

BUSINESS RESPONSIBILITY POLICY

ZOTA HEALTH CARE LIMITED

INTRODUCTION

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) which are applicable to all listed entities with effect from 1st December, 2015.

SEBI has, vide its circular no. SEBI/LAD-NRO/GN/2019/45 dated December 26, 2019 mandated Business Responsibility Reporting (BRR) requirement for top 1000 listed entities in their annual reports (which was prior to this circular applicable to only top 500 listed entities), which amended the Listing Regulations from the aforesaid date.

As per the Regulation 34(2)(f) of the Listing Regulations, annual report of listed entity (i.e. applicable to top 1000 listed entities based on its market capitalization; calculated as on March 31st of every year) shall contain, Business Responsibility Report (BRR) describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Securities Exchange Board of India.

SEBI vide Circular No. CIR/CFD/CMD/10/2015 dated November 04, 2015 prescribed a format for BRR. The business responsibility reporting requirement is in line with “National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business” notified by Ministry of Corporate Affairs, Government of India, in July 2011.

The key principles identified in the NVGs, which are required to be reported by the entities, includes areas such as environment, social, governance, stakeholder’s relationships, etc.

OBJECTIVE

The key objective of the policy is to reaffirm the Company’s commitment to follow the principles laid down in NVGs on Social, Environmental and Economic responsibilities of Businesses. The policy will help in combating with the complexities and challenges that keep emerging in the conduct of the company’s business.

APPLICABILITY

As per the list of top 1000 listed entities (based on market capitalization of the entities as on March 31st of every year), **ZOTA HEALTH CARE LIMITED** (herein after referred to as “the Company”) is covered under the same and hence, the Company is required to formulate policy on business responsibility reporting and compliance of the same shall be reported in the Annual Report.

PARTICIPATION BY SUBSIDIARY COMPANY

The subsidiary companies may participate in the Business Responsibility Initiatives of the Company to the extent required under the laws of the country in which they operate.

IMPLEMENTATION

The Board of Directors of the company (herein after referred to as 'Board') shall jointly and severally responsible for implementing the Business Responsibility Policy. The Managing Director of the Company shall be Head for Business Responsibility will oversee the implementation of the Policy. The Business Responsibility Policy shall be appropriately communicated within the Company across all levels and shall be displayed on the Company's website. Compliance with the Policy shall be monitored and evaluated on regular basis. Any grievances / complaints with respect to non-compliance with the Policy shall be addressed by the BR head of the company.

BOARD APPROVAL

The Business Responsibility Policy have been formulated by the management of the Company in consultation with the relevant stakeholders and are approved by the Board of Directors of the Company.

MONITORING

On an annually basis, the Board of Directors of the Company shall monitor & assess the Business Responsibility performance of the Company.

POLICY AMENDMENTS

Any subsequent amendment / modification in the Listing Regulations, NVGs and / or other laws in this regard shall automatically apply to these Policy. The same shall be added / amended / modified from time to time. The Board is authorized to amend or modify the Business Responsibility Policy, in whole or in part, from time to time.

PRINCIPLE 1: ETHICS, TRANSPARENCY & ACCOUNTABILITY

The Company is committed to operate its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. The Executive Management of the company aims at inculcating ethical behaviour at all levels across the Company making it an essential part of the work culture so that every employee of the Company conducts himself and leads on behalf of the Company with professionalism, honesty and integrity, and conform to high moral and ethical grounds.

The Company has in place the Code of Conduct (“Code”) for its Directors and Senior Management Personnel and their affirmations to the Code is obtained by the Company on a periodical basis.

The objective of the policy is to ensure the highest standards of ethical conduct, transparency and accountability while dealing with the stakeholders.

The Company shall ensure that the disclosures required to be made in business documents, statutory filings, declarations, advertisements are correct and complete in all sense. Disclosures shall be governed by the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Determination of Materiality Policy and such other applicable policy as may be framed by the Company, from time to time. The Company shall inform all relevant stakeholders about the operating risks and redress the issues raised by them.

Further, as a part of the Policy the Company:

- ✓ Will follow that its governance structures, practices and procedures that ensures ethical conduct at all levels and promote the adoption of this principles across its value chain.
- ✓ Will endeavour transparent communication with its stakeholders and assure access to information relating to decisions that impact the stakeholders.
- ✓ Will not engage in practices that are abusive, corrupt, or anti-competition.
- ✓ Will truthfully discharge their responsibility on financial and other mandatory disclosures.
- ✓ Shall avoid, to the extent possible involvement in practices, either by itself or by any third party that are in violation of this Policy.
- ✓ Shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.

