

CORPORATE SOCIAL RESPONSIBILITY POLICY

Name of Document	Corporate Social Responsibility (CSR) Policy
Version No	02
Version Date	TBD
Issued and Approved By	CSR Committee and Board of Directors
Owner of the document	CSR Committee
Effective date of document	(post board approval)
Version History	Version 01 was approved by Board of Directors in F.Y. 2017-18

**CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
BAXALTA BIOSCIENCE INDIA PRIVATE LIMITED
FRAMED UNDER SECTION 135(3)(a) OF THE COMPANIES ACT, 2013**

1. Introduction

Baxalta Bioscience India Private Limited (**Baxalta/Company**) recognizes that its business activities have direct and indirect impact on the society. Baxalta strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development of the society and to meet the interests of its stakeholders.

For Baxalta, Corporate Social Responsibility (**CSR**) is the responsibility that goes beyond its legal obligations and integrates social, environmental and ethical concerns into its business processes. A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates.

CSR is, therefore, closely linked with practicing sustainable development for the society. Baxalta is committed to continuously strive to achieve these objectives within the realm of the Companies Act, 2013 or any amendments including rules, notifications, circular thereto (hereinafter referred to as "**Act**"). All CSR initiatives shall be shortlisted, pre-evaluated and screened by gathering all relevant information and facts on the proposal and consolidated by the CSR Lead such as:

- Recipient information including the below:
 - o Background check/Overview of the NGO- mission and vision, website, founders, presence
 - o The organization's activities (e.g., annual reports, brochures, website, publications, registration with central government/MCA)
 - o MNCs/ Pharma companies associated with the NGO
 - o Government recognition, if any
 - o Spectrum of work, patient/people lives impacted through initiatives

- Project Details:
 - o Project impact
 - o Duration
 - o Milestones
 - o Donation Type
 - o Break-up of cost
 - o Payment terms
 - o Governance process
 - o Impact measure

Further, post screening, only the final eligible proposals shall be presented to the Risk Ethics & Compliance Committee (RECC) for review and approval. Post India RECC approval, the CSR proposals shall be presented to the CSR Committee and Board for final approval and necessary actions.

This policy aims to serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the policy.

2. Interpretation

For the purposes of this Policy references to the following should be construed:

1. **“Administrative Overheads”** means the expenses incurred by the Company for general management and administration of CSR functions but does not include expenses directly incurred for designing, implementation, monitoring, and evaluation of CSR projects/programmes.
2. **“Board of Directors”** means the Directors as defined Section 2 (34) of the Companies Act, 2013 which prescribed that “director” means a director appointed to the Board of a company. A director is a person appointed to perform the duties and functions of director of a company in accordance with the provisions of the Companies Act, 2013.
3. **“Corporate Social Responsibility”** or **“CSR”** shall mean the activities intended to be undertaken by the Company in pursuance to the provisions of section 135 of the Act.
4. **“CSR Committee”** means the committee comprises of the Board of Directors of the Company, who are designated as members of the said CSR Committee as per Section 135 of the Companies Act, 2013.
5. **“CSR Projects”** shall mean such projects which are selected by the CSR committee to be pursued by the Company in India for the purpose of compliance of section 135 of the Act.
6. **“CSR Lead”** shall refer to an individual duly appointed by the CSR Committee of the Company for the purpose of execution and monitoring of CSR projects of the Company.
7. **“International Organisations”** shall refer to organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947.
8. **“Net Profits”** shall mean net profit of the Company as per the financial statements prepared in accordance with the applicable provisions of the Act but shall not include the following, namely:
 - a. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and

- b. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

- 9. **“Non-ongoing Projects”** shall refer to projects or programmes which are expected to be completed in same financial year of initiation.

- 10. **“Ongoing Projects”** shall refer to following:
 - a. Multi-year CSR projects or programmes undertaken by the Company not exceeding 3 years and excluding the year of initiation; and
 - b. Project which was not approved as a multi-year project but the duration of which has exceeded beyond one year.

- 11. **“Public Authority”** shall refer to such authority as defined in section 2(h) of Right to Information Act, 2005.

- 12. **“RECC”** shall refer to Risk Ethics & Compliance Committee of the Company.

