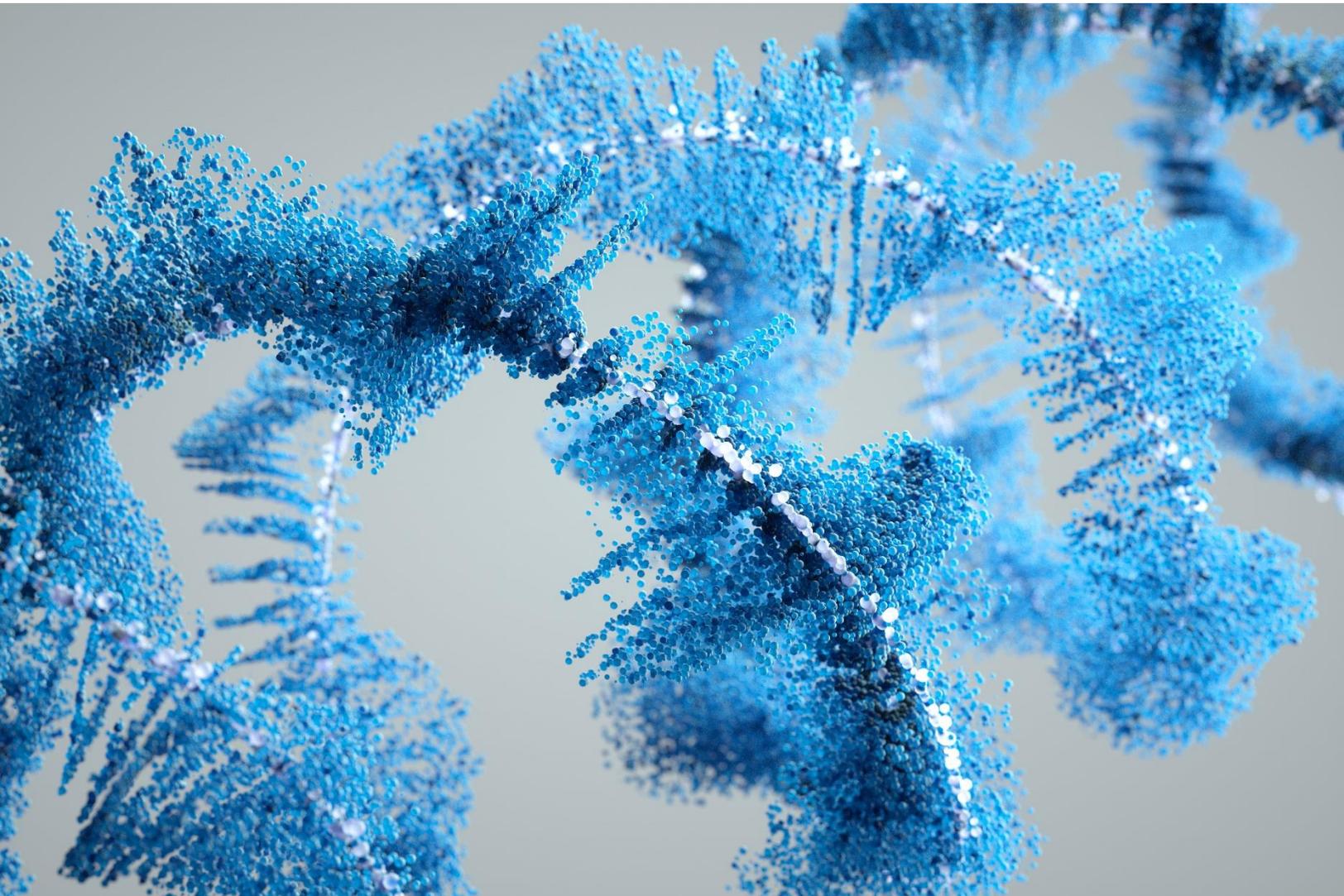


# **Pfizer Healthcare India Private Limited Corporate Social Responsibility (CSR) Policy**



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## Background

Corporate Responsibility (CR) addresses the environmental, social, and governance issues that can impact a business. At Pfizer, we think of CR simply as how we do business. We believe improving our impact on society strengthens our company, reinforces our license to operate, and fulfills our business purpose — to bring therapies to people that significantly improve their lives. In partnership with public and private institutions, foundations, non-governmental organizations and governments, we are working to meet the health needs of the underserved while investing in the health of our communities, our environment and our business.

