



Corporate Social Responsibility Policy	Approval Date:	1 May, 2018
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# **Corporate Social Responsibility Policy**

**Cerner Healthcare  
Solutions India Private  
Limited**

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# 1. INTRODUCTION

## Cerner Philosophy

Cerner Corporation and its global subsidiaries and affiliates (collectively, “Cerner”), including Cerner Healthcare Solutions India Private Limited (“Cerner India” or “the Company”), is devoted to improving the quality of life for everyone we serve. We seek to enhance communities through the development of healthy and educated individuals. To do this, we also promote entrepreneurial and innovative environments in which our associates, clients, and partners can work to improve the world we live in.

The following principles reflect Cerner’s goals for charitable and civic investments. These principles guide how and why our investments are made.

- (i) Health: The strength of a community is directly impacted by the health of its individuals. A healthy population will drive the long term strength of a local economy.
- (ii) Education: Today’s world demands an evolved education system that closes the loop between education and industry. Cerner supports innovative learning in science, technology, engineering and math.
- (iii) Economy: There is opportunity to strengthen economic development by supporting entrepreneurship, life sciences, innovation and health in our region.

Cerner realizes that there is a significant opportunity to contribute in the area of health care in India. In a country where over 50% of the annual deaths are attributed to non-communicable diseases, we strongly believe that efforts spent on preventive health care initiatives can yield significantly more benefits in the long-run for the community.

## CSR in India

The new Companies Act 2013 (“the Act”) has introduced the idea of Corporate Social Responsibility (“CSR”) for all companies governed by the Act, such provisions incorporating a “Comply-or-Explain” mandate. The Act requires qualifying companies to constitute a CSR Committee to monitor CSR activities of the Company in India. Further, the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules” or “the Rules”) lay down the framework and modalities for carrying out certain prescribed CSR activities in India.

# 2. OBJECTIVE AND SCOPE

This Corporate Social Responsibility Policy (this “Policy”) sets guidelines for Cerner India to make CSR a key focus to assist in making a positive contribution to the communities in which Cerner India operates through high impact, sustainable programs.

As required by the Act, the Company will focus its CSR activities in one or more of the areas listed below:

- (i) Eradicating hunger, poverty and malnutrition, **promoting health care including preventive health care** 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;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;
- (v) 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;
- (vi) Measures for the benefit or armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contributions to the Prime Minister's National Relief 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;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects;
- (xi) Slum area development; or
- (xii) Other areas of interest as permitted under the Act as amended from time to time.

The Company intends to focus its CSR activities primarily in geographic regions of India where the Company has a business presence. However, the Company may contribute to causes in other parts of India, if the CSR Committee determines that such contribution is appropriate.

### **3. ROLE OF THE BOARD AND THE CSR COMMITTEE**

#### **Board**

The Cerner India Board will: a) constitute a CSR Committee consisting of three or more members; b) approve a CSR Policy for Cerner India upon recommendation by the CSR Committee and ensure the contents of such Policy are disclosed in the Board's report under clause (o) of sub-section (3) of Section 134, of the Act (the "Report") and also ensure such Policy is posted on the Company's website – [www.cerner.com](http://www.cerner.com); c) ensure that the activities included in the CSR Policy are in compliance with the activities in Schedule VII of the Act; d) ensure that the activities prescribed by the CSR Policy of the Company are undertaken by the Company; and e) if the Company fails to spend the amount required under the Act in a given year, disclose the reasons for not spending such amount, in its Report. All expenditures for such CSR activities will be approved by the Board upon recommendation of the CSR Committee.

#### **Corporate Social Responsibility (CSR) Committee**

##### ***Constitution***

The CSR initiatives / activities of the Company will be identified and initiated by a CSR Committee comprised of three or more members.

The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board of the Company the amount of expenditure to be made by the Company on CSR activities in a given year and the proposed recipient(s). The Board will ensure that the CSR activities prescribed under this Policy are undertaken by the Company in accordance with the Act.

The composition of the CSR Committee will be disclosed in the Board's report.

##### ***Powers of the CSR Committee***

Following are the powers and responsibilities of the CSR Committee:

- (i) Formulate a CSR Policy and recommend the same to the Board for approval
- (ii) Recommend CSR activities (as stated under Schedule VII of the Act) to be undertaken by the Company
- (iii) Recommend the amount of expenditures to be incurred on CSR activities to the Board for approval
- (iv) Identify personnel/NGO/Partners to receive the allocated CSR amount and recommend them to the Board
- (v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board in accordance with the Act and the CSR Rules
- (vi) Monitor the implementation of this Policy and the Company's CSR initiatives in India

- (vii) Review this CSR Policy at least annually and make suitable changes as may be required and submit the same for the approval of the Board

### ***Frequency of the Meetings of the CSR Committee***

The CSR Committee shall meet as frequently as it determines necessary. Members of the CSR Committee can mutually agree on the time and place for the said meetings. Quorum for the meeting shall be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the Act and the Rules made thereunder from time to time. Management may attend the CSR Committee meetings as may be appropriate, subject to the approval of the CSR Committee.

## **4. CSR SPEND**

Subject to the provisions of the Act and CSR Rules, the Company shall endeavor to spend, in every financial year at, least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of this CSR Policy.

For this purpose, “average net profit” shall be calculated in accordance with provisions of Section 198 of the Act and Rules made thereunder.

### **CSR Expenditure**

The Company’s CSR expenditure shall include all expenditures in furtherance of approved CSR activities, including contributions to the corpus or on projects or programs relating to CSR; provided, however, that such CSR expenditure shall not include any expenditure on an item not permitted under Schedule VII of the Act.

The Company will give preference for the spending of the amount earmarked for CSR activities to the local area(s) in and around its offices in India.

### **Expenditure on CSR capabilities**

The Company may build CSR capabilities of its own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

### **Failure to spend the CSR Money**

In case the Company fails to spend the approved amount in a particular financial year, the Board shall, in its Report for that particular financial year, specify the reasons for not spending the approved amount. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

## **Disqualifying Activities for CSR**

The Rules prohibit CSR activities that are implemented by the Company for the benefit of its employees and their families. The CSR activities implemented outside India also fall outside the purview of the Rules, and hence CSR expenditure on such activities will not be considered for inclusion in the Company's CSR expenditures reported in the Board's Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR spend. Finally, activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

## **5. CSR Monitoring and Reporting**

### **Monitoring of CSR Projects or programs or activities**

The CSR Committee will periodically review the progress of the Company's CSR initiatives and keep the Board informed of such activities. In order to ensure that the amounts earmarked by the Company for CSR activities are properly utilized for the approved projects, the Company may also nominate a representative(s) (from the Company or any of its affiliates) to monitor the actual implementation of those projects.

### **CSR Reporting and Publication of the CSR Policy**

The Board's Report for the financial year shall include an annual report on CSR containing information required by the Act and the Rules.

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.