3. Guiding Principles

Towards this commitment, Baxalta shall comply with following:

- I. Act as a socially responsible organization, delivering maximum value to its stakeholders, with which they shall be proud to be associated.

- II. Behave ethically and contribute towards economic development while improving the quality of life of our customers as well as local community and society at large.

- III. Develop strong environment consciousness in its operations and strive towards spreading awareness about the advantages of the focus areas of Baxalta.

- IV. Conduct open and transparent practices that are based on ethical values and respect for communities and environment.

- V. Integrate corporate philosophy, goals and strategy with planned community development agenda.

4. Scope & Limitation

The scope of this CSR Policy ("Policy") extends to all Baxalta locations in India. This Policy is a statement containing the approach and direction given by Baxalta's board of directors, taking into account the recommendations of its CSR Committee, and includes guiding principles for

selection, implementation and monitoring of activities as well as formulation of the annual action plan.

This Policy has been formulated in accordance with Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") framed thereunder. Every company which meets the criteria detailed in Section 135 of the Act is required to constitute a CSR Committee of its board of directors for implementation of CSR projects or programs or activities.

Limitations

In accordance with Section 135 of the Act and the Rules, the following activities would not qualify as CSR activities:

- (i) activities benefitting 'employees' of Baxalta, as defined in clause (k) of section 2 of the Code on Wages, 2019;
- (ii) activities undertaken in pursuance of normal course of business of Baxalta;
- (iii) One-off events such as marathons/ awards/ charitable contribution/advertisement/sponsorship of television programs, etc.;
- (iv) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (v) any activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India; and
- (vii) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.

5. Role of the Board of Directors

The roles and responsibilities of the Board of Directors towards CSR shall include:

- Provide recommendations and approval for the annual action plan formulated and presented by the CSR Committee for spending of the prescribed CSR budget.
- Alter the recommended annual action plan at any time during the financial year, if required, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect
- Ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy.
- Ensure that the Company, treats the CSR Spends i.e. CSR surplus, excess expenditure and unspent CSR funds as per the modalities prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.
- Specify in its Report the reasons for not spending the amount if the Company fails to spend such amount.
- Disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the Company's website, if any, for public access.

The Board shall reconstitute the CSR Committee as and when required inter alia, to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.

6. CSR Committee

Baxalta shall constitute a CSR Committee comprising of at least two directors or more as per the threshold of the board members and shall meet at least once in every financial year. The constitution of the committee shall be reviewed by the Board of Directors from time to time and align to the provisions of the law and requisite threshold.

The following shall be the terms of reference of the committee:

- I. To formulate and recommend to the Board of Directors, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and the applicable Rules;
- II. To formulate/amend/alter the annual action plan in pursuance of the CSR policy of the Company;
- III. To determine the CSR projects to be undertaken by the Company and determine the mode of execution i.e. either itself or through any implementing agency or any in collaboration with any other company;
- IV. To formulate the CSR budget based on the CSR activities planned for the year;
- V. Ensure unspent funds, if any, are transferred to specified accounts/funds within the time stipulated in law;
- VI. Ensure that any profit incurred from CSR activities (although not expected however, if any) are not treated as business profits and are either ploughed back in the same project or transferred to specified account/funds;
- VII. To determine whether surplus expenditure of any financial year has to be set off with the CSR obligation of upcoming years;
- VIII. To obtain utilization certificates from the Finance Head of the Company and/or the implementing/external agencies executing CSR activities on behalf of the Company;
- IX. To submit reports to the Board of Directors in respect of the CSR activities undertaken by the Company;

7. CSR Lead

The CSR Lead shall be responsible for various tasks, including with or without limitation of the following:

- Work with CSR Committee to recruit and select employee volunteers;
- Ensure successful team functioning by establishing clear roles, expectations, and communication;
- Communicate quarterly with Baxalta's responsible team about funding requests/donations;
- Seek approvals in line with Baxalta's internal policies (including but not limited to RECC approval before presenting any CSR project or activity to the CSR Committee).
- Ensure compliance with provisions of this Policy

- To create and effective due diligence and monitoring mechanism for implementation of the approved CSR activities

8. CSR Projects

The CSR committee shall undertake such CSR activities as is specified in Schedule VII of the Act. The aim of Baxalta is to encourage and adopt communities/segments of the society as a whole to bring all round development of the communities.

