

ESG Supplementary Disclosure 2023-24

Cipla Limited



Table of Contents

Governance and Economic Dimension	3
1.1 Transparency	3
1.2 Corporate Governance	3
1.3 Materiality	6
1.4 Risk and Crisis Management	13
1.5 Business Ethics	16
1.6 Policy Influence	17
1.7 Supply Chain Management	21
1.9 Information Security/ Cybersecurity and System Availability	25
1.10 Innovation Management	26
1.11 Product Quality and Recall Management	27
Environmental Dimension	28
2.1 Environmental Policy and Management Systems	28
2.2 Energy	30
2.3 Waste and Pollutants	31
2.4 Water	34
2.5 Climate Strategy	35
2.6 Biodiversity	42
2.7 Product Stewardship	43
Social Dimension	48
3.1 Labor Practices	48
3.2 Human Rights	49
3.3 Human Capital Management	51
3.4 Occupational Health and Safety	59
3.5 Contribution to Societal Healthcare	62

Governance and Economic Dimension

1.1 Transparency

Sustainability Reporting Boundaries (DJSI 1.1.1)

Our disclosures in this ESG Supplementary Report pertains to our non-financial performance of our global operations from 1st April 2023 to 31st March 2024. Our non-financial reporting includes only our subsidiaries and not our associates. Information on our joint ventures have been disclosed as relevant. Our non-financial reporting pertains to our performance on environmental and social indicators.

Sustainability Reporting Assurance (DJSI 1.1.2)

Our non-financial performance has been externally assured by DNV Business Assurance India in line with ISAE 3000 (revised). The Assurance Statement is available on page 422 of our [Integrated Annual Report FY 2023-24](#).

1.2 Corporate Governance

Board Independence (DJSI 1.2.1)

Each independent director, at the time of appointment and thereafter at the beginning of each financial year, submits a declaration confirming their independence under Section 149(6) of the Act read with the rules made thereunder and Schedule IV and Regulation 16(1)(b) of the SEBI Listing Regulations. The declarations of independence received from the independent directors are noted and taken on record by the Board after undertaking due assessment of the veracity of the same.

In the opinion of the Board, the independent directors fulfil the criteria of independence as stated under Section 149(6) of the Act and the rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management. Each of the independent directors have registered their names on the online databank maintained by the Indian Institute of Corporate Affairs.

In line with the SEBI Listing Regulations, at least fifty percent of the directors are to be independent. Currently, fifty eight percent of our directors are independent.

Board Type (DJSI 1.2.2)

Our strong governance processes and operational performance is driven by our diverse one-tier Board of Directors. The table below provides details on the composition of our Board.

Type of Members	Number of members
Executive directors	2 (17%)
Independent directors	7 (58%)
Other non-executive directors	3 (25%)
Total board size	12 (100%)

For more details about our Board of directors, please visit: <https://www.cipla.com/about-us/board-directors>

Non-Executive Chairperson/ Lead Director (DJSI 1.2.3)

Separate post of Chairman and CEO: Dr. Y.K. Hamied is the Non-Executive Chairman of the Company, Mr. Umang Vohra is the CEO of the Company. The Board has appointed Mr. Adil Zainulbhai as Lead Independent Director of the Company.

Board Gender Diversity (DJSI 1.2.5)

Out of 12 Board of Directors, two are female, i.e., 17%.

Board Effectiveness (DJSI 1.2.6)

Board Meeting Attendance:

The average board meeting attendance during the reporting year was 96.2%.

Board Mandates:

We have seven non-executive/ independent directors with four or less mandates in other listed entities. These include Dr. Y.K. Hamied, Mr. M.K. Hamied, Mr. S. Radhakrishnan, Dr. Balaram Bhargava, Dr. Mandar Vaidya, Ms. Punita Lal and Mr. Robert Stewart.

In line with SEBI requirements, all non-executive/independent directors are restricted to holding up to seven mandates in other listed entities.

Board Performance:

In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of its own performance, performance of the Board Committees as well as the individual directors. The performance evaluation for FY 2023-24 was undertaken internally. To ensure confidentiality an independent agency was appointed to conduct the evaluation through an online tool. The Nomination and Remuneration Committee (NRC) approved the evaluation criteria in the form of a questionnaire.

As a process, the Company engages an independent external agency in a block of four years to conduct a detailed performance evaluation. The last such exercise was undertaken in FY 2020-21. The performance evaluation for FY 2023-24 was undertaken internally. To ensure confidentiality, an independent agency was appointed to facilitate the board evaluation through an online tool and submit the consolidated report. The evaluation was conducted by way of structured questionnaires which was approved by the NRC.

Board Election Process:

Board members are elected individually (as opposed to being elected by state). In line with our Nomination, Remuneration and Board Diversity Policy, all Board Members are elected by the Nomination and Remuneration Committee. All Independent Directors are appointed in line with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Average Tenure (DJSI 1.2.7)

Our Board Average Tenure is 13.99 years.

Board Industry Experience (DJSI 1.2.8)

Currently, six of our Independent/ Non-executive Directors have relevant industry experience. They are Dr. Y.K. Hamied, Mr. M.K. Hamied, Mr. Adil Zainulbhai, Dr. Balaram Bhargava, Dr. Mandar Vaidya, and Mr. Robert Stewart.

Management Ownership (DJSI 1.2.11)

Position	Name	Multiple of base salary
Chief Executive Office	Mr. Umang Vohra	5.924

Government Ownership (DJSI 1.2.13)

No governmental institution owns more than 5% of the total voting rights of the company.

Family Ownership (DJSI 1.2.14)

Founding individuals or family members individually own 33.40% of the voting rights of the company.

CEO-to-Employee Pay Ratio (DJSI 1.2.15)

The ratio between the total annual compensation of the Chief Executive Officer and the median employee remuneration is 317:1 for FY 2023-24.

1.3 Materiality

Materiality Analysis (DJSI 1.3.1)

In order to align with stakeholder expectations and proactively recognise and manage emerging risks and opportunities, particularly from an Environmental, Social, and Governance (ESG) perspective, we undertake a comprehensive materiality assessment every three years.

