



CORPORATE SOCIAL RESPONSIBILITY POLICY

Version 2.0

[Effective 20th July, 2023 as approved by the Board of Directors]

1. Preamble

'Committed for the wellbeing of everyone' is the essence of Hiral's business philosophy and remains the guiding principle of doing business. This philosophy is integrated into Hiral's people, products and processes and is the foundation and the primary objective of the Corporate Social Responsibility Policy of Hiral Labs Ltd.

The CSR Policy has been framed in accordance with the provisions of section 135 of the Companies Act, 2013 ("Act") and the Rules prescribed thereunder and as defined hereinafter (collectively referred as "Applicable Laws").

2. Definitions

- a. **"Board"** means Board of Directors of Hiral Labs Limited.
- b. **"Company"** means Hiral Labs Limited
- c. **"CSR Activities"** shall mean the projects and / or programs undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.
- d. **"Implementation Agencies"** any other trust, society or company or any entity established under an Act of parliament or a state legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws and includes the Principal Implementation Agency.
- e. **"Principal Implementation Agency"** means Haks Foundation.
- f. **"Rules"** means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.

3. Guiding Principles

- a. The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan.
 - i. In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company's Manufacturing Plants, Admin & Registered Office or where it operates.
 - ii. The Company shall undertake only such CSR Activities, A) as are identified as Focus Areas under this Policy and B) as are permitted under the Applicable Laws.
 - iii. The Company shall not discriminate against the beneficiaries on the basis of race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker sections, such as Schedule Caste, Schedule Tribes, Minorities, women etc.
 - iv. The Company shall either undertake the project directly or preferably through Principal Implementation Agency.
 - v. The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorized by the Board.

4. Focus Areas & Implementation Strategy

The Company is committed to support the CSR Activities undertaken in the following areas and implementation as under:

Sr. No	Focus Area	Implementation Strategy
1.	Health Care	Work with Hospitals, Clinics, Hospices and organizations engaged in health care projects in Therapeutic, Palliative & Preventive healthcare and sanitation. Organizing medical checkup and blood donation camps. Providing Medicines, dietary supplements, Medical, surgical, hospital & Diagnostic equipment, reading glasses, orthopedic & surgical support system, medical devices, medical implants, and life support systems. Supporting health care institutes by providing remuneration to health care workers, nurses and doctors. Running of ambulance services.
2.	Education	Funding primary, secondary & higher education institutes and vocational training institutes in areas of training, infrastructure development, drinking facilities, sport facilities, digitalization and skill development. Providing scholarships, loans and awards to deserving students, creating and providing hostel, library & book bank facilities etc. Funding activities for differently abled persons. Do all activities which may help in spread of learning arts, science and commerce.
3.	Eradicating Hunger, Malnutrition & Poverty	Providing food, clothing & shelter to needy.
4.	Rural Development	Work for development and improvement of rural infrastructure and essential amenities.
5.	Disaster Management	Carrying out and funding agencies engaged in relief operations, rehabilitation and reconstruction work.
6.	Gender equality and women empowerment	Work for underprivileged and socially disadvantaged persons including women and children towards the cause of gender equality and empowerment.
7.	Other	<p>i) Setting up, running & funding of old age homes, day care centers, graveyards, crematorium, community halls, marriage halls and sports facilities & arranging group marriages</p> <p>ii) Engage & funding income generation activities such as promoting entrepreneurship, providing and arranging finance for micro, village & cottage industries, promoting agriculture, animal husbandry & poultry, imparting training for skill development and establishing vocational training centers.</p> <p>iii) Encourage and engage social reformative activities such as anti-dowry drive, propagate brotherhood between different religions & castes, propagate scientific approach of life and empowering women.</p>

5. Mode of Implementation

- a. Haks Foundation is the Principal Implementation Agency for all CSR Activities of Hiral Labs Limited. All CSR Activities of Hiral Labs Limited shall be undertaken by

the Company either directly or through Haks Foundation or through any other Implementation Agency.

- b. Subject to Applicable Laws, Hiral Labs Limited may collaborate with other companies for undertaking projects or programs or CSR activities.
- c. In case the Company undertakes any CSR Activity through any Implementation Agency other than the Principal Implementation Agency, such Implementation Agency shall satisfy the requirements prescribed under the Applicable Laws and shall be approved by the Board.
- d. The CSR Activities to be undertaken by the Company under the policy shall be approved by way of Annual Action Plan by the Board.

6. CSR Accounts & Expenditure

- a. Every year the Company shall spend at least 2% of its average Net Profit as defined under the Rules ("CSR obligation") during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.
- b. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- c. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer.
- d. Any surplus arising out of CSR projects, programs or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities / addressed in accordance with Applicable Laws.

7. Responsibilities of the Implementation Agency

- a. For the purpose of CSR Activities of Hiral Labs Limited, Haks Foundation and Implementation Agencies shall work under the overall supervision of the CEO and/ or Administrative Manager of the Company who shall issue instruction, guidelines, direction, order, advisor etc. to such Agency, which shall be binding on such Agencies.
- b. The Principal Implementation Agency and if the CSR Activities are undertaken through any other Implementation Agency, such Implementation Agency shall ensure the following:
 - i) All CSR Activities of Hiral Labs Limited shall comply with this CSR Policy and the Applicable Laws.
 - ii) The Principal Implementation Agency or any other Implementation Agency shall work only with credible institutions, non-governmental organizations (NGOs), government agencies and other philanthropic organizations to enhance the outreach of the Company's CSR Activities in line with the CSR Policy.
 - iii) Undertake the CSR Activities as per the approved Annual Action Plan.
 - iv) Update the Management and the Board on the progress of CSR Activities and status of Implementation of the Annual Action Plan.
 - v) Maintain records of all CSR Activities undertaken on behalf of the Company.

8. Miscellaneous

- a) This Policy shall remain in force unless amended or withdrawn.
- b) The Managing Director and the Manager (Administration) are jointly authorized to amend this Policy to appropriately incorporate statutory amendments relating to corporate social responsibility from time to time. Such amended policy shall be placed before the Board for information and noting.
- c) The Board may, in accordance with Applicable Laws, alter, amend, review, substitute this Policy as and when required without any prior intimation to any stakeholder for justified reasons.
- d) Any questions and clarifications relating to this Policy should be addressed to the Manager (Administration) at accounts@hirallabs.com.

Foot Notes:

Version 1.0: Original Policy approved by Board on 2nd April 2019, effective from 2nd April 2019.

Version 2.0: Revised Policy approved by the Board on 20th July 2023 and effective from 20th July 2023.