



CORPORATE SOCIAL RESPONSIBILITY POLICY

Version 1. 0

[Effective 4th May 2023 as approved by the Board of Directors at its meeting held on 4th May 2023]

CIPLA HEALTH LIMITED

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1. Preamble

‘Caring for Life’ has been at the forefront of **CIPLA HEALTH LIMITED** (“Company”) business philosophy and remains the principal purpose of doing business. This philosophy is seamlessly integrated into Company’s people, products and processes and is the foundation and underlying objective, of the Corporate Social Responsibility Policy of the Company (CSR Policy or the Policy).

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

2. Definitions

- 2.1. **“CSR Activities”** shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.
- 2.2. **“Implementation Agencies”** shall include 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.
- 2.3. **“Principal Implementation Agency”** means Cipla Foundation.
- 2.4. **“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. Interpretation

- 3.1. Words and expressions used in this Policy and not defined herein but defined in Applicable Laws, or the Articles of Association of the Company shall have the meaning as assigned to them thereunder.
- 3.2. In this Policy, unless the contrary intention appears:
 - 3.2.1. the clause headings are for ease of reference only and shall not be relevant for construction or interpretation of the Policy;
 - 3.2.2. words in singular include the plural and vice-versa.
- 3.3. All references to laws or to any specific provision of any law shall include references to all delegated legislation issued thereunder or any legislation as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification).
- 3.4. Where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have corresponding meanings.

4. Guiding Principles

- 4.1. 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:
- 4.1.1. In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates or has its offices i.e. areas in the vicinity of its factories, depots and field offices. However, this shall not bar the Company from pursuing its CSR Activities in other areas.
 - 4.1.2. 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. The Company shall also consider international, national, or state level priorities/ objectives, while identifying CSR Activities.
 - 4.1.3. The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalised sections, of the society.
 - 4.1.4. The Company shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.
 - 4.1.5. The Company shall ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.
 - 4.1.6. The Company shall either undertake the project directly or preferably through Principal Implementation Agency and shall to its best of its ability also ensure that the partners or vendors selected by the Company or the Implementation Agency, satisfy the criterion specified by the Rules (if any) and have relevant experience, good credentials, no criminal track record, and follow the ethical standards which are at par with the Company's Code of Conduct.
 - 4.1.7. The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorised by the Board.

5. Mode of Implementation

- 5.1. Cipla Foundation is the Principal Implementation Agency for all CSR Activities of Cipla Limited, Holding Company and its subsidiaries. All CSR Activities of the Company shall be undertaken by the Company either directly or through Cipla Foundation or through any other Implementation Agency.
- 5.2. Subject to Applicable Laws, the Company may collaborate with other companies for undertaking projects or programmes or CSR activities, provided that such projects or programmes that have been undertaken as the Company's CSR Activities by the Board of the Directors.
- 5.3. All contribution to the funds referred in Para 6.1.4 point and 6.1.5 shall be made directly by the Company and shall be utilized, accounted and monitored, strictly in accordance with Applicable Laws.
- 5.4. 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.

6. Focus Areas

6.1. The Company is committed to support the CSR Activities undertaken in the following areas:

- 6.1.1. eradicating hunger, poverty, malnutrition; promoting health care including preventive health care and sanitation and making available safe drinking water.
- 6.1.2. promoting education, including special education or employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 6.1.3. 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.
- 6.1.4. 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 or any state government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- 6.1.5.
 - 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, 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).
- 6.1.6. rural development projects.
- 6.1.7. disaster management, including relief rehabilitation and reconstruction.
- 6.1.8. any activities or subjects specified in Schedule VII of the Act

7. CSR Expenditure

- 7.1. Every year the Company shall spend atleast 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.
- 7.2. The Company shall not consider any administrative expenses, except the cost of Impact Assessment, if any in meeting its CSR obligation, provided that, such costs shall not exceed the cap for such impact assessments, prescribed under Applicable Laws.
- 7.3. 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.
- 7.4. 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, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.
- 7.5. Any surplus arising out of CSR projects, programmes 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.

8. Approval of CSR Activities

- 8.1. The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board.
- 8.2. The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:
 - 8.2.1. list of CSR Activities to be undertaken in the relevant financial year;
 - 8.2.2. local area where the CSR Activities are to be undertaken;
 - 8.2.3. manner of execution;
 - 8.2.4. modalities of utilisation of funds;
 - 8.2.5. implementation schedule;
 - 8.2.6. monitoring and reporting mechanism; and
 - 8.2.7. details of need and impact assessment, if any.
- 8.3. The Board shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan for justified reasons.