At Pfizer Healthcare India Private Limited, (the “Company”), we constantly strive to positively impact the health of people throughout the country. In India, we are committed to serve our community by setting high standards for quality, safety and value in the manufacturing and research & development of medicines. The Company seeks to promote access to quality health care, to nurture innovation, and to support the community involvement of colleagues.

The Company believes that protecting human life and ensuring a higher quality of living is of utmost importance. As part of our efforts in advancing wellness, we actively collaborate with health care providers, government and local communities to extend our support in holistically expanding access to reliable and effective health care.

The pursuit of innovation is central to the Company’s culture, purpose and strategy and is guided by the values of Integrity, Respect for people, Customer focus, Innovation, Community, Collaboration, Quality, Performance and Leadership. Our Values are a declaration of our core beliefs and the defining features of a culture that breeds achievement. Innovation, one of our core values, is the key to improving health, sustaining growth and enhancing our contribution to society. The quest for innovation in products, delivery and continuous medical education/training, invigorates all of our core businesses and the community worldwide.

Today’s social challenges are ever-changing, complex and ambiguous; exaggerated as communities lack adequate access to basic healthcare in all its aspects.

The Company through its Corporate Social Responsibility (“CSR”) Policy proposes to encourage stronger commitment from the organization and our colleagues towards the society to address the healthcare challenges in the country. The Policy shall apply to all CSR programs/projects of the Company and have been prepared keeping our own core competence and priorities in mind. The policy aims to align our CSR interventions with the healthcare priorities of the Government of India and other stakeholders working with similar mandates. In doing so, it would be our endeavor to synergize the CSR initiatives undertaken by various functions/divisions in our organization within one unified strategic umbrella.

## Highlights of the Companies Act on CSR

Section 135 of the Companies Act, 2013 ('Act') states that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall ensure to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The CSR Rules under the Act have clarified that the CSR initiative must be carried out in a project/program mode and should align with Schedule VII of the Act that provides a list of thematic areas to be considered for CSR initiatives. Given its construct, Section 135 effectively marks the need for a rapid yet well-structured transformation to corporates' approach to CSR activities in India.

### Title and Applicability

We recognize the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of our shareholders, other stakeholders and the public. To this endeavor we strive to demonstrate the highest standards of ethics and will proceed in accordance with the applicable law.

This document outlines our CSR policy and provides the framework through which we will conceptualize, plan and operationalize CSR initiatives. This CSR policy is in compliance with Section 135 of the Act and is governed and guided by our corporate mission, values and aspirations. It seeks to encourage stronger commitment from the organization and employees towards the Society.

### Purpose

Promote access to quality healthcare in the country by nurturing innovations, encouraging community involvement of our colleagues and synergizing efforts in partnerships with Government and other stakeholders for a collective positive impact on our community.

### CSR Areas of Focus

Our CSR focus areas are entrenched in the way we do business and our global CSR principles. Focus areas for designing our CSR interventions are as follows:

1. Encourage and support Education and Skill building initiatives in India with a focus on manufacturing and R&D in Healthcare;

2. Conduct awareness programs and support environment sustainability initiatives.
3. Undertake awareness programs ourselves or in partnership with NGOs, Government and Healthcare providers of health and local community development.
4. Support Government's national and/or state level programs and priorities in healthcare;
5. Enlist Company colleagues as volunteers to support activities around health, sanitation and disease awareness;
6. Participate in disaster relief activities.

CSR Activities, as stated above, undertaken by the Company in India Will be aligned with our areas of expertise and our business interests. Our CSR activities will leverage our areas of strength, while being aligned with the following recommended provisions of Section 135 and Schedule VII of the Act viz.

