

CORPORATE SOCIAL RESPONSIBILITY **(CSR) POLICY**

Approved by:

- (i) CSR Committee Meeting dated – 01st September, 2021**
- (ii) Board Meeting dated – 01st September, 2021**

CONTENTS

Sl. No.	Particulars	Page No.
1	Preamble	3
2	Introduction	3
3	Context	3
4	Objective	4
5	Corporate Social Responsibility Committee <ul style="list-style-type: none"> • Composition • Meetings • Quorum • Disclosure 	4 4 4 5
6	Mode of Implementation of the CSR Policy	5
7	Focus Areas and Implementation Strategy <ul style="list-style-type: none"> • Focus Area • Other Areas • Implementation Strategy 	5-6 6-7 7-8
8	Resources	8
9	CSR Annual Action Plan and Location of CSR Efforts	8-9
10	CSR Expenditure, Treatment Of Surplus And Setting Off Of Excess Spent	9
11	Governance	9-10
12	Amendment	10
13	Annexure A - Format For The Annual Report On CSR Activities To Be Included In The Board's Report	11-14

Corporate Social Responsibility Policy

Preamble

The **ZEON LIFESCIENCES LIMITED** (hereby referred to as 'ZEON' or 'The Company') Corporate Social Responsibility Policy (hereby referred to as 'The CSR Policy') has been developed in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 (hereby collectively referred to as the 'Act' in this CSR Policy document) notified by the Ministry of Corporate Affairs, Government of India.

Introduction

Zeon aims to provide trusted Food/Nutraceuticals/pharma and Herbal products that help people lead healthier lives. We are committed to "A promise of Good Health". The organization shares passion for quality that goes way beyond business and statutory requirements. Zeon has unmatched standards and manufacture best quality products, satisfying norms for all big nutraceuticals houses of the country and qualifying International and National Audits.

Zeon has a state of the art manufacturing facility at Ponta Sahib, Himachal Pradesh which is spread across 28000sq. Yards. The facility is equipped with latest technology. The campus has 4 separate manufacturing units for each formulation like spray dried powder, dry blended powder, tablets, capsules, diskettes and Syrups. Zeon has an in house R & D which is the power house of innovation. The products are assessed by the highly professional Quality Assurance (QA) team at every step with the help of specially designed tests and protocols. The manufacturing facility has core competencies which gives Zeon a recognition for the quality of products delivered.

With an experience of over 30 years, Zeon has evolved as a qualified manufacturer of specialized nutritional supplements. Our product development capabilities span the area of General Nutritional Supplements, Functional foods, Phytopharma, Sports Nutrition, Herbal Supplements, Ayurvedic Proprietary Medicine, Health and wellness products and Immunity Booster Products.

Context

ZEON LIFESCIENCES LIMITED has been an early adopter of corporate social responsibility ("CSR") initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. **ZEON** is committed to improve quality of lives of people in the community it serves through long term stakeholder value creation. Care and concern for community is integral part of all our endeavours. We shall continue our efforts towards sustainable development, accelerated inclusive growth and social equity in positively impacting the environment and supporting the communities we operate in. There will be special focus on our various Corporate Social Responsibility (CSR) programs for empowerment of our communities in rural India.

Objective

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. **ZEON LIFESCIENCES LIMITED will act as a good corporate citizen** and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy and broadly intends to alleviate hunger, poverty and malnutrition; to protect the environment; to educate the society at large; and to support communities, stakeholders and society.

Corporate Social Responsibility Committee

❖ Composition

The CSR Committee shall be comprised in accordance with the requirements of Applicable Law and shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

The Board of Directors of the Company has already constituted a Corporate Social Responsibility Committee of the Board (“CSR Committee”) consisting of following three Directors, out of which one director is an independent director:

- Mrs. Rani Garg - Chairman (Executive Non-Independent Director)
- Mr. Vinod Sharma - Member (Executive Non-Independent Director)
- Mr. Varinder Kumar Bhatia - Member (Non-Executive Independent Director)

The Company Secretary shall act as the Secretary to the Committee.

❖ Meetings

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least two meetings in a financial year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

❖ Quorum

The quorum shall be two members or 1/3rd of the total members of the committee, whichever is higher.

❖ Disclosures

This CSR Policy, details of the composition of the CSR Committee and projects approved by the Board shall be hosted on the Company's website at www.zeonlifesciences.com.

Mode of Implementation of the CSR Policy

The CSR Activities may be undertaken by the Company directly through its Implementation Group/Team/Volunteers or with the prior approval of the Board, through any of the following entities as “**Implementation Agency**” being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April, 2021):

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c) any entity established under an Act of Parliament or a State legislature; or
- d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

CSR Funding will be released only to the aforesaid entities that are registered with MCA by filing Form CSR-1. The Form CSR-1 is termed as Form for “Registration of Entities for undertaking CSR Activities”. On successful submission of Form CSR-1, a unique CSR Registration Number shall be generated by system automatically to applying organization.

Focus Areas and Implementation Strategy

❖ **Focus areas**

In accordance with the requirements under the Companies Act, 2013 and the rules/regulations framed there under and circulars/clarifications issued thereunder (collectively, “**Applicable Law**”), ZEON’s CSR activities, amongst others, will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc.,

with the objective of assisting students in their studies, this also includes skilling and re-skilling initiatives for those who are in need.

- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and other similar facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture, including the restoration of buildings, sites of historical importance, and works of art; setting up public libraries; reviving, promoting and developing traditional arts and handicrafts.