9. Monitoring of CSR Activities

- 9.1. Under the overall supervision of the Board, i) the Principal Implementation Agency or ii) the Implementation Agency (in case, the CSR Activities are undertaken by any other Implementation Agency), shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.
- 9.2. The CSR Activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.
- 9.3. The Board shall review:-
- the progress on Annual Action Plan on periodic basis and at least once in a year.
 - status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.
- 9.4. For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued by the Chief Financial Officer of the Company. At the discretion of the CFO, the certificate may be additionally signed by the head / authorised representative of the Implementation Agency.
- 9.5. In case of unsatisfactory finding on any of the CSR Activity, the Principal Implementation Agency or the Implementation Agency, as the case may be, shall immediately inform the Board and shall also take appropriate action against the errant party in accordance with law.

10. Responsibilities of the Implementation Agency

- 10.1. For the purpose of CSR Activities of the Company, Cipla Foundation shall work under the overall supervision of the Board and the Board shall be fully authorised to issue any instruction, guidelines, direction, order, advisor etc. which shall be binding on Cipla Foundation.
- 10.2. The Principal Implementation Agency and if the CSR Activities are undertaken through any other Implementation Agency, such Implementation Agency shall ensure the following:
- 10.2.1. All CSR Activities of the Company is in compliance with this CSR Policy and the Applicable Laws.
- 10.2.2. The Principal Implementation Agency or any other Implementation Agency works only with credible institutions, non-governmental organisations (NGOs), government agencies, domain experts and visionaries and other philanthropic foundations to enhance the outreach of the Company's CSR Activities in line with the CSR Policy.

- 10.2.3. Undertake the CSR Activities as per the approved Annual Action Plan.
- 10.2.4. Update the Board on the progress of CSR Activities and status of implementation of the Annual Action Plan.
- 10.2.5. Maintain records of all CSR Activities undertaken on behalf of the Company.
- 10.2.6. Do all such acts, deeds and things as may be directed by the Board in pursuance of the CSR Policy and for the effective implementation of the Annual Action Plan.

11. Disclosures

Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

12. Miscellaneous

- 12.1. This Policy shall remain in force unless amended or withdrawn.
- 12.2. The Chief Financial Officer and the Company Secretary 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.
- 12.3. 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.

CSR COMMITTEE COMPOSITION AS ON 31ST MARCH 2025

Name of the Director	Designation/Nature of Directorship
Ms. Amrita Nautiyal	Non-Executive Independent Director (Chairperson)
Mr. Achin Gupta	Non-Executive Director (Member)
Mr. Chandrashekhar Iyer	Non-Executive Independent Director (Member)
Mr. Shivam Puri	Managing Director and CEO (Member)
Ms. Geena Malhotra	Non-Executive Director (Member)

APPROVED CSR PROJECTS

ANNUAL ACTION PLAN FOR THE FINANCIAL YEAR 2024-25

(Last approved by the Board of Directors on August 8, 2024 and amended on 5th February, 2025)

Areas specified under Schedule VII	Category (Broad program)	Project	Project Location	Brief details about the project
Promoting healthcare including preventive healthcare	Community Health Initiative	Providing primary health care support through diagnosis and treatment, building awareness on health, hygiene, nutrition and providing infrastructure support	PAN India	These projects involve enhancing access to healthcare services through- a) Supporting engagement, for early child development including maternal & child health and wellbeing also with nutritional support. b) Supporting infra supports to facilitate health monitoring, rehabilitation program and to support for medical assistance. c) Support to patients with Thalassemia and other life limiting diseases. d) Support patient care services by providing care and services e) Strengthening the services of health care institutions-Govt/District/Sub District hospitals, public health centres (PHCs) and Community Health Centres (CHCs) by supporting with medical equipment, trained personnel and to strengthen infrastructure. f) Public health communication on issues of social relevance
Promoting special education, and employment enhancing vocation skills especially among children, women, and the differently abled and livelihood	Support for Quality Education including Digital learning	Promoting Quality Education including support for infrastructure of Govt / Govt aided Schools as well as Scholarships to students to study various courses at School/College	PAN India	Support will include: a) Support for development of infrastructure of Government / Government aided Schools b) Scholarships to students to study various courses at school / College c) Any other support which extends and expand education and digital literacy d) Support girl child education – Nanhi Kali Program

Notes:

1. **Project execution** - All projects will be implemented through Cipla Foundation, which is the Principal Implementing Agency of CSR activities for Cipla Health Limited.

2. **Implementation Schedule** - All projects involve outlay for financial year 2024-25, as approved by the Board.
3. **Monitoring & Reporting of the project under each programme** - The monitoring of the CSR Activities may be undertaken in the form of periodical review, field visit, third party audit or certification, periodical reports etc. The CSR Committee shall review the progress on Annual Action Plan preferably on quarterly basis but not less than twice in a year.
The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.
4. The Company may take up additional projects or increase the outlay of the existing projects (stated above), with the approval of the Board from time to time
5. **Impact Assessment** will be undertaken in accordance with rule 8 -3(a) of the CSR Amendment Rules January 2021 for all those projects having outlays of one crore rupees or more, and which have been completed one year or more, based on actual spends made on the individual projects.