In this regard, the CSR activities shall not include any activity undertaken by the Company in pursuance of the normal course of business of Baxalta.

Also, the CSR committee before selecting any CSR project or programme for execution in any financial year shall also determine whether the Company intends to spend for an ongoing project or a non-ongoing project and recommend the same to the Board of Directors for their approval.

The power of recommendation, categorization and selection of the CSR projects remain with CSR Committee with the final approval of the Board of Directors of the Company.

9. CSR Statutory Budget and Annual Action Plan

CSR Lead will recommend amount to CSR Committee as per statutory provisions based on confirmation of the amount from finance team, to the CSR Committee and approved by the Board, however, the same should be at least 2% of the average net profits of immediately three preceding financial year.

Within the budgeted amount, specific CSR projects will be allocated a specific amount which shall be approved by the CSR Committee of the Board on the recommendation of CSR Lead in consultation with RECC and General Manager of Baxalta Along with the budget, CSR Lead shall annually formulate an annual action plan in pursuance to the policy of the Company which shall specifically cover the following and shall present to CSR Committee:

- a) List of the CSR Areas aligned to the Company CSR vision as set out in the CSR guidance note
- b) List of CSR projects to be undertaken for in a financial year with a categorisation of ongoing and non-ongoing projects.
- c) Implementation schedules in alignment with the disbursement matrix for execution of the CSR projects undertaken by the Company
- d) Monitoring and reporting mechanism
- e) Method of impact assessment, if any, to be conducted by the Company

The annual action plan shall also be recommended to the Board of Directors along with the CSR budget for their approval.

10. Manner of selection and execution of CSR project

The approach of Baxalta towards CSR projects is long-term sustainability. Accordingly, the CSR Lead shall present the CSR plan for each financial year with deliberations at the level of and in alignment with RECC, CSR Committee followed by the Board of Directors. In this regard, the manner of selection and execution of any CSR project in the Company shall be as follows:

1. The CSR Lead shall identify the list of probable CSR projects basis the CSR policy and applicable global internal policies of the Company, for each financial year and place before the RECC for approval.
2. CSR Lead shall ensure all CSR projects and activities shall be presented to and aligned with RECC before presenting to CSR Committee for their consideration. Once approved by the RECC, the list of CSR projects shall be reviewed by the CSR Committee of Baxalta and shall be recommended to the Board of Directors for their approval along with the proposed budget of the financial year.
3. The CSR committee after receiving approval from the Board on the projects and total budget outlay, shall fix target spending for each project and direct the CSR Lead for execution of the projects/programs.
4. The CSR Lead shall ensure that planning of execution of any CSR project should include following aspects:
 - a. Requirements relating to baseline survey /need assessment (as required)
 - b. Activities/ initiatives to be undertaken by the Company
 - c. CSR Statutory Budget
 - d. Consultants and Implementing agencies- their selection, due diligence and terms of engagement
 - e. Prescribed timeline for completion of CSR projects
 - f. Monitoring mechanisms – procedure and methodology
 - g. Expected outcome from the proposed CSR project.
 - h. Evaluation – concurrent and final evaluation/impact assessment
 - i. Develop reports on the progress of the CSR project
5. The CSR Lead shall ensure that ongoing monitoring of CSR projects is done by the Company either through holding quarterly meetings with the implementing agencies (ensure the minutes of such meetings are duly documented and archived in writing) or by obtaining and reviewing quarterly progress reports along with supporting documentation in format specified in Annexure III of the Policy or by paying quarterly visits to the project site so as to be updated on the status of execution of any project and duly documenting the observations noted during such visits and creating a memo on interactions done along with necessary pictures of the CSR activity.
6. The CSR Lead shall keep the CSR committee and RECC informed by regular communications and updates, including providing quarterly updates and quarterly monitoring reports (documenting the observations noted during the visits and creating a memo on interactions

done along with necessary pictures of the CSR activity) on the progress of the projects and addressing issues/concerns, if any. This quarterly updates and monitoring reports shall be CSR Committee and the Board of Directors and RECC for apprising on the progress of CSR projects of the Company. Any red flags shall be highlighted to respective function heads including RECC by the CSR Lead.