PRINCIPLE 2: SAFETY AND SUSTAINABILITY

The Company has convolute the principles of safety and sustainability into its processes and products throughout its lifecycle which covers various stages beginning from procurement of raw material, product design and manufacturing till its delivery to the customers. The Company shall, at all times, ensure that its products are safe.

The Company shall endeavour that its business goals are pursued without compromising social, environmental and economic factors and such balance should be ensured throughout the life cycle of the goods. The Company shall parallelly ensure the quality of its products by various levels of quality checks and quality control. The Company shall remain committed to provide full satisfaction to its customers with respect to quality, reliability and delivery and attain quality leadership for all products that are offered by it.

The Company shall strive to keep its own environmental footprints within the permitted limits, encourage the stakeholders and employees in order to encourage them to reduce their footprints.

Further, as a part of the policy the Company will:

- ✓ Work towards safe and optimal use of resources over the life-cycle of its products and services, including recycling of resources wherever possible.
- ✓ Take appropriate steps to raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
- ✓ Ensure that the manufacturing processes and technologies required to produce its products are resource efficient and sustainable.
- ✓ Regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
- ✓ Recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
- ✓ Recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore, promote sustainable consumption, including recycling of resources.

PRINCIPLE 3: EMPLOYEE WELL BEING

The Company consider its employees as the most treasured assets and ensures that efforts of all its employees are appreciated and their potential is harnessed to the fullest. The company believes in nurturing the work culture with high ethical principles and to encourage the employees to perform with total integrity, commitment and ownership.

The Company shall ensure that there is a systematic chain or hierarchy which allows better flow of information, ideas, suggestions and understanding amongst the employees and the senior management and there is in place a proper channel through which the grievances of the employees are taken up and addressed by the senior management.

The Company has framed the policies for the employees safety such as - **Vigil Mechanism Policy** to deal with instances of fraud and mismanagement, if any, and has a systematic mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or policy, **Policy on Prevention of Sexual Harassment**; which deals extensively on providing a safe working environment and protection from sexual harassment and discrimination. The Company has also well framed the **HR Policy** through which rights of every employee have been taken care of.

The policies, procedures and practices in the Company are aligned to meet employees' well-being, diversity, non-discrimination, safety and health so as to have a healthy, cordial and harmonious relationships and value enhancement at all levels.

Further, as a part of the policy the Company shall:

- ✓ Provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
- ✓ Respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
- ✓ Not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
- ✓ Ensure that no employee is made to work against his / her will or to work as bonded/forced labour or subjected to corporal punishment or coercion of any kind, related to work.
- ✓ Provide a work environment that is free from any form of discrimination, exploitation and harassment including not only limited to sexual harassment.
- ✓ Create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.
- ✓ Strive to instil a sense of duty in every employee including those of service providers at the Company's premises, towards their personal safety, as well as that of their co-workers.

- ✓ Strive to take cognizance of the work-life balance of its employees, especially that of women.
- ✓ Strive to provide facilities for the wellbeing of its employees including those with special needs.
- ✓ Ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
- ✓ Provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees.
- ✓ Ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis.
- ✓ Promote employee morale and career development through enlightened human resource interventions.

The Company should strive to regularly communicate to its employees all the policies related to them so as to keep them aware of the same and allow them to take optimum advantage of the same.

PRINCIPLE 4: STAKEHOLDER ENGAGEMENT

The Company admires the support of all of its stakeholders and endeavours to safeguard their interest and to maintain the cordial relations with them. The Company shall regularly and systematically identify its internal stakeholders like employees and workers and external stakeholders like shareholders, investors, suppliers, stockiest, consumers, government bodies including regulators, banks and financial institutions. The management of the Company shall remain accessible to all stakeholders in order to understand their concerns and respond accordingly.

The Company strives to contribute towards its stakeholder's welfare; as a part of it Company also undertakes the Corporate Social Responsibility (herein after referred to as 'CSR') policy to undertake the CSR activities, which enhances their strength and values.

For the protection of Shareholders interest and to resolve their queries and complaints the Company has formed separate Investor Relation cell in which shareholders can raise such concerns and get the appropriate solution within given time frame.

The Company believes that it is the responsibility of the Company to remain transparent about the impact of its products, its policies and decisions on its stakeholders. The Company shall ensure, while formulating any policy, that the interests of the stakeholders are not compromised.

Further, as a part of the policy the Company shall:

- ✓ Understand the concerns of its stakeholders, define its purpose and scope of engagement, and commit to engaging with them.
- ✓ Acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
- ✓ Strive to give special attention to stakeholders in areas that are underdeveloped.
- ✓ Resolve differences with stakeholders in a just, fair and equitable manner.

PRINCIPLE 5: HUMAN RIGHTS

The Company honours that the human rights are inherent, universal, indivisible and interdependent in nature. The Company continuously strives to promote the human rights and shall strive to make its employees aware about the same. The Company shall ensure to inculcate and integrate values of human rights in the management systems and throughout the organisation.

