CHARTER OF THE CSR AND SUSTAINABILITY COMMITTEE
CAPLIN POINT LABORATORIES LIMITED

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This Charter has been adopted by the Board of Directors of Caplin Point Laboratories Limited ("CPL" or "the Company") on August 12, 2026 in accordance with Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, ("SEBI Listing Regulations") as amended from time to time.

1) PREAMBLE

Corporate Social Responsibility ("CSR") is intrinsically linked with the broader principles of sustainability and responsible business conduct, serving as a vital operational subset of the Social ('S') pillar within the comprehensive Environmental, Social, and Governance ("ESG") framework. Caplin Point Laboratories Limited ("CPL" or "the Company") recognises that sustainable development requires a holistic commitment to the Triple Bottom Line—equally balancing and optimizing performance across People, Planet, and Profit. Consequently, the Company embeds ESG principles as an integral part of its long-term value creation strategy, risk management framework, and commitment to sustainable development, while balancing the interests of all stakeholders.

Beyond the evolving regulatory mandates to strengthen ESG mechanisms—such as the Business Responsibility and Sustainability Reporting (BRSR) framework under SEBI Listing Regulations and the Companies Act, 2013—the global investment landscape has shifted fundamentally. Investors increasingly evaluate a company through the lens of Double Materiality, recognizing that non-financial ESG risks and opportunities have a direct, material impact on financial performance and resilience. Modern institutional investors utilize dedicated ESG integration guidelines to evaluate companies for both initial capital allocation and ongoing portfolio stewardship.

In view of the above, and to align the Company's governance structure with these evolving regulatory, investor, and stakeholder expectations, the Board has approved the reconstitution and renaming of the existing **CSR Committee as the CSR and Sustainability Committee** (hereinafter referred to as "the Committee"). The Committee shall, inter alia, oversee the Company's CSR initiatives and broader sustainability agenda, including ESG-related policies, climate-related risks, sustainability disclosures, and performance metrics. This Charter sets out the scope, roles and responsibilities, composition, and operational framework of the Committee.

2) CSR RESPONSIBILITIES

a. Approving the CSR budget, at the time of approving the annual financial statements of the previous financial year, for the current financial year, after taking into account the required spending under the Act as well as the Surplus arising out of any CSR project that needs to be ploughed back, unspent amount carried forward as well as excess spending of the previous financial year, if any;

b. Approving the following:
   - List of CSR projects for the entirety of CSR budget;
   - Duration of each of the CSR projects and approving converting a single year project into multi-year (Ongoing) project along with proper justification; and
   - The selection of implementing agency(ies), if any, on the basis of track record and other criteria such as local credibility, local knowledge, domain expertise, local institutional relationships and their approach to sustainability.
c. Formulating and recommending to the Board, an Annual Action Plan, at the same meeting for approving the CSR budget, comprising the following:
   - the list of CSR projects that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
   - the manner of execution of such projects;
   - the modalities of utilisation of funds and implementation schedules for the projects;
   - monitoring and reporting mechanism for the projects; and
   - details of need and impact assessment, if any, for the projects undertaken by the company.
d. Making recommendations to the Board about any changes required in the annual action plan along with justifications;
e. Instituting a transparent monitoring mechanism for the implementation of the Projects along with specifying the documentation standards required from the implementation agencies/ inhouse CSR personnel to enable certification of amount spent to the Board by the Committee and Chief Financial Officer;
f. Recommending to the Board any surplus arising out of CSR activities to be ploughed back into the same project or transferred to the Unspent CSR Account, and overseeing compliance in respect of treatment of surplus, excess spending and unspent amounts; and
g. If required under the Companies Act, 2013 or if the Committee deems it necessary to measure the social impact of the projects implemented, appointing an external agency to carry out Impact Assessment of the projects.

3) SUSTAINABILITY RESPONSIBILITIES

a. **Double Materiality Oversight:** Overseeing the periodic execution of the Company's Double Materiality Assessment to identify, evaluate, and prioritize material Environmental, Social, and Governance (ESG) risks and opportunities that impact, or are impacted by, the business operations of the Company.
b. **Stakeholder Engagement & Inclusivity:** Identifying key stakeholder groups and ensuring that the Company's ESG strategies, engagement frameworks, and impact initiatives are responsively directed toward, and aligned with, those identified stakeholders.
c. **Strategic Target Setting:** Reviewing, refining, and recommending to the Board the Company's annual and long-term sustainability goals, Net-Zero transition pathways, and climate-related targets, ensuring their integration into the core corporate strategy.

d. **Disclosure & Reporting Governance:** Reviewing, approving, and recommending to the Board the Company's annual Business Responsibility and Sustainability Report (BRSR) and other global sustainability disclosures (e.g., GRI, ISSB, CDP), ensuring accuracy, transparency, and alignment with regulatory mandates.

e. **ESG Policy Stewardship:** Reviewing and updating the Company's suite of sustainability and ESG-related policies (including Climate Change, Human Rights, Responsible Sourcing, and Diversity, Equity & Inclusion) on a periodic basis to reflect evolving statutory norms and global best practices.

f. **Risk Management & Opportunity Capitalization:** Monitoring the implementation of the ESG roadmap and providing high-level strategic guidance on managing material ESG risks—including physical and transitional climate-related financial risks—while capitalizing on emerging sustainability opportunities.

g. **External Assurance & Ratings Management:** Evaluating and recommending to the Board the appointment of external consultants and independent third-party assurance providers to validate ESG disclosures and enhance the Company's external ESG ratings profile.

h. **Data Governance & Internal Controls:** Overseeing the establishment, maintenance, and rigorous internal auditing of ESG data management system to ensure the reliability and traceability of Scope 1, 2, and 3 GHG emissions, resource consumption (energy, water, waste), Environmental Health & Safety (EHS) metrics, and human capital data.

i. **Sustainable Capital Allocation:** Recommending to the Board a dedicated ESG Capital & Operational Expenditure Budget, distinct from the mandatory CSR budget, to fund strategic initiatives necessary to meet the Company's sustainability commitments (e.g., decarbonization, green energy adoption, supply chain audits, and ESG technology platforms).

j. **Responsible Supply Chain & Value Chain Sustainability:** Overseeing the extension of ESG principles across the Company's supply chain, including the implementation of Codes of Conduct, sustainable procurement practices, and monitoring the ESG compliance of active pharmaceutical ingredient (API) and raw material vendors.