Guided by our FY 2021-22 materiality assessment, we regularly review our material topics to ensure that our ESG priorities are closely aligned with identified risks, business drivers, and stakeholder concerns. Acknowledging evolving market conditions, we maintain a continuous process of monitoring, reviewing, and validating economic, environmental, social, and governance issues that are critical to our long-term value creation.

Our materiality assessment process also enables us to capture stakeholder views on their perception of the pertinent topics for our business. This approach also allows our management to consider external views while reviewing our risk register. It enables us to prepare risk responses to the material topics that can impact our ability to preserve, create or erode the value-creation potential of our business.

Before finalising our material list, the topics were reviewed and validated by our key functions, senior management and board members. The material topics provided below are ranked as per importance by our internal and external stakeholders.

High	Medium	Low
Availability and Affordability of medicines	Promotion of Diversity	Community Engagement
Product Quality and Safety	Employee Health and Safety	Business Continuity
Data Integrity	Environmental Sustainability	
Innovation and Investment in R&D	Digital Business Model and Digitisation	
Sustainable Supply Chain	Patient Experience and Health Awareness	
Corporate Governance	Human Resource Development	
Capital Allocation and Productivity		

Material Issues for Enterprise Value Creation (DJSI 1.3.2)

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Product Quality and Safety	Environmental Sustainability	Supply Chain Disruptions
Business Case	Our ability to meet patient demand, create value, and build trust with our stakeholders is highly dependent on product quality, safety, as well as data integrity. Any shortfalls in these critical areas can have severe consequences on our business and stakeholders.	The consequences of climate change, biodiversity loss, and over-use of natural resources have potential to pose significant threats to business continuity and human safety. As such, there is a dire need for sustainable and proactive practices to mitigate risks and	Disruptions to our supply can impede our manufacturing process and cause delays in the development and delivery of medicines. This can have an adverse impact on our revenue and reputations. Further it can have an impact on our procurement budget due to expedited

		ensure a resilient future.	shipping, alternative sourcing or idle production lines.
Business Impact	Revenue	Risk	Risk
Business Strategies	<p>We have a robust Quality Management System applicable to products manufactured at Cipla locations as well as sourced from third parties. We also implement a comprehensive quality improvement and training programme with focus on historically known gaps and challenges. Periodic internal audits are undertaken to ensure compliance. Based on any adverse findings, appropriate Corrective and Preventive Action (CAPA) are identified.</p> <p>Rigorous vendor and contract manufacturer audits are also undertaken on factors such as cGMP and Quality</p>	<p>We have set focused targets to enhance our efforts for environmental conservation and protection. By December 2025, we aim to be carbon neutral, water neutral and zero waste to landfill for our India manufacturing operations. We make focused efforts to increase our usage of renewable energy consumption and alternative fuels. Our efforts for water stewardship focus on increased usage of rainwater, reduction of blue water and community initiatives for water conservation. In FY 2023-24, our two sites in Goa have been certified as Zero Waste to Landfill. We will be cascading this</p>	<p>We implement a rigorous Continuous Improvement Programme that focuses on optimising processes through cost-effective procurement of raw materials, reducing API costs, and mitigating risks of supply disruption. Continuous monitoring to identify potential disruptions due to natural calamities or any other factors is also undertaken. This supports proactive deployment of mitigation measures.</p> <p>We also focus on alternate vendor development to optimise procurement cost as well as de-risk single-source procurement. We are leveraging cutting-edge advanced statistical</p>

	Management System compliance.	certification to all our other Indian manufacturing locations in FY 2024-25.	forecasting algorithms to enhance our statistical forecasting process consistently and deliver near-consensus forecast accuracy. In today's dynamic market landscape, precise forecasts are pivotal for driving efficient supply chain management and seamlessly meeting the evolving demands of customers.
--	-------------------------------	--	---

Materiality Metrics for Enterprise Value Creation (DJSI 1.3.3)

Particular	Material Issue 1	Material Issue 2	Material Issue 3
Material Issue	Product Quality and Safety	Environmental Sustainability	Supply Chain Disruptions
Target	<ul style="list-style-type: none"> All-time audit readiness Timely closure of investigations and regulatory audit observations 	<ul style="list-style-type: none"> Carbon Neutrality (Scope 1 (energy based) and Scope 2 emissions) Water Neutrality Zero Waste to Landfill 	<ul style="list-style-type: none"> Desk based assessments of 175 vendors On-site physical assessment of 40 vendors

		These targets have been adopted for our Indian manufacturing locations.	
Target Year	2024	2025	2025
Progress	<ul style="list-style-type: none"> • 72 client and 73 internal audits conducted • 52 regulatory inspections conducted • Zero critical observations from external audits 	<p>India manufacturing operations:</p> <ul style="list-style-type: none"> • 33.6% renewable energy sourced • 1.6% reduction in water withdrawn as compared to FY 2022-23 • 48% water recycled of total water withdrawn • Established Zero Liquid Discharge plant at manufacturing sites in Goa • 4% of waste generated sent to Landfill • Zero Waste Certification of Goa manufacturing sites 	<ul style="list-style-type: none"> • 205 critical vendors were assessed, including 61 suppliers that provided their Ecovadis scores • 30 vendors underwent physical on-site assessments
Executive Compensation	Our Managing Director and Global Chief Executive Officer is evaluated against the Key Performance Indicators pertaining to long-term,		

	short-term, as well as financial and non-financial parameters. Non-financial parameters covered innovation and new business building, new market development and future growth engines, organisation and leadership development, compliance and ESG, etc.
--	---

Material Issues for External Stakeholders (DJSI 1.3.4)

