



hvc
human health care

CSR POLICY

Eisai Pharmaceuticals India Pvt. Ltd.

Policy Number	EIL/CSR/001
Effective From	March 2021



1. INTRODUCTION

1.1. Overview

To actively contribute to the social and economic development of the communities in which we operate, through the initiatives to build a better and a healthier society; thereby help the country in building a strong foundation in the areas which need focus.

1.2. Background

Eisai's corporate philosophy includes the realization of human health care (hhc). Based on a clear understanding that patients as well as their families and consumers are the key players in healthcare, we seek to have a sense of pride in providing benefits to such persons. This philosophy is summarized by the term "hhc."

In line with this philosophy, Eisai India Pharmaceuticals India Pvt. Ltd. ("the Company" or "Eisai India"), as part of its Corporate Social Responsibility (CSR) commitment shall make social and environmental investments to build a stronger India. The CSR activities of Eisai India are an offshoot from its values of service towards society and empathy towards every individual in the society.

Eisai India is committed to continually improve its CSR and sustainability activities, has formulated, and adapted a comprehensive CSR Policy. This Policy shall help in driving our business towards sustainability by institutionalizing processes to bring into practice the concept of shared value. This Policy includes projects / programmes that are to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 ("the Act").

1.3. Objective and Scope

The objectives of this Policy is as follows:

- To lay down guidelines to embed CSR as business process for the development of society.
- To undertake projects / programmes which will enhance the quality of life and economic well-being of the communities, in accordance with Schedule VII of the Act read with The Companies (Corporate Social Responsibilities) Rules, 2014.

This Policy applies to all projects / programmes undertaken as part of Eisai India's CSR initiatives and the Policy shall be further developed, reviewed and updated, on periodic basis, as may be necessary and expedient to do so.

The projects / programmes undertaken by the Company shall be considered to have been undertaken as CSR if it falls within the ambit the CSR as defined under Rule 2 of The Companies (Corporate Social Responsibilities) Rules, 2014.

The purpose of this Policy is as follows:

- To define Eisai India's CSR Policy.
- To define the statement of intent reflecting the ethos of the Company.

- To define the projects / programmes and specific activities to be undertaken by the Company during the implementation year that are in consonance with the Company's vision and goals.
- To define the implementation and monitoring process for CSR activities.
- To define the partnership process which shall serve as a guiding document (Standard Operating Procedure) for CSR activities.
- To shed light on the manner in which surpluses from CSR projects shall be treated.

CSR initiatives of Eisai India

The Company's CSR Policy contributes to the goals of Eisai India by undertaking projects, programmes or activities (either new or ongoing) as specified in Schedule VII:

- Promoting healthcare, including preventive health care, and sanitation
- Promoting education, including special education among children and/or women
- Rural development projects
- Environmental sustainability
- Contribution Prime Minister's National Relief Fund or 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
- and as such other activities as prescribed under the Schedule VII

Suggested Governance Structure

The Company has constituted a CSR Committee to oversee the implementation of CSR Policy, in compliance with the requirements of Section 135 of the Act.

For the composition of the CSR Committee please refer to the annexure: **EIL CSR Committee**.

The same shall be re-constituted, if required, in accordance with the provisions of Section 135 of the Act, after taking Board's approval.

CSR Spend

The CSR spend of the Company, in every financial year, would be at least 2% of its average net profits during the three immediately preceding financial years, where "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of Section 198 of the Act

1.4. Definitions

Term	Definition
Administrative overheads	"Administrative overheads" means expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project / programme
CSR	"Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act

	<p>in accordance with the provisions contained in these rules, but shall not include the following, namely:-</p> <p>(i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-</p> <p>(a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;</p> <p>(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;</p> <p>(ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;</p> <p>(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;</p> <p>(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);</p> <p>(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;</p> <p>(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India</p>
CSR Committee	"CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act
Head – CSR	"Head – CSR" means the person designated as Head – CSR or person(s) nominated by the Managing Director to lead the overall CSR initiatives of the Company.
Ongoing project	"Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation 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
Public Authority	"Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005)
Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.	

