

STELIS BIOPHARMA LIMITED

**CORPORATE SOCIAL RESPONSIBILITY
POLICY**

1.	PREAMBLE
	<p>Stelis Biopharma Limited (hereinafter referred to as “Stelis”) is a vertically integrated biopharma and vaccines Company having capability to develop and manufacture complex biologics, biosimilars and vaccines.</p> <p>Stelis comprises of two specialist business divisions:</p> <ul style="list-style-type: none"> • Global CDMO • Specialist Vaccines CDMO <p>Stelis has framed this Corporate Social Responsibility Policy (‘Policy’) in accordance with section 135 of the Companies Act 2013 and rules made thereunder and shall be effective from the Financial Year 2021-22.</p> <p>The Corporate Social Responsibility (CSR) Policy encompasses the Company’s philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programmes for welfare and sustainable development of the community at large.</p> <p>Stelis’ focus area for CSR initiatives shall be Health and Hygiene, Education, Employability, Disaster Management and any such area identified by the Board or its Committee.</p>
2.	DEFINITIONS
a)	“Act” shall mean the Companies Act, 2013 read with the relevant Rules framed thereunder and amended from time to time.
b)	“Board” shall mean the Board of Directors of the Company.
c)	“Company” shall mean Stelis Biopharma Limited.
d)	“CSR Committee or the Committee” shall mean the Committee constituted by the Board of Directors of the Company in accordance with Section 135 of the Act.
e)	“CSR Rules” means The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.
f)	“Unit CSR Team” shall mean Stelis Team comprising of the respective location’s Head of Operations, Finance, Engineering, EHS and HR.
g)	<p>“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.</p> <p>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;</p>

h)	“Permissible CSR Activities” means such activities as specified in Schedule VII of the Act, as amended from time to time.
	<i>Note: Terms used in the policy, which are not defined hereinabove, shall have the meaning as defined in Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.</i>
3.	CSR POLICY OBJECTIVES
	<p>The objectives as identified by the Company is listed below:</p> <ul style="list-style-type: none"> a) Serve as the principal guiding document for Stelis CSR initiatives and outline the projects and geographies for undertaking CSR initiatives b) Describe core themes, provide framework for selection implementation management and monitoring of CSR initiatives as per schedule VII c) Uplift the communities around its areas of operation, thereby creating a positive impact in the community; d) Identify interventions to ensure sustainable social development after considering the immediate and long-term socio-environmental consequences; and e) Setting high standards of quality in providing interventions and support to meet the needs of the community.
4.	CSR GOVERNANCE STRUCTURE – Project selection & implementation
	<p>CSR activities of the Company shall be administered/ governed by the Board of Directors or its Committee.</p> <p>Further, the Company may also implement its CSR activities through any entity/ organisation as approved by its Board.</p> <p>The Stelis unit CSR team and the approved organisation / entity can receive the request from the community for CSR initiatives. The approved organisation / entity shall evaluate the unit specific proposals, by assessing their potential impact, in consultation with the unit CSR team and forward the proposal to the CSR committee for its recommendation. The CSR committee shall deliberate on the proposal and approve them for implementation at its discretion. The approved organisation / entity shall assist the Stelis unit CSR team in implementing the proposal either directly or in collaboration with other partners / registered trust / service provider as maybe necessary. The approved organisation / entity shall monitor and provide periodic reports to the committee to enable the Board of Directors of the company to meet their monetary, reporting and other legal obligations.</p>
5.	FOCUS AREAS OF ENGAGEMENT
	The Company shall carry out permissible CSR activities as approved by the Board, based on the Community Need Analysis (CNA) Recommendations.