Particular	Material Issue 1	Material Issue 2
Material Issue	Environment Sustainability	Availability and Affordability of medicines
Cause of the Impact	Operations and Supply Chain	Operations and Products/Services
External Stakeholders Impacted	Environment, Society and External Employees	Society, Consumers and External Employees
Type of Impact	Positive and Negative	Positive and Negative
Topic Relevance	<p>Failure to address the use of fossil fuels in our operations can have adverse impacts on the environment, leading to decreased social security and increased inequalities. Such impacts have the potential to disrupt our operations and supply chain.</p> <p>With greater scrutiny on environmental impact management, inability to effectively manage our emissions can result in loss of stakeholder trust and business reputation.</p> <p>We have set a target to achieve carbon neutrality by December 2025 for our India</p>	<p>The availability and affordability of medicines are pivotal in fostering global health and well-being. Yet, in many instances, high costs of medicines pose as significant barrier, especially in medium-to-low-income regions, hindering individuals' access to essential treatments. Aligned with our organisational ethos of 'Caring for life,' we work diligently towards ensuring access to medicines for all who need them.</p>

	<p>manufacturing operations.</p> <p>We aim to achieve this target through the increased use of renewable energy, use of alternative sources of fuel such as biomass and focused energy efficiency initiatives and technological investments.</p>	
--	--	--

Materiality Metrics for External Stakeholders (DJSI 1.3.5)

Particular	Material Issue 1	Material Issue 2
Material Issue	Environmental Sustainability	Availability and Affordability of medicines
Output Metric	Avoided CO ₂ Emissions	Access to low-cost and affordable treatments for consumers
Impact Valuation	Protection of air quality through reduced usage of fossil fuels	Improvement in health status and wellbeing
Impact Metric	Social Cost of Carbon	<p>Reduced disease burden and reduction in chronic illness</p> <p>Providing easy access to chronic medication for chronic stable state patients. The goal is to foster retention-in-care for HIV and Non-Communicable Diseases (NCD) patients and decongest state facilities by decanting stable patients.</p>

1.4 Risk and Crisis Management

Risk Governance (DJSI 1.4.1)

We have formalised a robust governance framework with dedicated operational risk management functions for timely risk identification and management. At the Board level the Investment and Risk Management Committee has explicit responsibility to oversee and implement our system of risk management.

Our Risk Champions, embedded across businesses and functions, along with our dedicated Enterprise Risk Management Team consist of the first line of operational responsibility for risk management. They are responsible for proactive identification of risks, facilitating and executing risk mitigation actions and analysing residual risk. At a second level, our Management Council supports effective management of major strategic and business risks and also supports the Investment and Risk Management Committee in setting control measures and monitoring compliance.

Risk Management Processes (DJSI 1.4.2)

Risk Review

We have defined a robust risk identification methodology to assess risks across businesses and functions. The methodology considers the impact and likelihood of risks as well as the velocity at which the risks are likely to materialise, considering our existing controls and the conditions prevailing in the external environment. For gauging the impact level of risks, a risk prioritisation framework consisting of financial, reputational, regulatory and health & safety aspects has been defined with materiality thresholds.

In addition to current risks, the Enterprise Risk Management team works with Businesses and Functions to monitor external and internal environments, identify emerging risks on the basis of their potential to materially affect our businesses and processes over a mid to long term horizon, and define mitigation measures for these emerging risks.

Our materiality assessment process also enables us to capture stakeholder views on their perception of the pertinent topics for our business. This approach also allows our management to consider external views while reviewing the risk register. It enables us to prepare risk responses to the material topics that can impact our ability to preserve, create or erode the value-creation potential of our business.

Based on the management's review and deliberations during IRMC meetings, we have identified some of our key risks, its impact and mitigation measures. These are covered in detail in our [Annual Report FY 2023-24](#) (Page 46).

Risk Exposure

The Cipla Enterprise Risk Management (ERM) programme covers its key risks across all its business areas. The Investment and Risk Management Committee of the Board reviews and discusses the risk updates on a quarterly basis.

Risk Culture

There is a continuous focus on embedding the fundamental principles of risk management, including proactive identification, timely risk conversations and robust implementation of mitigation measures in internal processes. Key de-risking measures and mitigation plan identified by businesses and functions are also integrated into the scorecards of associates as performance targets. The effectiveness of actions taken and progress on de-risking measures are tracked during business reviews and annual appraisal cycles. The annual scorecards for Business and Support team leaders comprise of goals that are of strategic and operational importance to the organisation. The achievement of these goals would inherently require the exercise of activities within a well-defined risk management framework and are rewarded accordingly.

Lessons learned from risk incidents that have occurred within the organisation or in the external environment are discussed with relevant internal stakeholders and are incorporated in policies, procedures and processes as appropriate in our context.

Risk management also forms an inherent part of product development, approval and manufacturing process (factor ranging from portfolio, market and health hazard risks are considered).

Emerging Risks (DJSI 1.4.3)

In addition to current actual and potential risks, we also evaluate and assess emerging risks at least once in every three years for timely remediation and prevention of any adverse consequences. In line with our risk management framework, emerging risks are also identified based on how likely they are to occur and the potential impact on the business. We identify and classify risks as emerging through analysis of internal and external data, industry trends, market study, regulatory requirements and expert insights. This provides for a holistic and systematic approach to correctly gauge potential risks that could evolve to have an adverse impact on the business and allow for implementation of mitigation strategies in a timely manner.