1. Contributions or funds provided to incubators who are involved in innovation located within academic institutions.
2. Eradicating hunger, poverty and malnutrition, promoting health care, especially preventive healthcare and sanitation, and making available safe drinking water;
3. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

### **CSR Projects and Programs - key considerations**

While designing CSR projects or programs, the Company or its implementing partners shall consider the following:

1. All projects/programs should align with our CSR purpose and thrust area as defined above and should be in compliance with Schedule VII to the Act.
2. CSR projects/programs should be based on assessment of the priorities of the Central and State Governments and identified needs of the local communities and other key stakeholders. Ensuring participation of critical stakeholders in project planning and execution will be encouraged;
3. To the extent possible, the CSR projects/programs should incorporate approaches and models of Sustainability, Replicability and Scalability.

- a. **Sustainable model:** refers to the ability of the project to maintain its operations and the benefits of the project flow even after the closure of project funding and external inputs.
  - b. **Replicable model:** refers to the dimensions of generating enough proof of concept so that the project/program can be successfully implemented in other regions with similar approach and inputs.
  - c. **Scalability:** refers to the ability of the project/program to partner with Government and other stakeholders to achieve results at a much higher level (multiplier effect).
4. CSR project/program should be focused on generating measurable impact.

### **Governance arrangement**

CSR committee shall have an operating committee at every site for developing annual plans, budgeting; execution model and monitoring. And such CSR operating committee of every site shall present their periodic report/s to the CSR committee. Ultimately, the CSR committee will present an annual report to the Board of Directors of the Company on all the CSR activities of the Company during the year.

### **CSR Committee - Composition**

The Composition of the CSR Committee of the Board shall be as per the provisions of the Companies Act, 2013 and Rules and amendments made thereunder from time to time.

### **CSR Committee - Roles and Responsibilities**

The CSR Committee will be responsible for:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
2. Recommend the amount of expenditure to be incurred on the activities;
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Ensuring that the programs, projects and activities supported through the Company are aligned with the approved CSR policy of the Company and Section 135 and Schedule VII of the Act;

5. Reviewing and approving annual budgets with respect to CSR programs;
6. In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report;
7. Receiving and reviewing reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company;
8. Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants;
9. Responding to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives;
10. Ensuring that Company's website displays the approved CSR policy of the Company;
11. Developing and institutionalizing a CSR reporting mechanism in terms of Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **Board of Directors - Roles and Responsibilities**

The Board of Directors of the Company will be responsible for:

1. Approving the Company's CSR Policy after taking into account the recommendations made by the CSR committee.
2. Disclosing the Policy's content in its report and placing the Policy on the Company's website in such a manner as may be prescribed.
3. Ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profits, made during the three immediately preceding financial years.
4. If the Company fails to spend the stipulated CSR amount during a financial year, the Board of Directors shall in its report specify the reasons for not spending the earmarked amount.

5. The Board shall have the power to make any change(s) in the constitution of the Committee.

### **Budget**

The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII to the Act.

### **Surplus**

The Surplus arising out of the CSR Activities, projects or programs shall not form part of the Business Profit of the Company.

### **Implementation**

The Company may enter into partnerships-alliance with the Government, Business Partners and NGO's for implementation of its CSR programs/projects.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programs.

### **Monitoring, Evaluation and Impact Assessment**

The Company will institute a well-defined, transparent monitoring, evaluation and impact assessment mechanism to ensure that each CSR project/program has:

1. Clear objectives developed out of the societal needs that are determined through baseline studies and/or research.
2. Clear targets, time lines and measureable output, outcome and impact indicators wherever possible.
3. A progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Companies Act and the CSR Rules.

### **Frequency of Review**

The CSR projects / programs will be reviewed periodically by the CSR committee. The CSR committee will then present the progress of the projects / propose new projects to the Board of Directors for its review / assent.

### **Reporting**

The Company shall include an annual report of the CSR activities undertaken for the financial year in its Board's Report as per the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **Validity of CSR Policy**

Any modification/amendment in the CSR Policy shall be recommended by the CSR Committee to the Board of Directors of the Company for their approval.

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