

Corporate Social Responsibility  
Policy

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MYLAN LABORATORIES LIMITED

**Table of Contents**

<b>I. Introduction and entity details</b> .....	<b>3</b>
<b>II. Our Citizenship Philosophy</b> .....	<b>3</b>
<b>III. The CSR Vision and Mission</b> .....	<b>4</b>
<b>IV. Our focus areas</b> .....	<b>4</b>
<b>V. Governance mechanisms : the Board and the Committee</b> .....	<b>6</b>
<b>VI. CSR funds &amp; expenditure</b> .....	<b>7</b>
<b>VII. Implementation modalities</b> .....	<b>7</b>
<b>VIII. Monitoring &amp; Review mechanisms</b> .....	<b>8</b>
<b>IX. Reporting &amp; Disclosure</b> .....	<b>9</b>
<b>X. Amendments</b> .....	<b>9</b>

## I. Introduction and entity details

- 1.1 Mylan is a global pharmaceutical company committed to setting new standards in health care. Working together around the world to provide 7 billion people access to high quality medicine. We offer a growing portfolio of more than 1,300 generic pharmaceuticals and several brand medications. In addition, we offer a wide range of antiretroviral therapies, upon which approximately 40% of HIV/AIDS patients in developing countries depend. We also operate one of the largest active pharmaceutical ingredient manufacturers and currently market products in approximately 140 countries and territories. Our workforce of more than 25,000 people is dedicated to improving the customer experience and increasing pharmaceutical access to consumers around the world.
- 1.2 Mylan is represented in India through **Mylan Laboratories Limited ('Mylan')**. We are a public unlisted company, incorporated under the provisions of Companies Act, 1956 and having our registered office at Plot No. 564/A/22, Road No. 92, Jubilee Hills, Hyderabad – 500 034, Telangana, India. Our Corporate Identity Number is U24231TG1984PLC005146.
- 1.3 Mylan is guided by the highest standards of corporate governance and is committed to not only to its shareholders and business partners but also believes in integrating its business values and operations to meet the expectations of its stakeholders and communities. Mylan believes in 'inclusive development' and seeks to continue to be a good corporate citizen in various aspects of its operations and activities. As a responsible business entity, Mylan takes pride in being socially inclined and focused on sustained and effective CSR programs. Based on this philosophy, Mylan has articulated its vision and mission on its CSR activities.

## II. Our Citizenship Philosophy

- 2.1 Mylan began its journey with a goal to help people gain access to affordable medicine. Over the years, we made giving back to our societies, a hallmark of the way we do business. We have supported several healthcare initiatives on building awareness on preventive care, treatment and access to affordable medicines. Our initiatives include HIV Free Generation by eliminating mother to child transmission of HIV, raising awareness to curb anaphylactic reactions in children, and fighting childhood mortality caused by diarrhea, to name a few. We have also committed our resources for programs on sports, education, culture and community welfare.
- 2.2 Today, Mylan supports several programs on its own and through leading nonprofit organization. We're constantly sparked by the urge to make a difference to the society. With that passion, we believe and are committed in "doing good and doing well" at the same time.
- 2.3 Mylan's aim to support programs which aid in creation of a society which is healthier, educated, productive, non-discriminating and safe, having access to green environments and clean societies. We understand the inter-linkages and inter-dependence of several societal, economical and health parameters and thus aiming to take initiatives which bring deep rooted changes. We have identified some broad guiding targets, but not limited, to identify and implement programs which will help our communities:
  - Improve health parameters through programs on access and awareness focusing major health issues.
  - Improve education standards by supporting schools and colleges around our communities.
  - Support vocational training and skill development programs for youth and women.
  - Focus on social issues supporting women, girls and other vulnerable sections of the society.
  - Support initiatives directed towards environment, safe drinking water, sanitation and others.
- 2.4 Mylan firmly believes that its CSR programs are connected to its mission and values. It believes in projects and activities that are replicable, scalable and sustainable and can really help usher the change in society and improve social and economic standards of the needy communities.

### III. The CSR Vision and Mission

#### **CSR Vision**

Mylan envisions itself to be the leading Pharma corporate citizen that creates lasting community relationships and generates sustained, visible impact for our societies.