1. Misuse of Artificial Intelligence

Risk Description and Impact	Mitigation	ESG Linkage
<p>The recent surge in the capabilities of Artificial Intelligence has enabled development of iterative malware and phishing campaigns which adapt to security systems and continually learn from results of previous attacks and targeted social engineering attacks through voice and video deepfakes.</p> <p>These advancements introduce new risks such as data privacy, cybersecurity vulnerabilities and legal and regulatory implications of implementing AI and further exacerbate the existing cyber risk profile across organisations.</p> <p>Our value chain, from manufacturing to distribution, could be disrupted by sophisticated AI-enabled attacks that could compromise our information technology systems.</p>	<ul style="list-style-type: none"> • We have implemented robust policies and guidelines within our Information Security Management System ('ISMS') that prioritises data privacy and security. • To address critical areas such as cybersecurity, data privacy, acceptable usage and incident management, we have established 25 ISMS policies and guidelines. • We have robust incident management procedures which are highlighted in our Incident Management policy covering measures and corrective actions taken in case of incidents. • We also undertake periodic vulnerability assessments along with simulated hacker attacks and provide focused training to all employees on data privacy practices and processes 	<p>Governance</p>

2. Major Regulatory Changes

Risk Description and Impact	Mitigation	ESG Linkage
<p>We are witnessing rise in number of amendments in rules and regulations as well as government interpretation and enforcement of applicable rules and regulations governing the manufacture, testing, approval, distribution and marketing of pharmaceutical products.</p> <p>Our operations may be adversely affected by new regulations or amendments to existing ones, which could result in pricing and marketing restrictions, as well as increased costs associated with compliant manufacturing and distribution.</p>	<ul style="list-style-type: none"> We have established a framework for ongoing monitoring and compliance aligned with both current and emerging regulations, underscoring our commitment to conducting business and operations with complete legal compliance at all times. 	<p>Governance</p>

1.5 Business Ethics

Corruption and Bribery (1.5.3)

We have a zero-tolerance approach to bribery and corruption in any form as detailed in our [Anti -Bribery and Anti-Corruption Policy](#). We prohibit all forms of bribery and corruption whether involving, but not limited to, Government Official or a private sector person or company and whether directly or indirectly.

As per our policy, gifts are not to be accepted or offered to or from the government or representatives or politicians or political parties without seeking an opinion from the Chief Compliance Officer. In FY 2023-24, we gave INR 39.20 Crore as political contributions.

We may make charitable donations that are legal and ethical under local laws and practices. In FY 2023-24, we spent INR 72.49 Crores on Corporate Social Responsibility activities, and INR 13.10 Crores on other social impact initiatives. Associates may, in their personal capacity, make donations that are legal and ethical under local laws and practices.

Codes of Conduct: Systems/ Procedures (DJSI 1.5.4)

Our detailed [Code of Conduct](#) provides critical information on the systems and procedures in place to support effective implementation and compliance. All our employees are responsible for compliance with our Code and have individual responsibilities for ethical business conduct.

All concerns/incidents can be reported to our Chief Internal Auditor through post or email. We also provided for a dedicated ethics email ID where our employees can raise any concerns in a secure manner. As detailed in our Code of Conduct, we have a zero-tolerance approach to non-compliance. Any violation of our Code will be duly investigated, and necessary disciplinary and remedial action will be taken.

Reporting on Breaches (DJSI 1.5.5)

Reporting areas	Number of breaches
Corruption and Bribery	0
Discrimination or Harassment	15
Customer Privacy Data	0
Conflicts of Interest	0
Money laundering or Insider Trading	0
Total	15

1.6 Policy Influence

Contributions and Other Spending (DJSI 1.6.1)

Currency (INR)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Lobbying, interest	0	0	0	0

representation or similar				
Local, regional or national political campaigns / organizations / candidates	0	0	24,20,00,000	39,20,00,000
Trade associations or tax-exempt groups (e.g. think tanks)	72,57,000	74,67,040	1,12,35,033.25	1,11,86,400.00
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total	72,57,000	74,67,040	25,32,35,033.25	40,31,86,400

Largest Contributions and Expenditures (DJSI 1.6.1)

Issues and Topics

Issue or Topic	Corporate Position	Description of Position	Total Spend in FY 2023-24
Access and Affordability	Support	Cipla's policy advocacy follows a strictly transparent and patient centric approach. Cipla is open about its knowledge-based engagements and policy related dialogues with key stakeholders such as the Central and State Governments and relevant Industry Associations. Cipla's advocacy efforts are focused on prioritising patient well-being	1,13,42,160

		<p>and fostering advancements in science, innovation and digitisation in the interest of ensuring quality healthcare for all.</p> <p>We believe that proactively and responsibly engaging with public policy stakeholders such as government bodies and officials, regulators, industry associations and NGOs, is a fundamental aspect of good public advocacy. At every step, we take into consideration the needs and perspectives of all relevant stakeholders. We provide policy insights to decision-makers drawing from our own practices, experiences and industry peers. This commitment extends to advocating for regulatory frameworks that prioritise patient safety, highest quality standards and access to innovative treatments, all while upholding the highest ethical standards in all our stakeholder engagements.</p>	
Climate Change and ESG	Support	<p>Biodiversity and ecosystem services are critical factors in our sustainable operations and form an integral part of our business decisions. During FY 2022-23, we became a signatory of the India Business & Biodiversity Initiative (IBBI). We are committed to contribute to these global goals, alongside</p>	0

		<p>other sectors and business leaders. While continuing to achieve our own environmental, social and governance ('ESG') goals, Cipla will have the opportunity to drive ESG discourse within the sector and at a regional level. At the same time, the initiative will allow participating organisations to cross-learn from one another.</p>	
--	--	---	--

Other Large Expenditures

Name of Organisation, Candidate or Topic	Type of Organization and Description of Engagement	Total Spend in FY 2023-24 in INR
Indian Pharmaceutical Association (IPA)	<p>Trade Association: Cipla engages with the industry associations and leverages the advocacy platform for outreach to the government on various regulatory and policy matters impacting the industry and to ensure compliance with local regulations, while maintaining the highest governance practices. We share our learnings and insights directly with the government as well as industry associations on issues relating to quality, accessibility, affordability, R&D, technology, etc. in healthcare and to also build a constructive dialogue on policy interventions to develop a conducive healthcare ecosystem.</p>	1,06,20,000
Federation of Indian Chambers of Commerce & Industry		1,77,000
Confederation of Indian Industry		3,89,400

1.7 Supply Chain Management

Supplier Code of Conduct (DJSI 1.7.1)

Cipla's [Supply Chain Management Sustainability Policy](#) and the [Supplier Code of Conduct](#) are comprehensive and widely applicable to all our suppliers, ensuring adherence to the various measures, codes and principles of responsible conduct. The code also outlines sustainability parameters related to social and environmental practices to which all the vendors must adhere and aspire. This includes the responsibility to reduce environmental impact of their operations, waste management, collective bargaining, prohibition of child labour and forced labour, health and safety practices, working conditions and so on, transparently.