7. The CSR Lead shall obtain utilization certificates/proofs (along with supporting documentation) from the external/implementing agencies executing CSR activities on behalf of the Company and shall present it to CSR committee.
8. The CSR Committee and Board of Directors shall also obtain relevant certificate of disbursement of CSR funds from the Finance Head of the Company annually evidencing proper utilization of the funds Finance Head will provide the relevant certificate after endorsement by CSR Committee on the disbursement of funds.
9. Baxalta shall also generate awareness amongst its employees about CSR projects and activities. The employees involved with CSR activities shall be provided with adequate awareness (in the form of mailers) by the CSR Lead.

11. CSR Expenditure

CSR expenditure shall consist of all expenditure including contribution to the corpus for projects and programmes relating to CSR activities, but does not include any expenditure which is not in conformity with the activities specified in Schedule VII of the Act. In this regard, the expenditure shall also include the administrative overhead incurred for the purpose of execution of CSR activities, however, the same shall be limited to 5% of total CSR expenditure for any financial year.

The Company shall comply with the following in below mentioned situations:

a) Excess expenditure

If the Company spends in excess of the statutory requirement, in any financial year i.e. the Company has spent more than 2% of average net profits of the last three years, the same can be set off against the CSR spending of immediately three succeeding years. This can be executed only with approval of the CSR Committee and Board of Directors.

b) Deficit expenditure

If in any financial year, the Company could not spend 2% of its average net profits, the Company shall transfer equivalent amount in the following manner:

- a. In case of on-going projects, the funds shall be transferred to the 'Unspent CSR account' of the Company within 30 days of the financial year ended and shall be utilised within 3 years of such transfer
- b. In case of non-ongoing projects, the funds shall be transferred to the funds specified in Schedule VII of the Act.

If in case the Company fails to spend the unspent amount transferred to the Unspent CSR account for the ongoing projects within a period of 3 years, the same shall also be

transferred to the funds specified in Schedule VII of Act within 30 days from the date of completion of third year.

Further, the requirement of transferring unspent CSR account/funds specified in Schedule VII shall be applicable only for the purpose of statutory requirement of spending i.e. 2% of average net profits of immediately three years. Any unspent amount lying from the voluntary spending requirement of the Company i.e. above 2% of net profits shall not trigger transfer requirements.

c) Profit/Surplus from CSR expenditure

If any Surplus/Profits arises out of CSR projects, the Company shall not consider the same as business profits. On the other hand, the profits shall either be retained/ ploughed back in the same project or can be transferred to the 'Unspent CSR account' of the Company or any funds specified in Schedule VII of the Act.

In case where the Company utilises its CSR expenditure for the purpose of creation or acquisition of any capital asset, the same shall be held either by a section 8 company or registered trust or registered society having valid CSR Registration Number or any of the beneficiaries of CSR activities or any public authority. However, in any case, the capital asset shall not be held by Baxalta.

12. Disbursement

The disbursement of CSR funds will be either in tranches or a one-time payment depending on the nature of the project as aligned with the implementation schedule of the Company. The method of disbursement and utilisation shall be as may be decided between the Company and the beneficiaries.

In this regard, the Company shall obtain periodic reports on the utilisation of funds from the implementing agencies and the CSR Lead of the Company.

In furtherance to this, the Company shall also obtain a utilisation certificate from the Finance Head of the Company at the closure of financial year certifying that the funds shall be utilised for the purpose it was disbursed. Finance Head will provide the relevant certificate after endorsement by CSR Committee on the disbursement of funds.

13. Implementation

The Company may implement the Company's CSR Programs through Company's own personnel or in collaboration with other companies or through any external implementing agencies as per the Annual Action plan duly approved by the RECC, CSR Committee and Board.

a) Eligibility of implementing agencies

In case the CSR committee decides to execute its CSR projects externally, through one or more implementing agencies, the following principles have to be ensured:

1. The agency should be either a section 8 company or a registered trust or registered society which is registered under section 12A and 80G of the Income Tax Act, 1961 and should be any of the following:
 - a. Any of the aforementioned entity which is established by the Company either singly or with other company; or
 - b. An of the aforementioned entity having a minimum track record of three years in similar activities; or
 - c. An of the aforementioned entity established by Central Government or State Government
 - d. An of the aforementioned entity established under the Act of Parliament or a State Legislature
2. The agency should have a valid registration number i.e. CSR Registration Number as allotted by the Central Government i.e. Registrar of Companies.
3. The agency should on quarterly basis submit utilization/execution reports to the Company through CSR Lead.
4. The agency should have a permanent office in India.