❖ Other Areas

- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the 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 social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government, and
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Rural development projects;
- Slum area development

Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;

- Disaster management including relief, rehabilitation and reconstruction activities; and
- Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

❖ **Implementation Strategy**

Sl. No.	Focus area	Implementation strategy
1	Hunger, poverty, malnutrition and healthcare	Work directly or with non-profit organizations at infrastructure and/or operational level to support meal or nutrition related programs in schools and other institutions across India. If require, work with medical and health related organizations for projects in preventive healthcare, short term and long-term care and treatments.
2	Education	Partner directly or with non-profit organizations, primary, secondary and higher educational institutions including schools, colleges, and universities to encourage efforts in a wide range of areas including training, provision of funding for continued education, skilling and re-skilling initiatives, offline and online education, research, infrastructure development and capacity building.
3	Rural Development	Work with non-governmental organizations (NGOs) and local administrations to achieve community development goals. Partner directly or with governments and NGOs to support projects related to development and improvement of infrastructure and essential amenities, livelihood and skilling initiatives, training and education, and rehabilitating disaster- affected victims in rural areas.
4	Gender equality and empowerment of women	Work directly or with NGOs to reach out to underprivileged and socially disadvantaged persons including women and children towards the cause of gender equality and empowerment. Projects include awareness activities, trainings, support for livelihood related efforts, infrastructure development, and operational needs.

5	Environmental sustainability	<p>a) Work directly or with NGOs on safeguarding the environment, including protection of flora and fauna, promoting climate action, renewable energy, natural resource conservation as well as promoting resource efficiencies across energy, water and waste management.</p> <p>b) Projects can include interventions in the areas of water and wastewater management (watershed management, lake/river rejuvenation, etc.), rural electrification, waste to energy (household biogas), avoidance or replacement of firewood for cooking with efficient alternatives, forestry, animal husbandry amongst others.</p>
6	National heritage, art and culture	Support artists, including writers, poets, painters, musicians, dancers and theatre artists, in collaboration with partner organizations through contribution towards operational needs, performance activities, livelihoods, and other opportunities to encourage preservation of cultural and traditional Indian art forms. Undertake restoration of architectural structures, historical monuments, and water bodies.

Resources

We propose to deploy the following resources for our CSR activities:

- Funds: At the minimum, 2% of the average net profits of the company made during the three immediately preceding financial years, as per Companies Act 2013.

CSR Annual Action Plan and Location of CSR Efforts

The following details of any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee along with its recommendations:

1. The list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;
2. The objectives and expected results of the CSR Activity;
3. The relevant sector and the nature of the CSR Activity;
4. The modalities of utilisation of funds and amount to be allocated towards the CSR Activity;
5. The implementation schedules for the projects or programmes with indicative timelines for completion of the CSR Activity;
6. The manner of execution - whether the CSR Activity should be undertaken by the Company directly or any Implementing Agency or in collaboration with any other company;

7. Monitoring and reporting mechanism;
8. Details of need and impact assessment, if any, for the projects undertaken by the company; and
9. Such other details as it may deem necessary.

The CSR Committee shall formulate and recommend to the Board for approval a CSR annual action plan, in the same board meeting in which Board approves balance sheet of the company, and which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time.

The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

The geographical focus of the Company's CSR activities will be where we have a significant presence. Currently, these are the states of Himachal Pradesh and Uttar Pradesh. In these geographies, we would concentrate our efforts on villages and habitations within a 50 km radius of our plants and offices.

While we will ensure that all communities benefit from our CSR activities, we would focus on underprivileged and marginalized communities, socially and economically disadvantaged groups.

CSR Expenditure, Treatment of Surplus And Setting Off Of Excess Spent

The Company, in every financial year, spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the Company.

Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to certain conditions.

Governance

The Company can undertake CSR activities either by itself or through other entities eligible to undertake CSR activities under Applicable Law. The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee of the Board which formulates and recommends to the Board the CSR policy and the annual action plan.

The CSR committee to monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.

The funds to be disbursed shall be utilised for the purposes and in the manner as approved by the Board. The Chief Financial Officer or the person responsible for financial management, *shall issue a certificate to the Board every year certifying that the funds disbursed are utilised for the purpose and in the manner as approved by the Board.*

The CSR Committee of the Company will receive and review all the CSR progress reports on an annual basis.

Amendment

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

ANNEXURE A**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT****1. Brief outline on CSR Policy of the Company:**

_____ (“Company”) recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR for sustainable development. The Company through its CSR Committee shall identify the activities/projects in line with Section 135 read with Schedule VII of the Companies Act 2013 and the Rules made thereunder Our company is committed for better utilisation of CSR funds so that it can serve the of public at large.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: *Not applicable*
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
	Total		

6. Average net profit of the company as per section 135(5):. Rs. _____ Lakhs.
7. (a) Two percent of average net profit of the company as per section 135(5): Rs. _____ Lakhs/Crores
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: Nil
- (c) Amount required to be set off for the financial year, if any:
- (d) Total CSR obligation for the financial year (7a+7b- 7c). : Rs. _____ Lakhs/Crores
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs. Lakh)	Amount Unspent (in Rs. Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	NA	NA	NA	NA	NA

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs)	Amount spent in the current financial Year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Lakhs)	Mode of implementation	Mode of implementation - Through implementing agency	
				State	District		Direct (Yes/No)	Name	CSR registration number
1									
2									
	Total								

(d) Amount spent in Administrative Overheads :

(e) Amount spent on Impact Assessment, if applicable:

(f) Total amount spent for the Financial Year (8b+8c+8d+:8e): Rs. _____ Lakh

(g) Excess amount for set off, if any:

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs)	Amount spent in the reporting Financial Year (in Rs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1							
2							
	Total						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): Nil

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs)	Status of the project - Completed /Ongoing
1								
2								
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: *Not Applicable*

For and on behalf of the Board of Directors

Sd/-

(Chairman-CSR
Committee)

Sd/-

(Managing Director)

Place:

Date :