Supplier ESG Program, Supplier Screening and Supplier Assessment and Development (DJSI 1.7.2, 1.7.3, 1.7.4)

We have clear structures in place to ensure effective implementation of our supplier ESG activities and initiatives. The Sustainability Council, an executive management-level body, provides strategic oversight over all responsible supply chain activities at Cipla in line with the supply chain ESG strategy and goals. This way we prioritise ethical standards, helps us align our suppliers with our ESG objectives, holds ourselves and our partners accountable and mitigate potential supply chain risks.

Our Supplier Code of Conduct ('Code') and [Responsible Sourcing Policy](#) clearly define the expectations for our business partners to support adherence to ethical standards. The Code outlines principles related to governance, social responsibility, environmental impact, and business practices.

Both the Supplier Code of Conduct and the Responsible Sourcing Policy are aligned with our broader responsible supply chain management framework. These documents guide us in evaluating our purchasing practices, promoting strong ESG (Environmental, Social, and Governance) practices, and fostering sustainable growth across the value chain. Suppliers are required to confirm their adherence to the Code at the time of onboarding and to re-confirm compliance periodically, once every three years, or as determined by company management.

Suppliers must conform to industry standards, obtain all necessary permits, and operate within the limits and requirements of those permits. We also encourage alignment with frameworks such as the United Nations Global Compact (UNGC) and the International Labour Organisation (ILO), and the acquisition of relevant certifications from the International Organisation for Standardisation (ISO), including ISO 14001, ISO 45001, and ISO 27001.

During this year, 1776 vendors (including 223 critical vendors) confirmed alignment to Cipla's Supplier Code of Conduct in comparison to 1461 vendors (including 250 critical vendors) for FY 2022-23.

Supplier Screening

Categorisation and prioritisation of our suppliers help us proactively detect issues linked with suppliers' performance and embed risk management measures across the value chain in order to increase its resilience to future adverse events. We categorise critical suppliers as suppliers who are essential for our operations and provide a competitive advantage. Such suppliers provide us with goods/services with high-value contracts or expenditures which if disrupted or lost, may require us significant time and costs to recover. These suppliers have been identified as having significant relevance to business operations.

In addition, as part of our supplier ESG engagement program, we have developed a comprehensive framework to evaluate prospective vendors based on their governance, social, and environmental practices. This framework will be used to assess the ESG maturity of these businesses and to design engagement and capacity-building programs to support their adherence to our Code of Conduct principles. We are also revising the terms in our Purchase Order agreements to include assurances from the suppliers on good practices related to environmental, social and governance aspects.

We have more than 8,300 tier 1 upstream and downstream suppliers (more than 8,700 for FY 2022-23) of which 571 (597 for FY 2022-23) are critical suppliers accounting for 75% of the total spend on tier 1 suppliers.

Supplier Assessment

To improve our ESG performance across the supply chain, we conduct desk-based assessments where suppliers complete a questionnaire on ESG criteria. We also recognise the globally accepted EcoVadis report for checking ESG readiness. Last year, we assessed 205 critical vendors (168 in FY 2022-23), with 61 suppliers providing satisfactory EcoVadis scores in place of questionnaire responses. Suppliers are evaluated on key indicators including Legal Compliance, Ethics and Business Conduct, Product Quality and Safety, Human Rights, Labor and Employment, Health and Safety, Environmental Sustainability, Management Systems, Transparency, and Business Responsibility and Sustainability Reporting. The assessment aims to manage risks, ensure quality, compliance, efficiency, and ethical standards, foster innovation, and drive continuous improvement. We also leveraged the Pharmaceutical Supply Chain Initiative (PSCI) audit-sharing platform to assess our vendors. 37 vendor audits of Cipla that accounted for a yearly spend of nearly INR 500 crores were covered through the PSCI audit sharing programme.

Furthermore, we had an external third party conduct on-site physical assessments for our 30 key vendors on ESG criteria. These vendors were selected based on their importance to our operations, total expenditure, and coverage across categories such as API, Capex, Excipients, Intermediate, Respiratory Products, and Packaging materials. For 10% of those vendors who could not meet the required ESG score threshold, we have initiated discussions to develop and implement Corrective Action Plans (CAPA). Our goal is to support our vendors in addressing and mitigating potential ESG impacts and associated risks within our supply chain. As part of our supplier ESG capacity-building efforts, we are committed to providing CAPA support to 100% of the vendors where potential or actual ESG-related risks or gaps are identified.

Quality Assessments of Suppliers

We also maintain strict quality standards, Cipla follows a multifaceted approach of conducting rigorous site audits to ensure compliance with Cipla standards, monitoring and tracking of corrective action plans, vendor engagement initiatives, digitisation of supply chain and continuous improvement exercises carried out with the vendors.

For API, excipients and packaging, site audits are conducted every three years to ensure adherence to Good Manufacturing Practices (GMP) guidelines. For domestic markets, Contract Manufacturing Units (CMO) sites undergoes thorough audits to ensure compliance with Indian Regulatory requirements, market regulations, cGMP requirements and Cipla's in-house SOP requirements. In vitro diagnostics (IVD) and medical device manufacturing sites are assessed for compliance with Indian MDR 2017 and ISO 13485:2016 standards. In FY 2023-24, 35 periodic audits and 41 due diligence audits were performed for contract manufacturing organisations (CMO) and principal to principal contract manufacturing vendors. Post audits, we ensure timely resolution of audit observations and closely monitor and track through Corrective Action Preventive Actions (CAPA). 346 CAPA were initiated related to CMO Units for FY 2023-24.

