

# Corporate Responsibility Policy

2013

## Corporate Responsibility Policy:

*'Caring for life'* has been the forefront business philosophy, and remains the principal purpose of doing business at Cipla. This philosophy is seamlessly integrated into Cipla's people, products and processes.

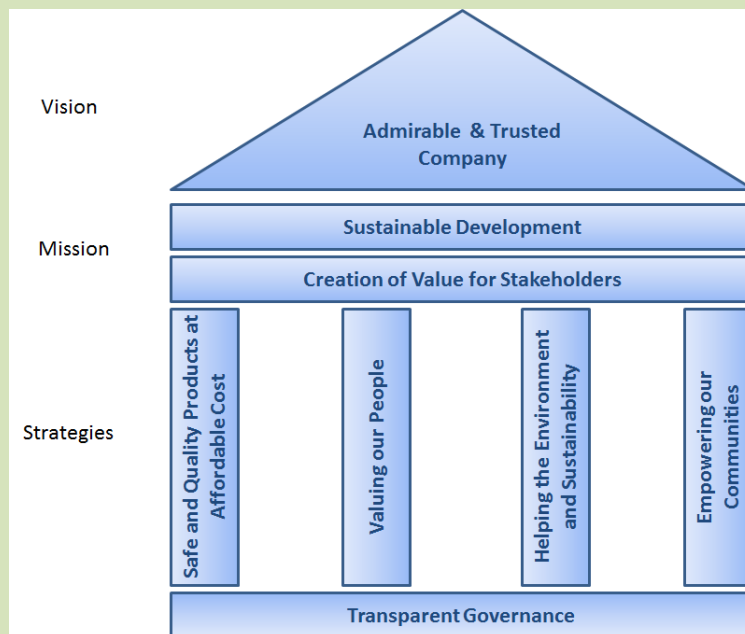
Being a pioneer in the sector, we remain committed to our philosophy in an ever changing eco-political environment. Our corporate responsibility policies and practices are committed to achieve the goals of sustainable development by integrating economic, environmental and social imperatives. We comply in full with the laws and regulations in each country where we operate. In addition, we operate in accordance with Cipla's corporate responsibility framework, aspiring to achieve the highest international standards regardless of location and without exception.

## Policy Statement:

**"We strive to be an admired & trusted Company by conducting our business ethically in a socially and environmentally responsible manner."**

## CR Policy Framework

The corporate responsibility vision of Cipla is to achieve the distinction of being acknowledged as an admirable and trusted Company. Sustainable development and creating value for the stakeholders are two missions that will drive the company to realize its corporate responsibility vision which will be built on four strategic pillars of the corporate responsibility framework – *'safe & quality products at affordable cost'*, *'valuing our people'*, *'helping the environment & sustainability'* and *'empowering our communities'*.



## **Purpose of the Policy**

The purpose of our Corporate Responsibility policy is to make clear to all stakeholders our approach to corporate responsibility and to outline how we propose to meet the challenges of sustainable development. We reflect this commitment in a range of policies set within the 'framework' around five areas of the business influence:

1. **Marketplace**
2. **Workplace**
3. **Community**
4. **Environment**
5. **Operational Management**

## **Corporate Responsibility Principles**

We are committed to following corporate responsibility principles:

1. We manage our business with integrity.
2. We are committed to compliance with law in all that we do.
3. We aim to provide a safe, fulfilling and rewarding career to all our employees.
4. We actively assess and manage the environmental impacts of all our operations.
5. We will continually benchmark and evaluate what we do in order to improve our performance.

## **Our CR Commitments**

Our corporate responsibility policy outlines the company's specific commitments. We see it as both a reflection of our current sustainability performance and roadmap & vision for our future progress.

### **Ethical Business**

**“We uphold the high(est) standards of our business conduct by way of meeting all ethical, legal, regulatory and governance standards.”**

In order to remain an industry leader, we

1. continue to comply with all applicable legal, regulatory and ethical standards.
2. carry on our legacy to provide patients and physicians with a service hallmarked by integrity, quality and care.
3. continue to deal with complaints seriously and promptly.
4. never make any improper payments (whether or not legal or customary).
5. will not make donations or contributions for political causes.
6. engage and communicate transparently with all key stakeholders to understand their concerns and expectations.
7. remain accountable for improving the quality of our disclosures to investors, shareholders and other stakeholders.
8. use Business Responsibility Report/ Sustainability Report as a means to engage and respond to the aspirations of our stakeholders.

## **Research & Development**

**“We uphold our commitment to discover pathbreaking scientific innovations that eventually yield safe, affordable and sustainable product solutions.”**

In pursuit of R&D excellence, we

1. will remain tuned to the Company’s philosophy, “Caring for Life”.
2. follow the highest ethical standards while carrying out pharmaceutical research.
3. undertake clinical trials ethically and responsibly.
4. remain committed to developing new and innovative pharmaceutical solutions.
5. develop pioneering research opportunities with leading scientific and academic institutions.

## **Customers**

**Cipla upholds its commitment to make products accessible at an affordable price.**

To achieve it, we

1. carry on our endeavour to produce safe and quality drugs.
2. continue to manufacture a wide spectrum of products that are affordable and accessible.
3. continue to manufacture special drugs for rare or orphan diseases.
4. continue to deal with customers in a professional manner and maintain the highest standards of integrity and honesty.

