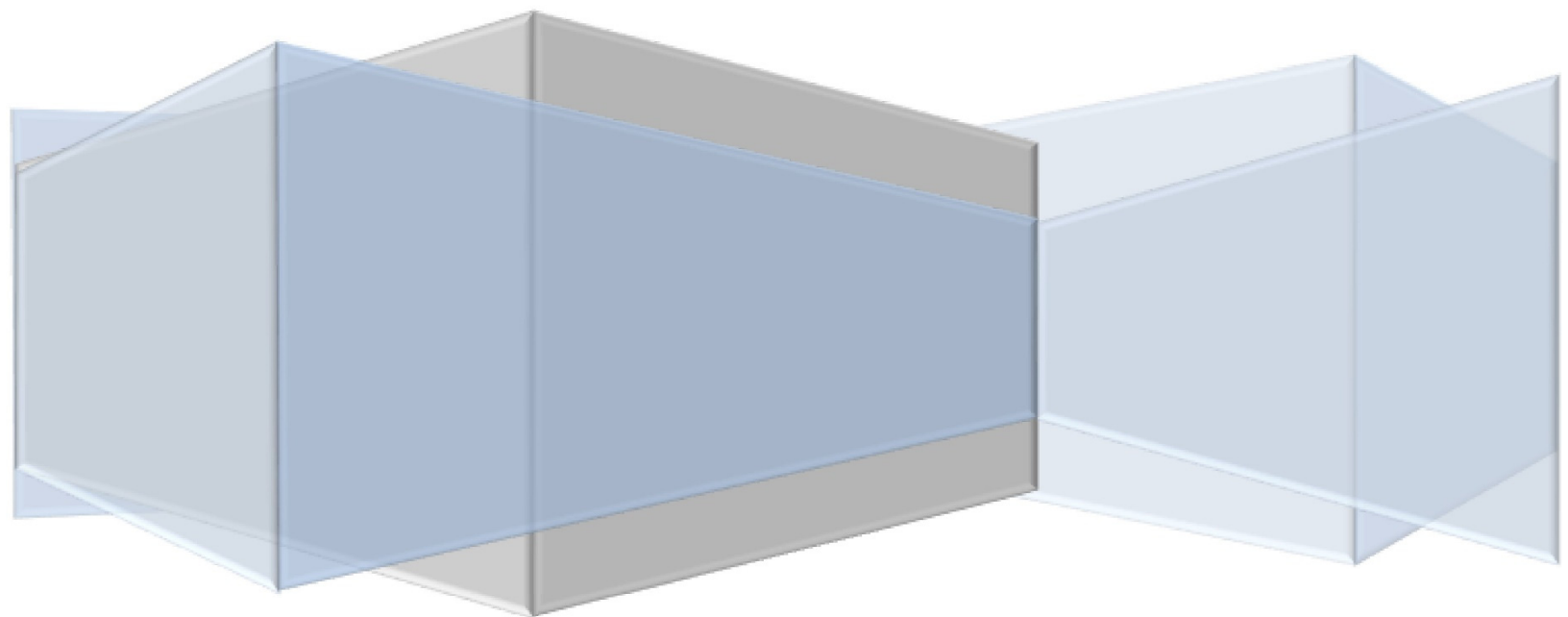


Pfizer Limited Corporate Social Responsibility Policy



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Background

At Pfizer Limited (the “Company”), we constantly strive to positively impact the health of people across the Country. In India, for more than seven decades, we have tried to serve our community by setting the standard for quality, safety and value in the discovery, development, manufacturing and delivery of medicines. The Company seeks to promote access to quality healthcare, to nurture innovation, and support the community involvement of Pfizer colleagues.

The Company believes that protecting human life and ensuring a higher quality of living is of utmost importance. In doing so, we at Pfizer work to advance wellness, prevention, treatment and cure for some of the most feared diseases of our times. We actively collaborate with healthcare providers, governments and local communities to extend our support in holistically expanding access to reliable and effective healthcare.