In the modern era, for the protection of Human Rights and to maintain the sovereignty of the nation, the Company has framed Social Media Policy by which the Company shall manage their employee's unethical behaviour and comments on various social media platforms.

The Company shall endeavour to promote the awareness and realization of human rights across its value chain.

Further, as a part of the policy the Company:

- ✓ Will observe that basic human rights of the employees are respected, valued and protected keeping in mind the Constitution of India, Laws, Policies and the International Bill of Human Rights and accordingly, formulate all policies, practices, procedures and rules of the Company.
- ✓ Shall integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
- ✓ Recognizes and respects the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.
- ✓ Shall within its sphere of influence, promote the awareness and realization of human rights across their value chain.
- ✓ Shall not be complicit with human rights abuses by a third party.
- ✓ Will ensure that each employee is made aware of their basic rights and the redressal mechanisms.

PRINCIPLE 6: ENVIRONMENT PROTECTION

The Company understands its responsibility towards the environment and is committed to its safety and preservation. The company endeavours in conservation of natural resources and minimizing the hazardous impact on the ecological environment. The Company understands the importance of the resources and believes in sweating of the existing assets instead of aggressive usage of new capacities.

Being a pharmaceutical company, we have adopted an industry best manufacturing practice which leads to minimum harm to the environment.

Further, as a part of the policy the Company:

- ✓ Shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
- ✓ Shall take measures to check and prevent pollution. The Company shall assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
- ✓ Shall ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
- ✓ Shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
- ✓ Shall develop Environment Management Systems and contingency plans and processes that shall help it in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to its operations.
- ✓ Shall strive to report its environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
- ✓ Shall proactively persuade and support its value chain to adopt these principles.

The Company shall report to the stakeholders in a fair and transparent manner, the environmental risks associated with the products and process of manufacturing of the products and the steps undertaken by the Company to minimise the same.

PRINCIPLE 7: RESPONSIBLE ADVOCACY

As a corporate citizen, the Company understands its responsibility to operate within the democratic setup and the constitutional framework. The Company believes that to protect overall interest of its business and the diverse stakeholders, the Company has to express its fair views, opinions, representations, concerns etc. on the policies framed by the competent authorities. The Company, may either itself or through various association/forums/chambers make such representations etc. before the competent authorities. Moreover, the Company's engagement with the relevant association/forums/chambers etc. is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

Further, as a part of the policy the Company:

- ✓ Will make reasonable efforts to ensure that its advocacy positions are consistent with the principles and the core elements which enhances business responsibility and transparency.
- ✓ May, in the best interest of all stakeholders, provide inputs in policy making decisions to various governmental authorities and agencies which concern the business and as well as the society in general, either directly or through the trade and industry chambers and such other collective platforms.

PRINCIPLE 8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Company strongly affirms that the society as an integral part of its business and the business cannot work in vacuum and therefore, as it grows, the society should also progress. As a responsible corporate citizen, the Company through its societal, CSR and other community activities shall continue to participate in activities related to healthcare, education, development of sports, eradicating hunger and malnutrition, rural development and poverty alleviation, promoting the overall well-being of society, etc.

Further, the Company has in place a Corporate Social Responsibility Policy framed as per the provisions of Section 135 of the Companies Act, 2013 (the "Act") and the Companies (Corporate Social Responsibility) Rules, 2014 and is carrying out various CSR activities in accordance with the Schedule VII to the Act and CSR Policy adopted by the Company. The Company's CSR initiatives will lead to strengthening the overall development of the society.

Further, the Company's fundamental principles for inclusive growth and equitable development includes:

- ✓ To understand its impact on social and economic development, and respond through appropriate action to minimise the negative impacts.
- ✓ To innovate and invest in products, technologies and processes that promote the wellbeing of society.
- ✓ To make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
- ✓ To operate in regions that are underdeveloped should be especially sensitive to local concerns.

PRINCIPLE 9: CUSTOMER VALUE

The Company appreciates that no business can survive in absence of the customers and, acknowledges that they pay not only the price but also pay their time, effort, energy, and inconvenience. The Company shall strive to make available such products that are safe, competitively priced and easy to consume for the benefit of its customers.

Further, as a part of the policy for enhancing the customer's value and satisfaction, the company:

- ✓ While serving the needs of their customers, will take into account the overall well-being of the customers and that of society.
- ✓ Will ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
- ✓ Will disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, the Company shall also educate their customers on the safe and responsible usage of their products and services.
- ✓ Will promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
- ✓ Will exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
- ✓ Will provide adequate grievance handling mechanisms to address customer concerns and feedback.