



CORPORATE SOCIAL RESPONSIBILITY POLICY

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"The Stirring within and my conscience was always telling me, whatever you are, you owe it to the society. I have the conviction that only by doing selfless service to the needy and the poorest of the poor, one can achieve a true sense of satisfaction and happiness; the highest purpose of life."

**Late Dr. Desh Bandhu Gupta,
Founder Chairman,
Lupin Limited**



Corporate Social Responsibility Policy

Corporate Social Responsibility (“**CSR**”) has been a long-standing commitment at Lupin Limited (‘**Lupin**’ or ‘**Company**’) and forms an integral part of its activities. As a responsible corporate citizen, the Company is committed to perform its role towards the society at large by going beyond business goals and contributing to the well-being of the community, thereby creating value for its stakeholders.

Long before the CSR concept came into vogue, on October 2, 1988, Dr. Desh Bandhu Gupta, Founder Chairman of the Company had founded Lupin Human Welfare and Research Foundation, an entity dedicated to rural development, with a sense of social obligation.

This Policy document is prepared in compliance with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder.

1. Conceptual framework

1.1. Title of the Policy

This Policy is named as ‘Lupin Corporate Social Responsibility Policy’ (“**Policy**” or “**CSR Policy**”).

1.2. Applicability/scope

This Policy shall apply to all CSR initiatives and activities taken up at various work-sites, plants and other adopted areas of Lupin as well as in the areas adopted for the benefit of rural and urban India, particularly the marginalized, deprived and poorer segments of the society.

1.3. CSR Vision

CSR is not a mere set of mandatory legal provisions for compliance. The core of CSR activities is not limited to eradication of poverty, but building sustainable models for enhancement in Human Development Index (“**HDI**”). The Company endeavors to align its CSR activities with the Sustainable Development Goals (“**SDGs**”) established by the United Nations, which will offer an appropriate framework for fulfilling the CSR vision of Lupin.

1.4. Objectives

The CSR programmes identified by the Company should achieve one of the following objectives:

- 1.4.1. Building and replicating sustainable, evolving, dynamic models of social, economic, infrastructure and natural resource development models of macro, micro and mini scales through CSR programme in partnership with government bodies, implementing agencies and other stakeholders at national, regional, district, block and village level.
- 1.4.2. Providing services and solutions to address social issues with highest social priority for the poor, marginalized and under-privileged in line with the business philosophy of providing affordable medicines for most prevalent diseases.
- 1.4.3. Planning and executing of CSR activities that would benefit the communities preferably in and around the work-sites, plants or other adopted areas in order to enhance the quality of life of the community in general and the poor in particular.
- 1.4.4. Building, nurturing and reinforcing identity of the Company as a socially and ethically responsible corporate entity through its CSR activities for the benefit of diverse stakeholders in the society.
- 1.4.5. Carrying out CSR activities that would create increased happiness and empowerment of the stakeholders.
- 1.4.6. Acting as a catalyst, integrating diverse resources to make things happen at the field level, through direct intervention and social investment, to address the immediate needs of the poor as well as long-term development concerns.
- 1.4.7. Responding to natural and anthropogenic disasters, calamities at global and national levels as well as in the areas of operations to provide relief, reconstruction and rehabilitation support.
- 1.4.8. Setting up deeper sustainable projects for the long-term welfare of the nation.

2. Definitions

- a. "**Act**" shall mean the Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- b. "**Administrative overheads**" shall mean the expenses incurred by the Company for general management and administration of Corporate Social Responsibility functions in the Company but shall not include expenses directly incurred for designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme.

- c. **"Board"** shall mean the Board of Directors of the Company.
- d. **"CSR activities"** shall mean the projects and/or programmes undertaken by the Company either directly or indirectly pursuant to provisions of the Act.
- e. **"Implementing Agency"** shall mean such agency as permitted under the Act and includes the Lupin Human Welfare and Research Foundation ("LHWRF").
- f. **"Ongoing Project"** means a multi-year project undertaken by the Company in fulfilment of its CSR obligations 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.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act shall have the same meaning respectively assigned to them therein.