The pursuit of innovation is central to Pfizer’s culture, purpose and strategy. Pfizer in India defines its purpose as “Breakthroughs that change patients’ lives” that is guided by the values of Courage, Excellence, Equity and Joy. Our Values are a declaration of our core beliefs and the defining features of a culture that breeds achievement.

The Company, through its Corporate Social Responsibility (“CSR”) Policy, proposes to encourage stronger commitment from the organisation and employees towards the society to address the healthcare challenges of the Country. The Policy shall apply to all CSR programmes/projects of the Company and have been prepared keeping our own core competence and priorities in mind. The policy aims to align our CSR interventions with the healthcare priorities of the Government of India and other stakeholders working with similar mandates. In doing so, it would be our endeavour to synergise the CSR initiatives undertaken by various Pfizer functions/divisions within one unified strategic umbrella.

CSR Statutory Provisions

Section 135 of the Companies Act, 2013 ('Act') states that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall ensure to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") have clarified that the CSR initiative must be carried out in a project/programme mode and should align with Schedule VII that provides a list of thematic areas to be considered for CSR initiatives. Given its construct, Section 135 effectively marks the need for a rapid yet well-structured transformation to corporates' approach to CSR in India.

Applicability

We recognise the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of our shareholders, other stakeholders and the public. To this endeavour we strive to demonstrate the highest standards of ethics and will proceed in accordance with the applicable law.

This document outlines our CSR policy and provides the framework through which we will conceptualise, plan and operationalise CSR interventions. This CSR policy complies with Section 135 of the Act and is governed and guided by our corporate mission, values and aspirations. It seeks to encourage stronger commitment from the organisation and employees towards the Society.

Purpose

Promote access to quality healthcare in the country by nurturing innovations, encouraging community involvement of our employees and synergising efforts in partnerships with Government and other stakeholders for collective impact.

CSR Areas of Focus

Our CSR focus areas are entrenched in our global CSR principles and in the way we do business.

Focus areas for designing our CSR interventions include the following:

1. Encourage and support Indian innovation and Indian Intellectual Property with a focus on Healthcare;
2. Undertake awareness and access programmes ourselves or in partnership with NGOs, Governments and Healthcare Providers in areas such as Women and Child health, among others;
3. Support Government's national and/or state programmes and priorities with linkages to Healthcare;
4. Enlist employees as volunteers to support activities around health, sanitation and disease awareness;
5. Participate in disaster relief activities.

CSR activities as stated above shall be undertaken by the Company in India. Following are our CSR focus areas that leverage our strength, and are aligned with the provisions of Section 135 and Schedule VII of the Act viz.,

1. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
2. Eradicating hunger, poverty and malnutrition, promoting healthcare especially preventive healthcare and sanitation and making available safe drinking water;
3. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
4. Donation of medicines, medical equipments, diagnostic devices to Hospitals or any such similar nature of donation to Hospitals, Medical Associations and NGOs.
5. Any other programmes with the objective of improving healthcare or lifestyle.

CSR Projects and Programmes - key considerations

While designing CSR projects or programmes, Pfizer Limited or its implementing partners shall consider the following:

1. All projects/programmes should align with our CSR purpose and thrust area as defined above and should be compliant with Schedule VII to the Act.
2. CSR projects/programmes should be based on assessment of the priorities of the Central and State Governments and identified needs of the local communities and other key stakeholders. Ensuring participation of critical stakeholders in project planning and execution is encouraged;
3. To the extent possible, the CSR projects/programmes should incorporate approaches and models of Sustainability, Replicability and Scalability.
 - a. **Sustainable model:** Refers to the ability of the project to maintain its operations and the benefits of the project flow even after the closure of project funding and external inputs.
 - b. **Replicable model:** Refers to the dimensions of generating enough proof of concept so that the project/programme can be successfully implemented in other regions with similar approach and inputs.
 - c. **Scalability:** Refers to the ability of the project/programme to partner with Government and other stakeholders to achieve results at a much higher level (multiplier effect).
4. CSR project/programme should be focused on generating measurable impact.