4) COMPOSITION

a. The Committee shall include at least three (3) Directors of the Board, out of which at least one (1) shall be an Independent Director.

b. The Board of Directors shall appoint the members of the Committee and may reconstitute the Committee as it deems fit from time to time, in accordance with applicable law.

c. The Board shall designate a Chairperson for the Committee from among its members. In the absence of the Chairperson, the members present at the meeting shall elect one among themselves to chair the meeting.

5) MEETINGS

a. The Committee shall meet at least once in every quarter.

b. Additional meetings may be convened as and when required by the Chairperson of the

Committee or as requested by any member of the Committee or by the Board.

c. The Company Secretary shall act as the Secretary to the Committee and shall circulate the agenda and supporting papers at least seven (7) days prior to each meeting, unless a shorter notice is agreed to by all members. Minutes of the meeting shall be recorded and signed by the Chairperson of the meeting and placed before the Board at its next meeting.
d. Members may participate in meetings in person, video conferences, or any other electronic means, as permitted under applicable law.

6) QUORUM

The quorum necessary for transacting business at a meeting of the Committee shall be two (2) members or one-third (1/3) of the members of the CSR and Sustainability Committee, whichever is greater.

7) MONITORING AND REPORTING

CSR Monitoring

a. For projects carried out through the Trust, the Trust shall submit a quarterly progress report of all projects entrusted to it. The progress report shall contain the date of commencement of project, work undertaken during the period, percentage of completion of the project, plan for completion of the project and any additional resources required for project completion along with justification for such request. The progress report shall be submitted to the Committee and shall be reviewed by the Committee at its quarterly meeting.
b. For projects carried out directly by CPL, the Committee shall review and monitor CSR project implementation at least once in a quarter. The Committee shall determine the mode and contents of reporting for all such reviews.
c. The Chief Financial Officer shall submit a certificate to the Committee highlighting the extent of utilisation of funds disbursed for both directly and indirectly implemented CSR projects. The certificate shall specify whether the funds have been utilised for the purposes and in the manner as approved by the Committee. In case of any deviation, the Chief Financial Officer shall recommend an action plan to remedy the deviation. In cases where the deviation is not remediable, the Committee may consider ratifying the deviation or taking other appropriate actions such as re-allocation of budget to other CSR projects or cancelling the contract.
d. For multi-year projects, the Committee shall monitor the implementation with reference to approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
e. The Board's Report pertaining to any financial year shall include an annual report on CSR containing particulars specified by the Act. The composition of the Committee, the CSR Policy, and CSR Projects approved by the Board shall be disclosed on the website of the Company for public access.

ESG Monitoring and Reporting

a. **Board-Level ESG/ BRSR Reporting:** The Committee shall prepare and present the annual ESG/ BRSR Report to the Board of Directors in line with global ESG/ BRSR reporting standards. This report shall provide visibility in to:

   i. Target Performance Tracking: Quantifiable progress against the Company's ESG targets, long-term sustainability goals, and decarbonization pathways.

   ii. Material ESG Incidents & Remediation: A summary of any material ESG incidents (e.g., environmental non-compliance, supply chain disruptions, or EHS breaches) along with corrective and preventive actions (CAPA) taken.

   iii. Double Materiality & Risk Landscape: An updated assessment of the ESG risk landscape, capturing shifts in both financial materiality (outside-in risks) and impact materiality (inside-out impacts).

   iv. External Ratings & Benchmark Profiling: The status, trajectories, and feedback loops of external ESG ratings (e.g., NSE, CRISIL, SES, IIAS) and institutional investor assessments.

   v. Forward-Looking Strategy: Proposed ESG targets, capital allocation requirements, and strategic sustainability initiatives for the ensuing financial year.

b. Half yearly monitoring of key performance indicators, performance against ESG targets set for the year and review any changes in the ESG Risk landscape that may impact ESG target achievements or may require fresh materiality assessment.

c. Reasonable & Limited Third-Party Assurance: The Committee shall oversee the engagement of an independent, qualified third-party assurance provider to conduct audit and assurance procedures over its BRSR Core metrics and key performance indicators, ensuring compliance with the evolving phased-assurance timelines prescribed by SEBI and international auditing standards (e.g., ISAE 3000).

d. Digital Transparency & Stakeholder Disclosures: To maintain market transparency, the Committee shall oversee the maintain a dedicated, updated ESG/Sustainability portal on its official website. This portal shall publicly host the Company's ESG Profile, annual BRSR reports, third-party assurance statements, and underlying sustainability policies to satisfy the continuous due diligence requirements of global institutional investors and rating agencies.

8) AMENDMENTS

The Board of Directors, either on its own or as per the recommendations of the CSR and Sustainability Committee, may amend this Charter as and when required. The decision of the Board of Directors on all matters relating to this Charter shall be final and binding upon all concerned. This Charter shall be subject to continuous review and updates as required from time to time.

Last Updated on August 12, 2026