b) Manner of selection of an implementing agencies

Implementing agencies shall be proposed by CSR Lead and selected on the basis of their experience and track record. The Company shall conduct due diligence as per its internal policies for selection of any agency. The process of selection and finalisation includes following:

- a) The CSR Lead shall consider proposals received from institutions, agencies, associations and groups and shall evaluate whether they qualify as an implementing agency.
- b) The CSR Lead and CSR Committee shall evaluate whether the activities of implementing agency coincide with the CSR projects of the Company and also evaluate the proposal of agency as per internal criteria.
- c) The CSR Lead/any other person nominated shall undertake physical inspection of the site/facility/service of the agency, as per the available resources and feasibility of physical inspection.
- d) Once approved by the CSR Committee, the Company shall enter into agreement with the implementing agency clearly outlining the Baxalta's responsibility, implementing partner's obligations, CSR fund release pattern and the expected outcome from the CSR project or activity. The agreement shall clearly indicate the monitoring, evaluation and reporting mechanism including, progress report, utilization reporting and audit report, led by the CSR Lead.
- e) The Company shall also obtain CSR contribution/ fund utilization certificate issued by Chartered Accountant on behalf of the implementing organization upon completion of project. In case the CSR activity involves contribution to any Government organization, the proof of contribution in the form of a receipt shall be considered as a utilization proof.
- f) The implementing agencies shall be under the obligation to allow Baxalta or an approved third party to audit its books and records pertaining to the services provided to Baxalta and shall submit audited books and accounts, as requested by Baxalta, at appropriate time.

The Company may take help of International Organizations in designing, monitoring, and evaluating its CSR Projects, and in assisting with capacity building of its personnel. However, it is clarified that such organizations cannot take the responsibility of actual implementation of the CSR initiatives.

14. Monitoring

A transparent monitoring mechanism developed by the CSR Lead, for implementation of the CSR projects or activities undertaken by Baxalta, shall be tabled to India RECC (along with the CSR proposals) for approval in line with the internal policies and then to the CSR Committee and the Board of Directors for approval and necessary actions. Apart from the committees, the CSR Lead shall be responsible on a continuous basis w.r.t. monitoring of CSR activities.

15. Impact assessment

The Company shall undergo an impact assessment of its CSR projects having an outlay of Rs. 1 crore or more, if the average CSR obligation of the Company exceeds Rs. 10 crores during the last three immediately preceding financial year.

The impact assessment shall be conducted for projects which have not completed more than one year. The Company shall select an independent agency for conducting the assessment and shall ensure that the expenditure for the assessment does not exceed 5% of total CSR expenditure during the FY or INR 50 lakhs, whichever is less. The report on impact assessment shall also be annexed to the CSR annual report of the Company.

In this regard, the Company may also voluntarily undertake impact assessment of any project as may be determined by the CSR committee and the Board of Directors.

16. Reporting

Pursuant to the provisions of section 135 of the Companies Act, 2013, the Company shall disclose such information as mandated by law in the annual report on CSR which shall also be annexed to the Board's Report of the Company.

Additionally, the composition of CSR committee, CSR policy and projects undertaken by the Company and/or any other information as may be required by law shall be disclosed on the corporate website of the Company.

17. Amendment

CSR Lead shall propose amendments to the CSR Policy for CSR Committee's consideration as per the provisions of the Act. Any amendments in CSR Policy shall be approved by the Board of Directors of the Company.

The Board of Directors will review the Policy from time to time based on the changing requirements of target beneficiaries of the Company.

List of Annexures:

Annexure I - List of Areas for CSR Activities and Projects

Annexure II - Guidelines and Checklist for NGO selection

Annexure III - Suggestive Quarterly Progress Report format of the CSR Project

ANNEXURE I

List of Areas for CSR Activities and Projects

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive healthcare 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;
2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and the livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
6. 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;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. 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 socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9.
 - a. 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
 - b. 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 Defense 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);

10. Rural Development projects;

11. Slum area development (“slum area” shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force);

12. Disaster management, including relief, rehabilitation and reconstruction activities.

Further, expenses incurred on research and development activity of new vaccine, drugs and medical devices related to COVID-19 which is in their normal course of business of the Baxalta for F.Y. 2020-21, 2021-22, 2022-23 shall be considered under CSR initiative.