1.5. Responsibilities

1.5.1. CSR Committee

The powers and responsibilities of the CSR Committee are as follows:

- Formulate the CSR Policy and recommend the same to the Board of Directors of the Company.
- Identify the activities, projects or programmes to be undertaken by the Company, as specified under Schedule VII of the Act.
- Approve the CSR budget to be spent during the Financial Year.
- Formulate and recommend an Annual Action Plan to the Board to include the list of CSR activities / projects / programmes, manner of execution of such activities / projects / programmes, implementation schedule, modalities of utilization of funds and monitoring & reporting mechanism.
- Monitor the CSR Policy on periodic basis and amend the same as may be necessary and expedient to do so.
- Selecting the organization model for the CSR implementation: in-house versus outsourced and its legal entity (trust, society, company etc.)
- Identifying the implementation model (grant making, direct project execution, etc.)
- Establishing a method of allocation for the expenses (or assets created) that are partly for the CSR and partly for business or employee use.

1.5.2. Project leads

- Project specific leads would manage the task force that shall be constituted for implementation of the projects.
- Evaluate projects and partners as per the developed framework.
- Build collaborations with other organizations on CSR projects, wherever possible.
- Implement projects based on set targets and action plans.
- Regularly monitor the activities.
- Send half yearly reports to the CSR Committee

1.5.3. Beneficiary or grantee

- Submit a written support request (letter or email).
- Submit the acknowledgement of CSR support.
- Receive the CSR funds and use it for the stated purposes.
- Provide information necessary for assessment of CSR support request.

1.5.4. Head - CSR / Person responsible to undertake CSR activities, projects or programmes

- Identification of the beneficiary, use of the CSR fund.
- Take approval of support request with the CSR Committee
- Check availability in CSR budget.
- Request the CSR fund acknowledgement from the beneficiary and send it to the accounts department for records
- Give formal response to the applicant on the outcome of the CSR fund request (approved or rejected).

- Monitor the final use of the CSR spent made.

1.5.5. Accounting

- Determine type of CSR support (fixed assets, inventory or services).
- Account the amount spent towards CSR activities under CSR expense.
- Request the CSR fund acknowledgement issued by the beneficiary.
- Ensure proper accounting procedures for the CSR spend in accounting ledgers.
- Receive and maintain supporting documents for CSR spent in files

2. PROCEDURE

2.1. CSR Budget Approvals

- CSR Committee shall approve an annual CSR budget of funds or goods to be contributed.
- Contributions to natural persons or legal entities of a political nature (political parties or funders of political campaigns) are prohibited.
- Various project leads shall provide the CSR Spending information with proof on regular basis to initiate the payment to them. Such information shall be shared with the Head - CSR.

2.2. CSR Activity Management

- Head - CSR shall review the activity information, approve the work done and forward the same to the Accounting Department.
- Head - CSR would report the progress of the CSR activities, discrepancies, if any, to the CSR Committee.

2.3. CSR spend review and analysis:

- The CSR Committee shall assess the CSR support request, check the budget, and shall revisit the information on the form along with supporting documentation. As an outcome of this review, the committee may approve or reject the request.
- Record the contribution in the correct accounts based on instructions given by the Accounting Department. Depending on whether the type of assets to be contributed are part of fixed assets or inventory, the Accounting Department shall provide instructions on how to proceed.

2.4. Monitoring use of the CSR Fund

- Project leads and the Head - CSR shall monitor the contribution through supporting documentation or visits (e.g., photos, press articles, others). This evidence shall be given to the CSR Committee.

