



DIVI'S LABORATORIES LIMITED

(CIN: L24110TG1990PLC011854)

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Divi's Corporate Social Responsibility Policy:

I. PREAMBLE

Companies need broad acceptability in the Societies where they operate if they are to sustain their long-term ability to create shareholder value. Equally important, society depends upon big business to provide critical economic and other benefits. This relationship forms the basis of an overarching contract between business and society. Divi's Laboratories Limited (Divi's / the Company) believes and cares deeply in the Business-Society Ecosystem. Divi's has always adopted Corporate Social Responsibility (CSR) as a key prerequisite for Sustainability. Divi's philosophy and values have always reflected its desire to integrate CSR into its mainstream business.

Divi's has six multi-purpose manufacturing facilities with all support infrastructures like utilities, environment management and safety systems. Divi's has been proactively carrying out social welfare programs since 1995 taking into consideration the specific requirements of the region to do its bit towards improving the lives among the communities around its manufacturing sites. Divi's strongly believe that industrial growth must contribute to the upliftment of the society around. Hence, the focus of Divi's CSR activities should be primarily on communities or villages around the manufacturing sites, beside rest of the sections consisting of needy and underserved.

Divi's has adopted the Divi's Corporate Social Responsibility policy (CSR Policy) for defining its social responsibility and laying down the guidelines and mechanism for undertaking CSR programmes. The CSR policy and the operational guidelines issues herein are subject to the provisions of Section 135 of the Companies Act, 2013 ("Act") read along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules").

II. OBJECTIVE

The objective of Divi's CSR Policy is:

- To make sure the business remains sustainable and continues to contribute to the welfare of all stakeholders.
- To take up programmes that benefit the neighboring communities in enhancing quality of life and economic well-being of the local populace.
- To facilitate a holistic approach based for a sustainable improvement in the social, economic and environmental situation of the needy and underserved.

III. SCOPE OF CSR PROJECTS/ACTIVITIES

Divi's is committed to undertake CSR activities in the following areas:

- i) Environmental Sustainability
- ii) Promoting education
- iii) Public Health
- iv) Village Development
- v) Women Welfare & Economic Empowerment
- vi) Enhancing Employability & Self reliance
- vii) Helping hand to under privileged & physically challenged
- viii) Supporting Government welfare schemes
- ix) Drinking water schemes/ Sanitation facilities
- x) Providing infrastructure facilities, civic amenities
- xi) Grant/ donation / sponsorship for upliftment of weaker sections of the society
- xii) Animal Welfare & Dairy Development
- xiii) Adoption of village for providing civic amenities and infrastructure development
- xiv) Relief for victims of natural calamities like earthquake, cyclone, draught and flood situation in any part of the country
- xv) Contribution to eligible Government relief funds
- xvi) Any other activities or subjects specified in Schedule VII of the Companies Act, 2013 (the Act) and the rules made thereunder, as amended from time to time and circulars/notifications issued by statutory authorities.

The above list is only an illustrative of activities and any other activity as approved by CSR Committee and the Board of the Company may also be considered on case-by-case basis.

IV. ROLES AND RESPONSIBILITIES OF CSR COMMITTEE

The CSR Committee of the Company, constituted as specified under the Act, will be responsible for the following:

- Formulate, review and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company in the areas or subject as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities referred above;
- Monitor the CSR Policy of the Company from time to time;
- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy covering : (a) list of CSR projects or programmes that are approved to be undertaken; (b) the manner of execution of such projects or programmes; (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes; (d) monitoring and reporting mechanism for the projects or programmes; and (e) details of need and impact assessment, if any, for the projects undertaken by the company.
- Appoint an independent agency/firm to carry out impact assessment study, if any.

- Defining the modalities and monitoring the progress of the activities being undertaken under the policy.

V. GUIDING PRINCIPLES

The Company shall comply with the provisions of the Act and the rules made thereunder and follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:

Identification of CSR Programmes:

This would involve identification of need, assessment of need, interacting with people, Local Govt/ District Administration & implementing agencies for determining the activities to be undertaken in line with the CSR objectives of the Company.