Supplier Development

During the year we organised virtual ESG workshops for our suppliers. We saw wide participation from 194 representatives in the workshop out of which 76 were Cipla representatives and the remaining 118 were representatives from 61 of our key suppliers. These workshops focused on highlighting the important role of suppliers in the success of the Company's supplier ESG program, emphasising how their actions, policies and strategies were key in this context. The workshop emphasized decoding ESG criteria for suppliers and highlighted Cipla's sustainability initiatives. It covered key aspects of environmental, social, and governance considerations. We have also identified key suppliers crucial for decarbonising our Scope 3 emissions, specifically in Category 1 (Purchased Goods and Services). To support these strategic suppliers in reducing their carbon footprint, we have developed a year-by-year plan. Cipla will assist these vendors through various ESG capability-building programs, providing training on decarbonisation strategies such as sustainable procurement processes and transitioning to green energy. This initiative aims to help us meet both our short-term and long-

term Scope 3 decarbonization goals. Our workshops and awareness training efforts helped reiterate our support for our suppliers, deepen existing relationships and make our supply chain more resilient to future shocks and disruptions.

Additionally, we organise multiple ESG workshops and training sessions for all relevant stakeholders, including our procurement and distribution teams. In collaboration with the Institute of Supply Chain Management (ISCM), we conducted an in-person ESG workshop covering the 15 categories of Scope 3 emissions, Science Based Targets initiative (SBTi), net-zero initiatives, and various decarbonisation strategies like sustainable sourcing and green transportation. These workshops are designed to guide and train our supply chain teams, ensuring that all relevant ESG criteria are incorporated into our decision-making processes.

KPIs for Supplier Screening (DJSI 1.7.5)

Supplier Screening	FY 2023-24
Total number of Tier-1 suppliers	8300
Total number of significant suppliers in Tier-1	571
% of total spend on significant suppliers in Tier-1	79.23%
Total number of significant suppliers in non-Tier-1	0

We categorise critical suppliers as suppliers who are essential for our operations and provide a competitive advantage. Such suppliers provide us with goods/services with high-value contracts or expenditures which if disrupted or lost, may require us significant time and costs to recover. Hence, these suppliers are identified as having significant relevance to business operations.

KPIs for Supplier Assessment and Development (DJSI 1.7.6)

Progress of Supplier Assessment programs

Supplier Assessment	FY 2023-24
Total number of suppliers assessed via desk assessments/on-site assessments	Total 225 audits were conducted against a target of 205 in FY 2023-24

% of significant suppliers assessed	39.40%
Number of suppliers assessed with substantial actual/potential negative impacts	3
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	100%
Number of suppliers with substantial actual/potential negative impacts that were terminated	0

Coverage and Progress of Suppliers with Corrective Action Plans

Corrective action plan support	FY 2023-24
Total number of suppliers supported in corrective action plan implementation	3
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100%

Progress of Capacity Building programs

Capacity Building Programs	FY 2023-24
Total number of suppliers supported in capacity building programs	98* against a target of 55 for FY 2023-24
% of unique significant suppliers in capacity building programs	17.16%

*70 out of 98 suppliers supported in capacity building programs are significant suppliers

1.9 Information Security/ Cybersecurity and System Availability

IT Security/ Cybersecurity Governance (DJSI 1.9.1)

At the Board level, currently Mr. Robert Stewart, a member of our Investment and Risk Management Committee oversees all matters related to information security and cybersecurity. We have also appointed a Chief Information Officer.

IT Security/ Cybersecurity Measures (DJSI 1.9.2)

We enforce strict policies and guidelines through our Information Security Management System (ISMS), addressing key areas like cybersecurity, data privacy, acceptable usage, and incident management. With 25 comprehensive ISMS policies and guidelines in place, we provide clear instructions to users on handling cybersecurity incidents and outline consequences for policy breaches. Our Acceptable Usage Policy sets forth guidelines for user behavior and specifies disciplinary actions for violations. Robust incident management procedures, detailed in our Incident Management policy, ensure swift and effective responses to incidents. These policies are regularly updated and accessible to employees globally via our intranet network.

We provide focused training to all our employee on information security. Regular sharing of security awareness emailers and animated learning videos is undertaken to enhance employee awareness. We also perform cyber security incident simulation exercises to improve response readiness. Regular As detailed in our Code of Conduct, all our employees are mandated to use our internet and email accounts in an ethical manner, for business purposes only. Compliance on the same is included as a Key Reporting Area for relevant personnel.

Any data privacy related query can be addressed to a dedicated email ID – globalprivacy@cipla.com. Any grievances or breathes can be reported to our Grievance Officer at grievance.officer@cipla.com. All reported incidents are investigated as per our internal guidelines and protocols.

IT Security/ Cybersecurity Process and Infrastructure (DJSI 1.9.3)

We adhere to industry-leading security practices and globally accepted standards certified by organisations such as the National Institute of Standards and Technology (NIST), International Organization for Standardization (ISO 27001), Open Web Application Security Project, and Enterprise Digital Risk Management. As part of our commitment to data security, availability, and integrity, we maintain a robust Business Continuity or Disaster Recovery Plan, which undergoes an annual internal test.

Our Security Operations Centre operates an Extended Detection and Response platform, ensuring 24/7 monitoring and incident reporting. While there was one reported cybersecurity incident during the reporting year, it did not result in any loss of data.

1.10 Innovation Management

Healthcare Clinical Pipeline (DJSI 1.10.2)

The table below provides key details on our projects across each stage of the healthcare innovation process for the reporting year:

Innovation Phase	Share of R&D Budget Invested (%)	Success Rate
Pre-clinical development	54%	99%
Clinical trial/pathway to approval	46%	90.47%

1.11 Product Quality and Recall Management

Product Recalls (Health Care) (DJSI 1.11.1)

Class I Recalls	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of Class I recalls (or equivalent)	0	0	2	2

Class II Recalls	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of Class II recalls (or equivalent)	5	2	7	5

Compliance to Regulatory Standards (DJSI 1.11.2)

Regulatory Agency Inspections

Regulatory agency inspections	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of Regulatory agency inspections	24	33	30	52

Form 483 Observations

Form 483 Observations (or equivalent)	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of Form 483 Observations (or equivalent)	0	0	16	5

FDA Warning letters

FDA Warning Letters	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Number of FDA Warning Letters (or equivalent)	0	0	0	1

Environmental Dimension

2.1 Environmental Policy and Management Systems

Environmental Policy and Commitments (DJSI 2.1.1)

As detailed in our [Environment, Health and Safety \(EHS\) Policy](#), managing our environmental footprint and preventing any adverse impact is a critical aspect of our operational approach. This policy forms the foundation of our approach to environmental stewardship and details our priorities and guides our actions.