CSR Governance

Planning, execution, monitoring and reporting of the CSR policy and interventions shall be overseen by the CSR Committee that will ultimately report to the Board of Directors of Pfizer Limited.

CSR Committee - Composition

The Composition of the CSR Committee of the Board shall be as per the provisions of the Companies Act, 2013 and Rules made thereunder i.e., three or more directors, out of which at least one director shall be an independent director.

CSR Committee - Roles and Responsibilities

The CSR Committee will be responsible for:

1. Formulating and recommending to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
2. Recommending the amount of expenditure to be incurred on the activities by way of Annual Action Plan to the Board of Directors of the Company;
3. Monitoring the Corporate Social Responsibility Policy of the Company from time to time;
4. Ensuring that the programmes, projects and activities supported through Pfizer Limited are aligned with the approved CSR policy of the Company and Section 135 and Schedule VII of the Act;
5. Reviewing and approving annual budgets with respect to CSR programmes;
6. In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board; the reasons shall also be included in the Board's report;
7. Receiving and reviewing reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company;

8. Reviewing the findings and recommendations regarding the CSR initiatives from any assessment, investigation or audit conducted by regulatory bodies or external auditors or independent agencies;
9. Responding to any query, observation or clarification sought by the Ministry of Corporate Affairs (MCA) or any other regulatory authority with regard to the Company's CSR supported initiatives;
10. Developing and institutionalizing a CSR reporting mechanism in terms of Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014; and
11. Ensuring that Pfizer Limited's website displays the approved CSR policy of the Company.

Board of Directors - Roles and Responsibilities

The Board of Directors of the Company will be responsible for:

1. Approving the Company's CSR Policy after considering the recommendations made by the CSR committee;
2. Disclosing the Policy's content in its report and placing the Policy on the Company's website in such a manner as may be prescribed;
3. Approving the Annual Action Plan for CSR activities every financial year based on recommendation by the CSR Committee;
4. Strategic Planning and Monitoring of the CSR Activities in consultation with the CSR Committee;
5. Ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profits, made during the three immediately preceding financial years;
6. If the Company fails to spend the stipulated CSR amount during a financial year, the Board of Directors shall in its report specify the reasons for not spending the earmarked amount; and
7. The Board shall have the power to make any change(s) in the constitution of the Committee.

Budget

The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by Pfizer Limited as specified in Schedule VII to the Act.

Annual Action Plan

The Annual Action Plan shall include the following:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act;
- (b) the manner of execution of such projects or programmes as specified in CSR Rules;
- (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:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

Surplus

The Surplus arising out of the CSR Activities, projects or programmes shall not form part of the Business Profit of the Company.

Unspent or Excess spent of CSR

The unspent or excess spent of CSR amount shall be spent or set off pursuant to the provisions of Section 135 of the Act read with CSR Rules.

Implementation

The Company may enter into partnerships/alliance with the Government, Business Partners and NGOs for implementation of its CSR programmes/projects. Provided that the NGOs with effect from 1st April, 2021, or such other date, as may be notified by the MCA, shall be registered with MCA, and shall have CSR identification number.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes.

Monitoring, Evaluation and Impact Assessment

The Company will institute a well-defined, transparent monitoring, evaluation and impact assessment mechanism to ensure that each CSR project/programme has:

1. Clear objectives developed out of the societal needs that are determined through baselines studies and/or research.
2. Clear targets, timelines and measurable output, outcome and impact indicators, wherever possible.
3. A progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Companies Act and the CSR Rules.

Frequency of Review

The CSR projects / programmes will be reviewed periodically by the CSR committee. The CSR committee will then present the progress of the projects / propose new projects to the Board of Directors for its review / assent.

Reporting

The Company shall include an annual report of the CSR activities undertaken for the financial year in its Board's Report as per the format prescribed under the CSR Rules.

Validity of CSR Policy

Any modification/ amendment in the CSR Policy shall be recommended by the CSR Committee to the Board of Directors of Pfizer Limited for its approval.

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This policy was approved by the Board of Directors on February 14, 2015 and thereafter was amended from time to time.