Areas to be covered:

Initially majority of the CSR programmes/ activities identified should focus in the areas adjoining the manufacturing sites of the Company.

Priority of activities:

Priority of activities to be undertaken to be decided basing on the evaluation of necessity by cross-functional team, proposals from local/ district administration, deliberations with implementing agencies.

VI. IMPLEMENTATION OF CSR PROJECTS/ACTIVITIES

The Company shall undertake and implement CSR activities either directly or through a registered public trust, registered society or a Section 8 company under the Companies Act, 2013, (NGOs), institutions and /or such other agencies ('implementing agencies') as may be specified in Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The implementing agencies, who intend to undertake any CSR activity, shall register themselves with the Central Government and obtain a unique CSR Registration Number, wherever applicable and shall satisfy the requirements prescribed under the applicable laws.

Execution may be taken up through designated teams of executives at the respective units of the Company or at corporate level under the programs as approved by the CSR Committee and the Board of the Company.

Initiatives of State Governments, District administration, Local Administration as well as Central Government Departments/ Agencies, Self-Help Groups etc., would be dovetailed / synergized with the CSR initiatives taken by the Company. Every care should be taken to ensure that there is no duplication of CSR activities undertaken by the Company with that of programmes run by Central, State / Local Governments or other companies CSR

activities.

VII. CSR ANNUAL ACTION PLAN

The CSR Annual Action Plan (CSR Action Plan) shall include the following:

- i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii) the manner of execution of such projects or programmes;
- iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- iv) monitoring and reporting mechanism for the projects or programmes;
- v) details of need and impact assessment, if applicable; and
- vi) any other matter as may be required under the Act and the Rules made thereunder.

VIII. MONITORING OF CSR PROJECTS/ACTIVITIES

The CSR activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.

The CSR Committee shall review and monitor the CSR activities and CSR Action Plan. The Board shall review the status of implementation and fund utilization of the various CSR projects and programmes as per approved CSR Action Plan.

To ensure effective implementation of the CSR activities, the CSR Committee and Board shall review the status at regular intervals as may be necessary.

The Company shall undertake impact assessment, through an independent agency, of eligible CSR projects. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Only permissible amount as specified in the Rules incurred towards impact assessment shall be considered as CSR expenditure.

IX. CSR EXPENDITURE

The Company shall endeavor to spend in every financial year, two percent of its average net profits (or such other limit as may be prescribed under the Act) during the three immediately preceding financial years or such other periodicity as may be notified, on CSR programmes in pursuance of this Policy, as per approved CSR Annual Action Plan.

If the CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years or such other periodicity as may be notified, with the approval of the Board, on the recommendation of the CSR Committee.

The provisions of the Act and Rules made thereunder shall be followed for dealing with unspent CSR amounts or CSR amounts earmarked for ongoing projects.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company. Further, creation or acquisition of any capital asset by the Company against CSR amount, shall be in terms of the provisions of the Act and the Rules made thereunder.

X. POWERS FOR APPROVAL OF CSR PROJECTS/ACTIVITIES

The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of CSR Annual Action Plan by the Board on the recommendation of the CSR Committee. For meeting the requirements arising out of immediate and urgent situations, the Managing Director is authorized to approve proposals in terms of empowerment accorded by the CSR Committee and Board.

The Board on the recommendation of the CSR Committee shall be the absolute authority to update, alter, modify, amend, withdraw and replace the CSR Annual Action Plan for justified reasons.

XI. DISCLOSURES

The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be displayed on the website of the Company.

Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

XII. INTERPRETATION OF POLICY

Any question or interpretation with regard to any provision of the policy and also in respect of matters not covered herein will be handled by the Board or CSR Committee or any person authorised by the Board of the Company in this behalf.

XIII. AMENDMENTS TO THE POLICY

Any or all provisions of the CSR Policy would be subjected to revision/ amendment in accordance with the guidelines on the subject as may be issued by Government, from time to time.

The Company reserves the right to modify, cancel, add or amend any of these provisions.

Note: As per recommendation of the CSR Committee, the Policy was originally approved by the Board of Directors on May 24, 2015, modified on May 29, 2021 and revised on November 07, 2022.