#### **CSR Mission Statement**

Mylan works with its partner communities to help them fulfil their unmet needs & aspirations, thereby positively impacting their lives and strives to enhance their future by working to:

- advance their knowledge of and access to education & health facilities (entitlements as well as resources)
- facilitate reliable support mechanisms, including infrastructure & asset assistance for enabling sustainable livelihoods and/or socio-economic well-being; and
- constantly innovate and develop replicable & scalable models for CSR implementation

### IV. Our focus areas

4.1 Mylan endeavors that all initiatives undertaken by it should have an impact on the beneficiaries in improving their lives. The initiatives should also be replicable, scalable and sustainable on a long term basis. In line with this objective and keeping in mind our operations, we aim to focus on impacting lives and livelihood.

4.2 Initially, Mylan intends to focus its CSR activities, to be in sync with its traditional philanthropic & CSR initiatives, which are primarily in the areas of healthcare, education & skill building and community welfare & environment.

- **Healthcare:** Mylan being a healthcare company, is focused on enabling the improvement of the health parameters of society. From raising awareness to access, it is capable to cross pollinate its knowledge and help impact lives of people of rural and urban India through innovative strategies.
- **Education & Skill Building:** Mylan firmly believes that education brings social and economic prosperity. It also help in raising a healthy and productive population which is more informed and able to contribute significantly to society - "healthier generations".
- **Community Welfare & Environment:** Mylan holds a firm belief of giving back to the society as it leverages societal resources to support its business. Mylan feels that there are several communities around its operations, who can be assisted through improvement of basic societal requirements ranging from infrastructure, sanitation to anything and everything which may help the society to move to the next level.
- **Other initiatives:** In addition to the above, Mylan would also undertake various other need-based initiatives in compliance with the provisions of the Act, which would be screened for congruence with Section 135 of the Act, then duly applied for and accorded approval by the CSR Committee prior to any decision and subsequent implementation.

4.3 To be in coherence with Section 135 of the Companies Act, 2013 and rules made thereunder ('the Act'), Mylan has re-structured its legacy CSR focus into the three synergistic domains (mentioned below), which would then also fall within the activities approved under the Companies Act, 2013, and rules made thereunder, as elucidated in the Table below:

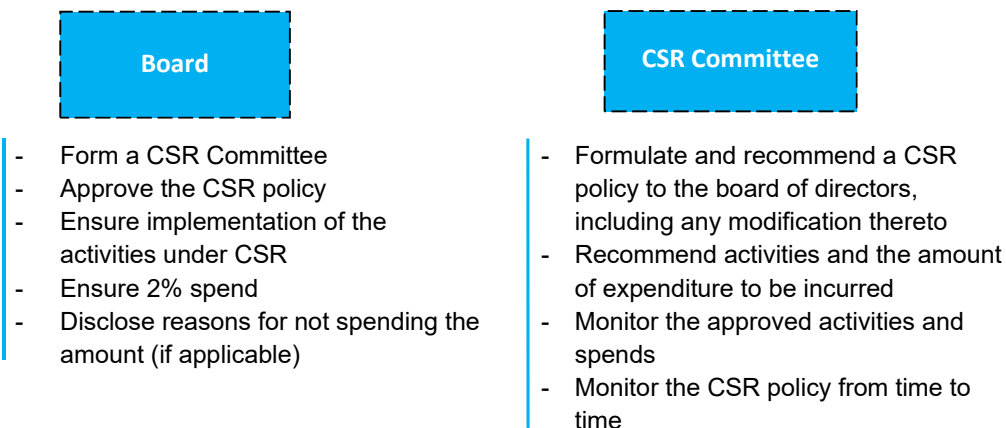


#	Focus areas	Sector / Domain	List of possible activities	Conformance to Schedule VII of Sec 135
1	Social Development	• Education	<ul style="list-style-type: none"> <li>- Capacity building of teachers</li> <li>- Remedial education for 'out of school' &amp; 'specially abled' children</li> <li>- Digital literacy &amp; computer aided education</li> </ul>	<ul style="list-style-type: none"> <li>- Conforms to item (ii)</li> <li>- “</li> <li>- “</li> </ul>
		• Water & Sanitation	<ul style="list-style-type: none"> <li>- Construction of Drinking water facility (RO/non-RO)</li> <li>- Behavior change programs for increased sanitation &amp; hygiene</li> </ul>	<ul style="list-style-type: none"> <li>- Conforms to item (i)</li> <li>- “</li> </ul>
		• Health	<ul style="list-style-type: none"> <li>- Medical awareness &amp; diagnostic camps (for general health)</li> <li>- Specialty health awareness camps (cancer, Hepatitis C, AIDS)</li> <li>- Support to hospitals and PHCs</li> <li>- Media awareness campaigns</li> <li>- Tele-diagnosis</li> </ul>	<ul style="list-style-type: none"> <li>- Conforms to item (i)</li> <li>- “</li> <li>- “</li> <li>- “</li> <li>- “</li> </ul>
2	Economic Development	• Livelihood & skill development	<ul style="list-style-type: none"> <li>- Provision of demand-based skill development and training</li> <li>- Curriculum &amp; content improvement support for livelihoods support institutions</li> </ul>	<ul style="list-style-type: none"> <li>- Conforms to items (i) &amp; (ii)</li> <li>- “</li> </ul>
3	Community welfare and infrastructure support	• Buildings & assets	<ul style="list-style-type: none"> <li>- Renovation of schools</li> <li>- Provision of furniture and computers etc.</li> <li>- Construction of kitchen sheds</li> <li>- Construction of toilets (with an emphasis on girl toilets)</li> <li>- Construction of medical wards in health facility (hospitals / PHCs)</li> </ul>	<ul style="list-style-type: none"> <li>- Conforms to items (ii), (x) &amp; (xi)</li> <li>- Conforms to item (ii)</li> <li>- Conforms to item (i)</li> <li>- Conforms to item (i) &amp; (iii)</li> <li>- Conforms to item (i), (iii) &amp; (x)</li> </ul>

#	Focus areas	Sector / Domain	List of possible activities	Conformance to Schedule VII of Sec 135
		<ul style="list-style-type: none"> <li>Road safety &amp; environment and others</li> </ul>	<ul style="list-style-type: none"> <li>Construction of all-weather roads in rural areas</li> <li>Providing ambulance support</li> <li>Tree plantations &amp; greenery</li> <li>Solar &amp; LED lighting for roads, PHCs, schools etc.</li> </ul>	<ul style="list-style-type: none"> <li>Conforms to items (x) &amp; (xi)</li> <li>Conforms to item (i)</li> <li>Conforms to items (iv)</li> <li>“</li> </ul>
4	Others	<ul style="list-style-type: none"> <li>PMNRF</li> <li>Swachh Bharat Kosh</li> <li>Others (subject to the approval of the CSR committee)</li> </ul>	<ul style="list-style-type: none"> <li>Disaster management &amp; relief support</li> <li>Corporate philanthropy</li> <li>Support for law &amp; order</li> </ul>	<ul style="list-style-type: none"> <li>Conforms to item (viii)</li> <li>“</li> <li>as applicable</li> </ul>

#### V. Governance mechanisms : the Board and the Committee

- 5.1 Mylan, through its board of directors (**‘Board’**) or any committee constituted for the purposes of CSR activities (**‘CSR Committee’**), will decide on the locations for CSR activities. While the focus of CSR efforts will be in the local areas and areas around it where Mylan operates, it may also undertake projects where societal needs are high or in special situations (such as in the case of natural disasters, etc).
- 5.2 The CSR policy and the constitution shall be monitored through CSR Committee which has been constituted by the Board in accordance with the provisions of the Act. In broad terms, the summary role of board of directors and CSR Committee (as specified under the CSR rules) is as under:



- 5.3 **Charter for the CSR Committee:** A CSR Committee has been constituted for adhering to the requirements of Section 135 of the Companies Act, 2013. The committee has three members: the President of Mylan Inc. (US - the parent entity of Mylan India) – Mr. Rajeev Malik, the CEO of Mylan India – Mr. Rakesh Bamzai and the CFO of Mylan India – Ms. Saradakalyani Bhagawati.
- 5.4 The **purpose of the CSR Committee** (the “Committee”) of the Board of Directors (the “Board”) of Mylan Laboratories Limited (“Mylan”) shall be to assist the Board and the Company in fulfilling its Corporate Social Responsibility (“CSR”) obligations under Section 135 of the Companies Act, 2013 and even beyond.
- 5.5 **Composition:** The Committee shall be appointed by and will serve at the discretion of the Board. The Committee shall consist of no fewer than three (3) members [with at least one (1) member being an independent director - to be put in if applicable]. The members of the Committee shall meet as provided in this Charter.

- 5.6 **Meetings and Quorum:** The Committee shall meet at least once in a year and may meet such other times as it deems necessary and fit. Two members present shall form the quorum for the meetings of the Committee. One of the Trustee's of the Mylan Foundation, if required, may be invited to the meetings of the Committee.
- 5.7 **Roles & Responsibility:** The Committee shall annually review and approve the CSR Policy and associated frameworks, processes and practices of the Company.
- The Committee shall ensure that the Company is taking the appropriate measures to implement the CSR projects successfully.
  - The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
  - It shall be the responsibility of the CSR Committee to ensure that activities, even if they fall within CSR activities listed under the Act, but are done by Mylan in normal course of its business, shall not be considered as a CSR activity.
  - The Committee will coordinate with Mylan Foundation or such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of Mylan Foundation or such other agency periodically.
  - The Committee may form and delegate authority to sub-committees as and when appropriate.
  - The Committee shall regularly report to the Board (a presentation to be factored in as an agenda during the Board meetings\_.
  - The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
  - The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
- 5.8 The CSR policy shall be placed on Mylan's website [<http://www.mylan.in/>].

## VI. CSR funds & expenditure

- 6.1 The Board should ensure that at least 2% of average net profits of the last three years is spent on CSR initiatives undertaken by Mylan. In case at least 2% of average net profits of the last three years are not spent in a financial year, reasons for the same to be specified in the Board's report.
- 6.2 Any surpluses generated out of CSR activities shall not form part of the business profits of Mylan.
- 6.3 CSR expenditure will include all expenditure, direct and indirect, incurred by Mylan on CSR activities, including the expenditure undertaken on the same, either directly or through director or indirect implementing agencies shall be in accordance with its approved CSR policy. Any expense on an item not in conformity or not in line with the said activities shall not form part of CSR expenditure.
- 6.4 Mylan can build capacity of its own personnel as well as implementing agencies, if any, to carry out CSR but such expenditure including expenditure on administrative overheads, shall not exceed 5% of the total CSR expenditure of Mylan in one financial year.

## VII. Implementation modalities

- 7.1 Mylan would implement the CSR program directly or through a registered trust – **the Mylan Foundation** (also referred to as the '**Trust**') being set up Mylan or, depending upon the requirement, it can also implement its CSR program through any other trust or a section 8 company or any other form of entity, as may be prescribed under the Act. However, to the extent required under the Act, Mylan shall ensure that such entities have an established track record of three years in undertaking similar programs and Mylan shall specify the project / programs to be undertaken through these entities, out of the funds granted by Mylan, including the modalities of utilization of funds on such programs and the monitoring and reporting mechanism.

