
Corporate Social Responsibility (CSR) Policy

Policy intent

GlaxoSmithKline Pharmaceuticals Limited (GSK) is a science led global healthcare company with a special purpose. One significant way in which we enable value creation for society is through our CSR efforts. Our purpose to help people do more, feel better and live longer, is the underlying objective, of the Corporate Social Responsibility Policy of GSK (hereafter referred to as 'Policy').

The Policy of GSK has been designed in accordance with Section 135 of The Companies Act, 2013 (hereafter referred to as 'Act') to lay down the guidelines for undertaking CSR activities at GSK and in accordance with the Companies (Corporate Social Responsibility Policy), Rules, 2014 (hereafter referred to as 'Rules') as amended from time to time.

CSR commitments

GSK shall ensure that the CSR initiatives are aligned with the national priorities. GSK may undertake CSR activities in some or all of the following areas, which are in line with Schedule VII of the Companies Act, 2013:

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care* and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocational skills among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. contribution to 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
- iv. (a) contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and
(b) contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- v. disaster management including relief, rehabilitation and reconstruction activities; and
- vi. any other project^ as may be specified but not limited to under Schedule VII of the Companies Act, 2013, from time to time.

Note: *contribution of medicines to WHO or other similar organizations of repute (medicines which are not marketed by the company in its normal course of business);

^partnering with group companies for various CSR activities.

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CSR governance

The governance for the CSR activities of GSK will be led by the Board of Directors, as the apex governing body. The responsibilities of the Board inter-alia, include the following:

- i. approve the Policy;
- ii. disclose the contents of the Policy in its report and also place it on the company's website;
- iii. ensure that the activities included in the Policy are undertaken by GSK;
- iv. ensure that GSK spends, in every financial year, at least 2 (two per cent) of the average net profits of the company made during the 3 (three) immediately preceding financial years;
- v. satisfy itself regarding the utilisation of the disbursed CSR fund;
- vi. approve and monitor the implementation of any on-going multi-year project; and
- vii. if GSK fails to spend at least 2% (two per cent) of the average net profits of the company, the Board shall, in its report, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act.

CSR Committee

A three member CSR Committee of the Board of Directors comprising of:

- i. Managing Director
- ii. Two Independent Director(s);

further details are mentioned in Annexure 1 on the website.

Role of the CSR Committee

- Formulate and recommend the adoption of the Policy to the Board of Directors;
- Provide strategic direction for CSR and formulate and recommend to the Board an annual action plan based on the recommendations of the CSR working group;
- Recommend the annual expenditure to be incurred on CSR activities to the Board of Directors;
- Monitor the utilization of the amount transferred to the Unspent CSR Account of GSK;
- Monitor the implementation of the Policy from time to time.

CSR Working Group

A CSR Working Group comprising of the: Managing Director and department heads of Finance, Communications and Government Affairs and the Company Secretary.

Role of the CSR Working Group

- Review and recommend to the CSR Committee for approval of CSR projects, in line with the Policy
- Review and recommend to the CSR Committee for approval of the selection of CSR Partners for implementing CSR projects
- Monitor the implementation of CSR projects and report to the CSR Committee

CSR Nodal Officer(s)

CSR Nodal Officer(s) will be responsible for implementation of CSR projects.

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Role of the CSR Nodal Officer(s)

- Prepare annual CSR plans and budgets for CSR projects for approval by the CSR Committee, through the CSR Working Group
- Recommend CSR Partners for implementing the approved CSR projects. These recommendations are to be reviewed and approved by the CSR Committee, through the CSR Working Group
- Oversee implementation of CSR activities through CSR Partners in respective locations through regular meetings, site visits and reports
- Report to the CSR Committee, through the CSR Working Group, on the progress of CSR initiatives on a quarterly basis

CSR Implementation

GSK shall ensure that the CSR projects/ programmes are implemented in accordance with the Act/Rules.

CSR monitoring process

- i. The CSR Committee shall review the annual action plan and projects under CSR (refer Annexure 2 on website) and advise the CSR Working Group accordingly.
- ii. The Nodal officer(s) shall report to the CSR Working Group on a quarterly basis, which shall further update the CSR Committee and the CSR Committee shall further update the Board. The team may visit the CSR project and carry out inspections as recommended by the CSR Committee from time to time for purposes of monitoring and evaluating the CSR project(s).
- iii. The Nodal officer(s) will undertake a routine monitoring and analysis of the CSR projects through various steps including impact assessment, progress of the project vis-à-vis the prescribed timelines / budget etc. The monitoring mechanism may include visits, meetings, and progress / status reports.

Impact assessment

- i. GSK shall institute appropriate mechanisms to maximize outcomes and will assess the impact of its CSR projects;
- ii. In the instance, the average CSR obligation of GSK in the 3 (three) immediately preceding financial years is Rs.10 crores or more, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs.1 crore or more, and which have been completed not less than 1 (one) year before undertaking the impact study.

CSR expenditure

- i. GSK shall spend at least 2% (two per cent) of its average net profit as defined under the Rules during the 3 (three) immediately preceding financial years, on the CSR activities as per approved annual action Plan. The Chief Financial Officer (CFO) shall certify to the utilisation and manner of utilisation of the funds disbursed by GSK for the purposes of CSR.
 - ii. (a) In case the unspent amount pertains to an ongoing project, such amount shall be transferred to the Unspent CSR Account of GSK within 30 (thirty) days from the end of the financial year, further such amount remaining unspent for a period of 3 (three) years, shall be transferred to
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the funds specified in Schedule VII within 30 (thirty) days from the end of the third financial year, and;

(b) in case the unspent amount does not pertain to an ongoing project, such amount shall be transferred to the funds specified in Schedule VII within 6 (six) months from the end of the financial year.

- iii. GSK shall ensure that the administrative overheads shall not exceed 5% (five percent) of the total CSR expenditure of GSK for the financial year. Further, the expenditure for impact assessment, where impact assessment is mandatory, shall not exceed 2% (two percent) of the total CSR expenditure or Rs. 50,00,000 (Indian Rupees Fifty lakh), whichever is higher, for the financial year in which such impact assessment is undertaken.
- iv. Any surplus arising out of CSR projects/ activities shall not form part of the business profits and shall be utilized towards the project in the subsequent year(s) in accordance with the Act/ Rules.
- v. If GSK spends more than the requirement provided under section 135 of the Act, the excess amount can be set off against the required 2% (two per cent) CSR expenditure up to the immediately succeeding 3 (three) financial years.

CSR reporting

- i. GSK shall follow and comply with the requirements for disclosure of the Policy, composition of the CSR Committee and CSR projects approved by the Board on the website.
- ii. Further, the annual report shall disclose the composition of the CSR Committee, the CSR activities in the Board's Report, executive summary along with web-link(s) of Impact Assessment of CSR projects carried out and other information in the manner prescribed in the Rules.

Effective date of the Policy

Effective date of the Policy is 11th November 2022 and may be amended/updated from time to time by the Board.