3. Mode of Implementation of CSR Activities

- 3.1. The CSR activities of the Company shall be implemented by the Company either directly or through LHWRF or through any other Implementing Agency.
- 3.2. The Company may collaborate with other companies for undertaking CSR activities in such a manner that the Company is in a position to report separately on these CSR activities.
- 3.3. The Company may engage external consultants/organisation for designing, monitoring and evaluation of the CSR activities as well as for capacity building of their own personnel for CSR.

4. CSR Strategy

4.1. CSR activity for building model of district development:

The Company will continue to work in the areas which are currently adopted or will be adopted with the approval of the Sustainability and Corporate Social Responsibility ("SCSR") Committee in the future. Emphasis will be on evolving and establishing replicable, sustainable models of development.

4.2. CSR activity near the Company operations:

Developmental work preferably in the areas adjacent to the manufacturing plants and various work-sites of the Company will be taken up. The size and scale of the operations will be decided according to the strategic needs and the situation of the locations through the SCSR Committee approval mechanism.

4.3. CSR activity within the Company:

CSR work will be initiated within the Company among the employees through awareness creation for volunteering, voluntary staff contributions and payroll contribution for social causes, crisis and issues. The aim will be to increase the commitment of the employees for social causes and develop and nurture socially-responsible work-culture and environment within the Company.

4.4. Major drives:

4.4.1. The CSR activities are designed within the framework of the business philosophy of the Company. Efforts are towards achieving high impact in certain areas with its impact and scale of operation. Identity and brand of the CSR activities shall evolve through large-scale implementation of:

- Livelihoods program including areas of Agriculture, Animal Husbandry, Skill Development and Women Empowerment;
- Lives program focusing on Health care as per need in urban, semi-urban and rural areas; and
- A programme titled 'Learn and Earn' provides an opportunity to worthy but financially weak students, particularly from small towns and rural areas for pursuing higher education.

4.4.2. CSR activities will be planned and undertaken according to the need of the time and situation in such areas as specified in Schedule VII of the Act (Refer Annexure 'A') and as may be notified by the Ministry of Corporate Affairs from time to time.

5. CSR Expenditure

5.1. Every financial year, the Board shall ensure that the Company spends at least 2% of its average Net Profits made during the three immediately preceding financial years towards CSR activities.

5.2. The Board shall ensure that the administrative overheads shall not exceed 5% percent of total CSR expenditure of the Company for the financial year.

5.3. The Company may spend the CSR amount for creation or acquisition of capital asset in accordance with the provisions of the Act.

5.4. Surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be utilized in the manner prescribed under the Act.

5.5. The Company with the approval of the Board of Directors can set-off the excess CSR expenditure that has been spent over and above the statutory requirement with the CSR amount of the next three immediate succeeding financial years.

5.6. Any unspent CSR amount at the end of the financial year shall be transferred and spent in such manner as prescribed under the Act.

6. Monitoring of CSR Activities

6.1. The SCSR Committee will be responsible to monitor the implementation of the CSR activities inter-alia through:

- a. Program planning;
- b. Implementation plan and schedules;
- c. Periodical review;
- d. Utilization certificates;
- e. Impact assessment;
- f. Third party audit or certification; and
- g. Any other monitoring mechanism as identified by the SCSR Committee.

6.2. For the Board to satisfy itself that the disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued by the Chief Financial Officer of the Company.

6.3. In case of any difficulty in executing the implementation of the CSR activities, the Implementation Agency shall immediately inform the SCSR Committee.

7. CSR Governance

The Company has established an accountable, robust and transparent governing mechanism to manage the operations under this CSR Policy, in compliance with the requirements of Section 135 of the Act:

7.1. Sustainability and Corporate Social Responsibility Committee ("SCSR"):

The Board of Directors of the Company has constituted a SCSR Committee as per the provisions of Section 135(1) of the Act.