Aligned to our ISO system requirements, we have clearly defined roles and responsibilities to manage our EHS performance.

EHS and Sustainability is a part of organisational goals, with direct monitoring at the Managing Director & Global Chief Executive Officer (MD&GCEO) and board level, further cascaded to individuals across all functions. EHS & Sustainability is reviewed at the board level as a part of the Investment and Risk Management Committee once every 3 months.

The Central EHS Team oversees API, Formulation, Occupational Health and Hygiene Function (OHH), and Sustainability, reporting to the Vice President EHS & ESG under the Global Chief Technology Officer (GCTO). This team provides strategic direction and policies for EHS activities organisation wide.

At manufacturing sites, EHS performance is monitored by the Site Head, supported by Site EHS Managers leading effective system implementations. EHS Governance at sites is led by Site Head who is responsible for effective implementation of our EHS policy, procedures, and programs.

From FY 2024-25, due to superannuation of GCTO, the responsibilities and duties will fall under the purview of the Global Chief Manufacturing Officer, who will also be the chairperson of the Sustainability Council.

The Company is compliant with all applicable environmental laws and regulations.

We also provide focused training to all our employee and workers on environmental management in order to inculcate environmentally positive behavior. In FY 2023-24, we provided 362 environment related trainings to our workforce.

Verification of Environmental Programs (DJSI 2.1.3)

Certification	Coverage
EMS is verified through international standards (e.g., ISO 14001, JIS Q 14001, EMAS certification).	83%
Third party certification /audit / verification by specialized companies.	0%
Internal certification /audit / verification by company's own specialists from headquarters.	17%
Total	100%

To ensure compliance with internal expectations and regulatory requirements, monthly site reviews are also implemented. These reviews are further supported with half yearly internal audits and annual external audits. In FY 2023-24, our facilities underwent 76 internal audits and 16 external audits, covering 38 manufacturing units.

Environmental Violations (DJSI 2.1.4)

We have no open show cause or legal notices, or penalties imposed by regulatory agencies for safety and environmental violations. The Company is compliant with all applicable environmental laws and regulations.

2.2 Energy

Energy Management Programs (DJSI 2.2.1)

At Cipla, we implement our decarbonisation efforts through a two-pronged approach: investing in innovation for energy efficiency and increased use of renewable energy. We are constantly looking to scale up the share of renewable energy to power our operations by installing rooftop solar panels, open access of solar and wind energy and long-term renewable energy certificate purchase contract. We also leverage the use of alternative energy such as biomass to reduce our dependence on fossil fuels. In FY 2023-24, biomass accounted for 11% of our energy consumption.

In the reporting year, our global renewable energy consumption (5,82,974 GJ) accounted for 29% of our energy consumption, an increase from 27% in FY 2022-23. We are aspiring to achieve 50% share of renewable electricity in our India Manufacturing Operations by December 2025. In FY 2023-24, 33% of the energy consumed by our Indian manufacturing locations was from renewable sources. As of 31st March 2024, we have a total operation capacity of 55 MWp of captive solar power open access, 2.7 MVA of captive wind power open access and 8.4 MWp of solar rooftop installations across various sites in India.

We continue to invest in technology and innovation for enhanced energy efficiency. Our efforts in the past year supported energy saving of approximately 4,127 MWH. Our efforts include DG-Grid Synchronisation, BacComber System, Air Handling Unit (AHU) Operation Optimisation, Electronically Commutated (EC) Blowers and Chiller Operation Optimisation. For further details on our energy conservation initiative, please refer to Annexure III on page 156-157 of our [Integrated Annual Report FY 2023-24](#).

We have set site level energy savings targets to further enhance conservation. In FY 2023-24, our target across 10 locations was energy savings of 4,443 MWH. Energy audits are also conducted for our Indian manufacturing locations to assess energy use and identify opportunities for improved energy efficiency. As on 31st March 2024, 31 manufacturing units have undergone an energy audit. During the year, we have made a capital investment of INR 7.8 crores towards energy conservation equipment. Furthermore, in line with ISO 50001:2018 requirements, we provide our workforce with focused training on energy efficiency and management to further inculcate a culture of energy conservation across the organisation. In FY 2023-24, a total of 1,128 hours of training on energy efficiency has been provided to our workforce.

Energy Consumption (DJSI 2.2.2)

Energy Consumption in MWh	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 ¹
Total non-renewable energy consumption	4,39,170	4,04,648	3,80,108	3,98,621
Total renewable energy consumption	78,612	1,24,512	1,42,405	1,61,937

Our annual non-renewable energy consumption target for FY 2023-24 was 3,80,108 MWh.

2.3 Waste and Pollutants

Waste Management Programs (DJSI 2.3.1)

Our operations generate various types of waste including hazardous waste, non-hazardous waste, e-waste, biomedical waste, etc. All waste generated is routinely tracked and recorded and are sent to third parties for recycling/disposal in compliance with relevant government regulations.

In FY 2023-24, we have undertaken an internal audit of our manufacturing locations for accurate classification of waste categories and identify opportunities for reduced waste generation. Waste generated at our locations are disposed through authorized recyclers, authorised Treatment, Storage and Disposal Facilities (TSDF) and co-processing facilities. Co-processed waste from our operations are further used to produce Alternative Fuels and Raw Materials (AFR) for the cement industry, thus reducing the waste to landfill. We also focus on reuse of waste generated where feasible. Approximately 88% of waste generated from our global operations has been sent for recycling / reuse in the reporting year. We have also invested in the installation of volute press and ETP sludge dryers for further reuse of waste. Furthermore, we provide focused training to our entire workforce on waste reduction and proper and safe disposal.