Provided that such research and development activities shall be carried out in collaboration with any of the institutes or organization mentioned under point 9 above of Annexure I.

ANNEXURE II

Guidelines and Checklist for implementing agency selection

- The NGO should be registered under the Societies Registration Act 1860 or Indian Trust Act 1882 or under Section 8 of The Companies Act 2013.
- It should provide a copy of its by-laws or Memorandum/Article of Association, as applicable.
- It should have a permanent office in India and should be working in Delhi/NCR for past three years.
- It should have a governance structure – An apex functional governing body eg. Board, Trustees etc.
- It should have the required manpower and expertise to handle the initiative.
- It should provide information on the projects undertaken by it till date.
- It should have a clean track record. It should not have been blacklisted for unethical work or misappropriation of funds etc. by any of the Government bodies or an ongoing/pending litigation on violation of any legal requirements or bribery and corruption charges
- It should have an established track record of at least three years in undertaking similar successful programs or projects.
- It should have a dedicated domestic bank account (No offshore account).
- It should fulfill Income Tax requirements (PAN, 12A)
- It should have Income Tax exemption certificate
- It should provide confirmation of no funding from the sanctioned entity (banned by the Government of India).
- It should provide a copy of the annual report including the financial statement of past three years.
- It should also provide a utilization certificate or report evidencing the effective utilization of the amount provided to them, after completion of any CSR project or activity.

(In case the CSR activity involves contribution to any Government organization, the proof of contribution in the form of a receipt can be considered, as per section 8 (v) of this policy.)

- The NGO should submit annual undertaking, duly signed by the Directors/ Trustee, that it has complied with all the relevant laws and that there are no pending cases against any Directors/Trustee, in their individual capacity or as Directors/Trustee of the NGO.

A copy of the relevant documents in support of the above has to be submitted to Baxalta either with the proposal or on approval of the CSR project.

Checklist for an Organization / Requestor requesting funding under CSR project for the purposes of internal due diligence.

1. Name and Title of Organization / Requestor for CSR project (as applicable):
2. Organization's / Requestor Name

3. Organization's Vision/Mission
4. Proof of Charitable Status, attached to email (e.g., charity registration number or 501(c)3 number) *
5. Location of Project
6. Project Timeline
7. Total Support Requested, including cash contributions, employee volunteer time, and in-kind donations
8. Details of any other organizations that would be involved in the project and their roles and responsibilities
9. Project Overview
 - a. What is the objective of the project; what is the group setting out to achieve?
 - b. Who are the primary beneficiaries?
 - c. How does the suggested activity align with Takeda's focus areas for local community engagement?
 - d. What activities will be carried out?
 - e. How will the group measure the outcomes and impacts of the project?
 - f. What will be the tenure of the project?

ANNEXURE III

Suggestive Quarterly Progress Report format of the CSR Project

(This can be improvised as per internal procedural requirements)

1. **Baxalta Activity Owner(s) and Contact Information**
2. **Project Title(s)**
3. **Classification of Project:** Ongoing or Non-Ongoing project
4. **Location of Project(s)**
5. **Project Timeline(s)** – including start and finish dates
6. **Description of Beneficiary Organization(s)** – including (a) focus and (b) geographic scope
7. **Brief Project Description(s)** – including (a) project objectives and (b) list of activities carried out
8. **Inputs (if applicable):** Value of Financial Contribution (gross monetary amount paid in support of a community organization/project)
9. **Inputs (if applicable):** Employee Volunteering (number of people taking part and/or total hours volunteered)
10. **Inputs (if applicable):** In-kind Contributions (e.g., used office equipment donations; use of company premises)
11. **Outputs:** Describe activities delivered as part of the project(s) (e.g., numbers reached, activities held)
12. **Impacts:** Describe short and long-term changes for individuals or the partner organization(s) as a result of the project (e.g., greater awareness, increased self-confidence, new skills acquired)