	<p>To start with the Focus areas of engagement shall be:</p> <ul style="list-style-type: none"> • Health and Hygiene, • Education, • Employability, • Environment and • Disaster Management <p><i>Apart from the above, Company may also spend in areas mentioned in Schedule VII of the Act, subject to approval of the CSR Committee / or the Board, as the case may be.</i></p>
<p>6.</p>	<p>CSR BUDGET</p>
	<p>The Board shall monitor the CSR Budget as below:</p> <p>a) The Board of Directors of the Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the three immediately preceding financial years.</p> <p><i>Explanation 1:</i></p> <p>CSR Provisions are applicable for the Company based on the Net worth of the Company.</p> <p><i>Explanation 2:</i></p> <p>For the aforesaid purpose, Net Profit shall be calculated in accordance with the provisions of Section 198 of the Act.</p> <p>However, based on the financials of the last three financial years, the Company does not have a requirement of CSR Spend for FY 21-22. The Company shall monitor this requirement on a periodic basis to ensure compliance to the CSR provisions.</p> <p><i>Explanation 3:</i></p> <p>Further, the Company has an obligation to spend 1% of the total project cost towards CSR causes as per the Karnataka Industrial Areas Development Board guidelines from FY 21-22, which shall not be covered under the CSR Provisions.</p> <p>b) In case of any Surplus arising out of CSR projects the same shall not form part of the business profits of the Company and shall be ploughed back into</p> <ul style="list-style-type: none"> (i) the same project or (ii) shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or (iii) transfer such surplus amount to a Fund specified in Schedule VII within a period of six months of the expiry of the financial year.

	<p>c) Where the Company spends an amount in excess of requirement provided under Section 135(5), such excess amount may be set off against the requirement to spend under Section 135(5) up to immediately succeeding three financial years subject to the conditions that:</p> <p>(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of the CSR Rules.</p> <p>(ii) the Board of the Company shall pass a resolution to that effect.</p> <p>d) Unspent amount, if any, for the financial year, unless it is earmarked for an Ongoing Project as approved by the Board, shall be transferred to a Fund as specified in Schedule VII of the Act, within 6 months from the end of the financial year.</p> <p>e) Unspent amount pertaining to an Ongoing Project, shall be transferred to a dedicated bank account to be called as “Stelis Unspent CSR Account” for this purpose within 30 days from the end of financial year and spent within a period of three financial years thereon.</p> <p>f) Any residual unspent amount in such account on expiry of three financial years shall be transferred to a Fund as specified in Schedule VII of the Act.</p> <p>g) Administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.</p>
<p>7</p>	<p>ANNUAL ACTION PLAN (AAP)</p>
	<p>The CSR Committee shall formulate and recommend to the Board of Directors, an AAP in pursuance of its CSR Policy, which shall include the following:</p> <p>a) the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;</p> <p>(b) the manner of execution of such projects or programs as specified in sub-rule (1) of rule 4 of CSR Rules;</p> <p>(c) the modalities of utilization of funds and implementation schedules for the projects or programs;</p> <p>(d) monitoring and reporting mechanism for the projects or programs; and</p> <p>(e) details of need and impact assessment, if any, for the projects undertaken by the company:</p> <p>The Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.</p>

8.	PROJECT MONITORING AND IMPACT ASSESSMENT
	<p>A. Monitoring Process</p> <ol style="list-style-type: none"> 1. For each of the programs, the Company shall agree on the plan and budget for the year. 2. The Board shall review the progress made in the activities during its meetings.
	<p>B. Impact Assessment</p> <p>The Company shall carry out Impact Assessment of the CSR programmes undertaken in a structured manner and in compliance with the CSR Rules.</p>
9.	REPORTING
	The Company shall provide CSR report in its annual report as per format prescribed in the CSR Rules.
10.	PERIODIC REVIEW OF POLICY
	This Policy shall be subject to review as may be deemed necessary and by any regulatory amendments.

Version Control Sheet

Version Number	Date of Board Meeting	Remarks
V 1	Approved and adopted in the Board Meeting held on February 16, 2022	Adoption of policy in terms of Section 135 of the Companies Act, 2013 and CSR Rules