2.5. CSR Fund Spent Report

- The Finance & Accounts department shall send details of contributions made on a semiannual basis to the CSR Committee.
- On an annual basis, the CSR Committee shall:
- Report annually to the Board of Directors details of CSR activities, projects or programmes undertaken by the Company.

2.6. Project Life Cycle

The CSR projects of the Company are strategically planned and managed. Following are a few stages of a project:

2.6.1. Project Selection

The Company would conduct projects in India, preferably around the areas of operation. The respective task forces in consultation with the CSR Committee shall undertake a need assessment study to understand the social and environmental needs.

2.6.2. Project Approval

The projects suggested by the task forces in consultation with the CSR Committee shall be presented for the approval of the Board. Budgets shall be finalised and disclosed at the beginning of every financial year.

2.6.3. Implementation

The CSR projects of the Company shall be implemented either by itself or with the help of implementation agencies. The final projects approved by the CSR Committee shall be handed over to the task forces, who in turn shall break down the project into time-bound targets and action plans for the partners and individual divisions. This process shall be conducted in consultation with the CSR Committee.

2.6.4. Monitoring

The task forces would be responsible for executing and monitoring approved projects, which may include site visits, meetings and progress reports etc. This shall be done based on the milestones and success indicators, defined for the project, together with the implementing agency. It shall be the responsibility of the implementing agency to provide the project progress report on a periodic basis. These shall be submitted to the CSR Committee for the quarterly review

meetings. Each of these projects shall be monitored continuously through IT enabled systems to ensure transparency in the implementation process.

2.6.5. Reporting

The CSR Committee shall annually publish a report on the CSR projects and which forms part of the Board's Report. The report shall disclose information in the format as prescribed by Section 135 of the Act, and rules made thereunder.

2.6.6. Building Partnerships

As mentioned earlier, the Company shall execute projects by itself and/or in partnership with various implementation agencies.

2.6.7. Partner qualifications and Due Diligence

The Company shall undertake measures to ensure that projects are awarded to certified implementation agencies, be they vocational training institutes, registered trusts, societies or Section 8 Companies operating in India and which has obtained CSR Registration Number. The Company shall ensure that the implementation agencies have a clearly explained mission/vision and an established track record of three years in undertaking similar projects or programmes. They should be able to produce CSR Registration number and registration forms according to Section 80G and 12A of the Income-tax Act, 1961.

Potential partner NGOs shall undergo thorough due diligence and shall be checked to ensure that they fulfill the criteria listed in Section 135. The NGO shall need to produce the following documents:

- Registration according to Section 80G and 12A
- CSR Registration Number

2.6.8. Partnership Process

The process to be followed to establish partnership with implementation agencies is as follows:

- Identification of implementation partner** - The first step is to identify an implementation agency which may be a vocational training institute, registered trust, society or a Section 8 Company or an NGO.
- Due Diligence of partner** - A due diligence exercise is to be conducted to help ascertain the risks as well as the benefits of the partnership, and to determine if the implementation agencies have the reputation, competence and integrity to deliver effective training. As per the due diligence process details submitted by prospective implementation agencies shall be verified and due diligence visits shall be conducted by the working team.


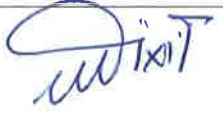



iii. **Signing of Memorandum of Understanding (MOU) and Service Agreements (SLA)** - After a thorough due diligence, an MOU and SLA shall be signed so as to enter into a formal arrangement with the implementation agency for a duration of 2 years. The SLA shall define the specific terms of the contract and scope of work.

2.7. Treatment of Surpluses

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and annual action plan of the Company, or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

3. SIGN OFF

	Prepared by	Reviewed by	Approved by
	Head – HR & IT	Executive Director	Managing Director
Signature			
Name	Joseph Kiran Kumar	Dr. Girish Dixit	Tetanya Aishu
Date	12/03/21	12/03/21	15/03/2021



Annexure

EIL CSR COMMITTEE

S.No.	Name	Date of Appointment