- 7.2 The Trust shall conduct its activities, at all times, as per the CSR policy and other instructions and guidance provided from time to time by the CSR Committee and shall not amend its charter or any of its practices which are contrary to the CSR policy and instructions and guidance provided by the CSR Committee, unless a prior written approval of the CSR Committee is obtained.
- 7.3 The CSR activities will be undertaken in India only. The CSR activities of Mylan along with their execution modalities and implementation schedule shall be decided by the CSR Committee from time to time. Initially, the CSR Committee contemplates carrying out the program on healthcare, education & skill building and community welfare & environment. Please also refer point 4.3.
- 7.4 For the purpose of implementation of CSR activities, the Trust will receive requests for funding of projects and its panel of experts will evaluate proposals received under its focus areas and recommend them to CSR Committee for its approval. Once approved by the CSR Committee, the Trust shall decide on the modalities of funding and implementation of each such activity in accordance with the guidelines, if any, provided by the CSR Committee.
- 7.5 Mylan may also collaborate with other companies or institutions for undertaking projects or programs for CSR activities. Internally, the Trust shall have the freedom to mobilise resources from other Mylan Group companies (to undertake CSR implementation).
- 7.6 For the initial period (while the Trust is being set up), an interim CSR team shall be set up for facilitating implementation of the CSR policy and programs. The responsibility of this CSR team (working under the CFO's oversight) shall be to act as a central coordinating point for CSR implementation in the Corporate, performing the following roles:
- designing Projects to be in compliance with the section 135 of the Companies Act and the CSR Rules
  - identify and conduct due-diligence of external partners (wherever required)
  - plan annual budgets for CSR projects in coordination with other partners departments and develop proposals for consideration of the CSR Committee
  - interface with various departments within the Company to ensure effective implementation
  - report to the CSR Committee on the progress on CSR projects and status of CSR expenditure on a quarterly basis
  - documentation and reporting of all CSR activities of the Company in pursuit of the Companies Act compliant CSR policy
- 7.7 The CSR team (refer pt 7.6) shall subsequently be transitioned to be the core staffs of the Mylan Foundation once the Trust is set up to be fully functional.

#### **VIII. Monitoring & Review mechanisms**

- 8.1 As a process guideline, the CSR Projects shall endeavor to address the societal & community needs, have clearly articulated objectives (to be substantiated through a baseline); and have specified timelines & measurable parameters (KPIs) to assess the progress achieved, in terms of outputs / outcomes / impact.
- 8.2 The CSR Committee (or a person / team designated by it), shall accordingly outline the expected outcome and milestones that are expected to be achieved in each and every activity of the Project. . The designated person / team (as has been suggested in point 7.6 above) shall then monitor the status of each project on these KPIs and report its findings to the CSR Committee periodically, in order to ensure effective implementation.
- 8.3 The CSR Committee shall institute a transparent monitoring and review mechanism for implementation of the CSR projects or programs or activities undertaken pursuant to this policy. The review may range from local and regional level MIS and exception reporting to senior level review on a periodical basis, designing the action plans and monitoring their achievements and reporting back to the CSR Committee and finally to the Board.



- 8.4 Mylan may also adopt evaluation and audit mechanism, internally through its internal auditors and externally through duly appointed auditors which will report to the CSR Committee and to the Board on a periodic basis. It may, on a discretionary basis, also commission independent, third party mid-term reviews and end-of-project impact assessment studies to validate its internal inferences & findings.
- 8.5 Besides evaluation, the CSR Committee shall also review its activities and decide on the future course on the basis of socio-economic baseline studies that would assess the needs and priorities of the specific community and align its programs to meet the desired objectives.
- 8.6 The CSR Committee shall also appoint a 'CSR Nodal Officer' who shall act as ombudsman for any grievance or complaint in relation to the entire CSR program of Mylan. The contact details of such officer shall be made available on Mylan's website [<http://www.mylan.in/>].

## **IX. Reporting & Disclosure**

- 9.1 All details of CSR projects, its selection process, implementation plans, funding and expenses shall be properly documented and auditable, on a project-wise accounting basis. The Trust shall also maintain a MIS of expenditures made across all the projects and shall report the physical/financial progress status to CSR Committee on a periodical basis.
- 9.2 The Trust shall submit its reports to CSR Committee on a periodic basis (proposed to be quarterly), or any other period as may be determined by the CSR Committee. The CSR Committee shall review these reports and shall compile them and submit to the board of directors of Mylan on an annual basis with their comments, if any. The Board shall provide adequate disclosure in its report as per the requirements of the Act.
- 9.3 If Mylan fails to spend the minimum amount of funds, as prescribed under the Act in a financial year, then adequate reasons should also be provided in the Board's report.

## **X. Amendments**

- 10.1 The Board may approve amendments in its CSR policy, subject to recommendations from the CSR Committee.