## **Supply Chain**

**We remain committed to pursuing ethical and responsible sourcing of goods and services, and work with organizations that value our principles and aspirations.**

In remaining adhered to our policy, we

1. ensure that our suppliers also meet some of the business fundamentals such as adherence to laws/acts/regulations etc.
2. continue to engage with suppliers to help them understand our expectations from them on the ‘right conduct’ of the business with us.
3. hold periodical trainings/workshops for suppliers to improve responsible practices.
4. reward suppliers for improved practices; similarly, take action by terminating the contract for unethical practices.

## **Employees**

**“We affirm our commitment to relentlessly work to achieve the distinction of being employer of choice.”**

To achieve this excellence, we

1. continue to comply with the relevant labour laws, standards and guidelines.
2. adopt a transparent process of recruitment and selection of talents, career planning, promotion, training, transfer and personal development.
3. carry on our commitment to ‘Zero-tolerance’ to any form of workplace discrimination, bullying, harassment or physical assault and provide a fair and non-discriminatory employee grievance system.

4. continue to value diversity and treat all employees fairly, providing equal opportunity at all levels of the organization without any bias.
5. ensure that employees from all religion, caste, creed, cultures and nationalities are respected.
6. remain adhered to our commitment to refuse to employ children in our work and also shall not associate with suppliers, partners or associates who are found to engage children in work.
7. uphold the right of employees to freedom of association and collective bargaining.

### **Health & Safety (H&S)**

**“We are committed to set and meet the high (est) standards of Health & Safety.”**

In order to achieve it, we remain committed to

1. nurture and uphold a corporate culture that is aware of, and values H&S.
2. keep identifying and mitigating potential H&S risks.
3. strengthen further and implement a safe work system and occupational health processes & procedures.
4. put in place accountability, training, and systems to ensure appropriate Health & Safety management at all levels of the Company.
5. conduct effective communications with contractors, suppliers and business partners to ensure H&S standards & priorities of the Company are understood and respected.
6. be prepared to respond quickly to any emergencies.

### **Human Rights**

**“We pledge to respect, promote and strengthen human rights.”**

To uphold the human rights commitment, we at Cipla shall continue to

1. adhere to the principles of Indian Constitution and all the relevant laws/Act/guidelines of the country as well as of all those countries/regions in which we operate our business.
2. treat people in equal and fair manner regardless of their ethnic origin, nationality, religion, caste, creed, sex or age.
3. encourage our employees to value diversity and different cultures.
4. avoid any form of discrimination.
5. say ‘no’ to Child labour in our workplace and in supply chain too.
6. work in communities to help them realize their rights to health, education and livelihood etc.

### **Environment**

**“We shall embrace the improved environmental practices so as to have continual improvement in the environmental footprint of our business.”**

To achieve this, we

1. continue to comply with all relevant laws and regulations, and strive to meet the leading global standards.
2. continually improve the efficiency and optimize the use of raw materials, energy and natural resources.
3. Continue to adopt and integrate ‘Reduce’, ‘Reuse’ and ‘Recycle’ principle in our work.
4. continue to reduce harmful emissions to air, water and land.
5. carry on our commitment to minimize wastes and the toxicity of wastes.
6. periodically conduct environmental impact assessment and risk assessments, and take appropriate actions.

## **Sustainable & Resilient Community**

**“We shall strive to be a good corporate citizen.”**

In order to develop a sustainable and resilient community in which we operate our business, we

1. identify the communities and other stakeholders associated with our operations and actively engage with them, and shall help the community to help themselves with financial, human and products resources.
2. design and develop needs based ‘Social Development Plan’ and ‘Implementation Strategies’ which meet the expectations and aspirations of communities as well as meet the country development goals and Millennium Development Goals (MDGs) in its spheres of influence.
3. continue to recognize and respect diverse culture, interests and rights of local communities.
4. continue to promote and build partnership with NGOs towards implementation of our Social Development Plan.
5. carry out periodical studies, evaluation and social audits to measure impact of programs and projects and changing aspirations of communities.
6. supplement and strengthen those governmental schemes which are in alignment of our corporate responsibility objectives and are done in our areas of operations.
7. continually encourage and facilitate employees to contribute to society and environment development.

## **Corporate Responsibility Organization Structure**

A CSR Committee comprising three or more Directors, including an independent director, will be formed. The CSR Committee will set directions for CSR/Sustainability, and will own up the overall responsibility. However, the Committee for the effective planning and implementation, may constitute a high level Executive Council, which will include heads of relevant functions, corporate staff and Head –CSR/Sustainability as the Member Secretary.

Cipla has established a Corporate CSR/Sustainability Office to support the CSR Committee and drive the execution process. The main tasks of the office are:

1. Trend analysis.
2. Development of strategy, policy and action program development.
3. Development of operational guidelines and oversee whole gamut of the plan implementation.
4. Monitoring and reporting, including publishing the annual sustainability performance results.
5. Functional leadership of the sustainability network in sectors, functions and cluster/countries.