 CSR Committee

7.1 BI IN hereby constitutes Corporate Social Responsibility Committee with the approval of Board of Directors, the list of CSR Committee members is provided in **Annexure B**.

7.2 At the beginning of Every financial year (i.e in the month of April), The CSR committee shall review and submit to the Board, a Corporate Social Responsibility Policy and Plan for approval which shall indicate the CSR activities specified in Schedule VII to be undertaken by the BI IN.;

7.3 The CSR Committee shall budget and recommend the amount of expenditure to be incurred on the CSR activities and shall establish transparent mechanism for implementation and monitoring of the CSR projects or programs.

8 Implementation and Monitoring:

The BI IN – Head Corporate Communication function is the process owner and responsible to support CSR Committee in implementing this CSR policy and its CSR plan. The CSR Plan of BI IN shall be monitored by CSR Committee, inter-alia, include the following, namely:-

- 8.1 CSR projects or programs to be undertake during the financial year falling within the purview of the Schedule VII of the Act, CSR activities does not include following:
 - 8.1.1 the activities undertaken in pursuance of normal course of business of a BI IN
 - 8.1.2 the activities meant exclusively for employees and their families
- 8.2 Preparing plan for CSR activities for the annual financial year.
- 8.3 Specify modalities of execution of such project or programs
- 8.4 Review implementation of CSR plans on monthly or quarterly basis to accomplish the objectives and goals of CSR activities.
- 8.5 Head Corporate Communication shall ensure that the Board's Report of a BI IN includes an annual report on CSR activities undertaken during the financial year and also displayed on the BI IN's website. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR committee, but does not include any expenditure on an item not in conformity or not in line with activities of Schedule VII of the Act.
- 8.6 BI IN Finance and Legal & Compliance Team shall support CSR Committee to conduct risk assessment and to ensure that CSR activities are in compliance with this CSR Policy.

9 List of Reference documents

- 9.1 Notification of Ministry of Corporate Affairs dated 27th February 2014 issued under section 135 of the Companies Act 2013.
- 9.2 National Voluntary Guidelines issued by Ministry of Corporate Affairs.

Annexure A
CSR Activities

- 1) Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water;
- 2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 3) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 4) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resource and maintaining quality of soil, air and water;
- 5) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of arts; setting up public libraries; promotion and development of traditional arts and handicrafts;
- 6) Measures for the benefits of armed forces veterans, war widows and their dependents;
- 7) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 8) 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;
- 9) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 10) Rural development projects.

Activities taken up by BI India Currently

World Cancer Day	4 th Feb
Beach Cleanliness Campaign	Aug / Sep
Support Natural Calamities	
Joy of Giving week	Oct
Lung Cancer Month &/ Diwali	Nov
Christmas	Dec

Suggestive 2 more new Activities to be taken up in – 2018 -19

Eradicating Hunger/ Promoting special education /Animal Welfare.
Contribute/ Support to projects supported by govt of India for socio economic development i.e. Save Water. Clean Water

ANNEXURE – B
CSR Committee
(as per Rule 3 and Section 135 of The Companies Act 2013)

Names	Designations
Sharad Tyagi	Chairman and Managing Director
Delvin Jacob Mathews	General Counsel and Compliance officer
Neeti Khullar	Head Communications & PR
Pritesh Rajpurkar	Head – Accounting & Taxation
Dr Brajesh Singh	Head – Technical, AH
Jignesh Mithaiwala	Senior Manager – International Business , PM
Sonal Sharma	Company Secretary
Parminder Singh	Senior Manager - Operations , HR
Prathmesh Shelar	Manager – Purchase

DOCUMENT HISTORY

Version	Author	Effective date	Changes
1.0	Neeti Khullar	1 st April, 2014	Initial document
2.0	Neeti Khullar	24 th May , 2016	Addition of new members in the committee
3.0	Neeti Khullar	22 nd June, 2017	Incorporation of list activities taken up by BI India along with revision in list of members