7.2. Powers and duties of the SCSR Committee:

7.2.1. SCSR Committee will suggest strategies, areas of intervention and operation to the Board as specified in Schedule VII of the Act.

7.2.2. The SCSR Committee shall formulate and recommend to the Board for its approval an annual action plan of its CSR activities which shall include the following namely:

- a. List of CSR activities proposed to be undertaken in the areas specified in Schedule VII of the Act.
- b. Amount of expenditure to be incurred on CSR activities.
- c. Manner of execution of such CSR activities i.e., either directly by the Company or through implementing agencies.
- d. Modalities of utilization of funds.

- e. Implementation schedules for the CSR activities.
- f. Monitoring and reporting mechanism of the CSR activities.
- g. Details of need and impact assessment, if any, for the CSR activities undertaken by the Company.

7.2.3. SCSR Committee shall put internal monitoring mechanisms in place to track the progress of each CSR project and monitor, review and evaluate the operations of the CSR projects at such frequency as it may deem fit to ensure orderly and efficient implementation of the same.

7.2.4. SCSR Committee shall carry out external and independent assessment to review quality of process, project measures and impact at different stages of implementation of CSR projects, as it may deem fit.

7.3. Duties and responsibilities of the Board:

7.3.1. The Board shall consider and approve the Annual Action Plan and CSR Budget based on recommendation of the SCSR Committee.

7.3.2. The Board may alter the annual action plan at any time during the financial year on the recommendation of the SCSR Committee on providing reasonable justification.

7.3.3. In case of Ongoing Project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and may make modifications for smooth implementation of the project within the overall permissible time prescribed under the Act.

7.4. Duties and Responsibilities of the Implementing Agency:

7.4.1. The Implementing Agency shall be guided by the principles of this Policy.

7.4.2. The SCSR Committee shall issue such instruction, guidelines, direction, order, advise as it may deem necessary to the Implementing Agency.

7.4.3. The Implementing Agency shall ensure that the CSR activities undertaken on behalf of the Company are in accordance with the annual action plan approved by the Board.

7.4.4. The Implementing Agency shall be bound to submit such reports, certificates and records etc., as may be required by the Company from time to time, in relation to the CSR activities carried out by it.

8. Impact Assessment

8.1. The Company shall undertake impact assessment, through an independent agency, of the CSR Projects having outlays of rupees one crore or more and which have been completed at least one year before undertaking the impact study.

8.2. Impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR Projects.

8.3. The Company may book the impact assessment expenditure towards CSR Projects for that financial year, which shall not exceed 2% of the total CSR expenditure for that financial year or rupees fifty lakh, whichever is higher.

9. Disclosures

9.1. The composition of the SCSR Committee, CSR Policy and projects approved by the Board shall be displayed on the website of the Company www.lupin.com.

9.2. Annual report on CSR activities shall be annexed to the Board's Report of the Company.

10. Miscellaneous

This Policy is framed based on the provisions of the Act. In the event of any inconsistency between the provisions of this Policy and of the Act or any other statutory enactments, the provisions of such Act or statutory enactments shall prevail over this Policy. Any subsequent amendment/modification in the Act and/or other applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy.

Annexure 'A' – Activities prescribed under Schedule VII of the Companies Act, 2013.

- a. 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.
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c. 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.
- d. 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 set-up by the Central Government for rejuvenation of river Ganga.
- e. 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 art and handicrafts.
- f. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- g. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- h. Contribution to the Prime Minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- i. (a) 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

(b) 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 Organization (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).

- j. Rural development projects.
- k. Slum area development.
- l. Disaster management, including relief, rehabilitation, and reconstruction activities.
- m. Any other activities or subjects specified in Schedule VII of the Act and the Rules made thereunder, as amended from time to time and circulars/notifications issued by statutory authorities.

Note: Annexure 'A' shall be updated/modified/changed by the Company Secretary pursuant to the amendments notified under the Act, from time to time.

Document History

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