We have committed to achieve Zero Waste to Landfill for our Indian Manufacturing Locations by December 2025. As of 31st March 2024, our manufacturing units in Goa have been certified

¹ We have increased our reporting boundary to include an additional 15 subsidiaries as compared to FY 2022-23. The additional locations account for an estimated increase of 4.4% of our total energy consumption.

as Zero Waste to Landfill by an external accreditation agency. This certification is planned for all our Indian manufacturing locations in the subsequent financial years.

Waste Disposal (DJSI 2.3.2)

Waste in MT	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 ²
Total waste recycled/reused	16,897.4	24,882	24,668	28,202
Total waste disposed	5,573	2,928	2,354	4,025
-Waste landfilled	1,415	1,246	1,012	1,522
-Waste incinerated with energy recovery	0	0	0	0
-Waste incinerated without energy recovery	4,158	1,682	1,342	2,503
-Waste otherwise disposed	0	0	0	0
-Waste with unknown disposal method	0	0	0	0

Our annual target for total waste disposed for FY 2023-24 was 2,307 MT.

² We have increased our reporting boundary to include an additional 15 subsidiaries as compared to FY 2022-23. These subsidiaries account for an estimated 1.17% of our total waste generated. This year we have also included waste generated data from our warehouses in India. This accounts for an estimated increase of 6.6% of our total waste generated. Further, we have included ash from briquette usage from our Kurkumbh units in the reporting year, accounting for approximately 6.23% increase of our total waste generated compared to last year. In FY 2023-24, total waste directed to landfill from our global operations amounted to 1,522 MT. Of this, 501 MT was construction and demolition waste, which has led to an increase in waste disposed to landfill as compared to last year.

Hazardous waste (DJSI 2.3.3)

Hazardous Waste in MT	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 ³
Total hazardous waste recycled/reused	16,818	13,792	15,660	17,074
Total hazardous waste disposed	6,131	2,928	2,314	3,316
-Hazardous waste landfilled	1,415	1,246	972	834
-Hazardous waste incinerated with energy recovery	558	0	0	0
-Hazardous waste incinerated without energy recovery	4,158	1,682	1,342	2,482
-Hazardous waste otherwise disposed	0	0	0	0
-Hazardous waste with unknown disposal method	0	0	0	0

Our annual target for total hazardous waste disposed for FY 2023-24 was 2,268 MT.

³ We have increased our reporting boundary to include an additional 15 subsidiaries as compared to FY 2022-23. These subsidiaries account for an estimated 1.17% of our total waste generated. We have also included waste generated data from our warehouses in India. This accounts for an estimated increase of 6.6% of our total waste generated compared to last year. Further, we have included ash from briquette usage from our Kurkumbh units in the reporting year, accounting for approximately 6.23% increase of our total waste generated compared to last year. In FY 2023-24, total waste directed to landfill from our global operations amounted to 1,522 MT. Of this, 501 MT was construction and demolition waste, which has led to an increase in waste disposed to landfill as compared to last year.

2.4 Water

Water Efficiency Management Programs (DJSI 2.4.1)

Our approach to water conservation and efficient usage is based on:

1. Increased use of rainwater:
Rainwater harvesting systems have been installed in our manufacturing units at Kurkumbh, Indore, Baddi, Bommasandra, Sikkim, Goa and Kundaim in the form of underground tank, recharge pits and shafts. In FY 2023-24, a total of 6,198 KL rainwater was harvested and used and 11,862 KL rainwater recharged through borewell, where it is permitted.
2. Reduction in the use of blue water through wastewater management:
We make focused efforts to increase our usage of water treated at our Effluent and Sewage Treatment Plants. We also consume Reverse Osmosis (RO) reject water from raw water treatment plants in our operations. These efforts significantly reduce our dependence on freshwater usage. In FY 2023-24, 84% of the wastewater generated was recycled and utilised through our in-house facilities. Prioritising wastewater management, we have implemented Zero Liquid Discharge (ZLD) mechanisms at most of our Manufacturing locations. As of 31st March 2024, 54% of our global manufacturing units have ZLD operational plants.

In FY 2023-24, we launched a falcon water system initiative which focused on streamlining and harmonising the design, operations and maintenance of waste systems across the organisation. The guideline for this initiative, formulated in line with the guidance of international regulatory standards and observations from FDA Audits, covers every aspect of our water management systems and aims to identify optimum efficiency bands. Developed by Manufacturing Science and Technology (MSTG), Engineering and Quality Audit teams, they act as a Water Board to ensure that all new systems being procured are in line with internal standards. Further, they provide support to all sites to address any challenges in existing water systems and build their capacity for regulatory audits. Site specific Subject Matter Experts (SMEs) have been identified to oversee implementation of this guideline at each site and have been certified on the same. For effective implementation, the Water Board undertook a three-day training programme for production, quality audit, quality control and engineering teams. This constituted a total of 4,000 manhours of training.

We also undertake audits of our manufacturing locations to assess water usage and activities that have a high-water footprint and identify avenues to increase our water efficiency and reduce consumption. These audits are comprehensive and are undertaken by external auditors. Furthermore, our workforce is also provided with water efficiency training to enhance water conservation-oriented behaviour in daily operations.

Water Consumption (DJSI 2.4.2)

Water in Million m ³	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 ⁴
Water withdrawal (excluding saltwater)	2.005	1.825	1.576	1.614
Water discharge (excluding saltwater)	0.12	0.034	0.031	0.115
Total net freshwater consumption (A-B)	1.885	1.791	1.545	1.499

Our annual target for total net freshwater consumption for FY 2023-24 was 1.514 Million M³.

2.5 Climate Strategy

Direct Greenhouse Gas Emissions (Scope 1) (DJSI 2.5.1)

Scope 1 in tCO ₂ e	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 ⁵
Total direct GHG emissions (Scope 1) – energy based	41,617	38,355	35,831	37,398

Our annual target for total direct GHG emissions – Scope 1 was 35,114 tCO₂e.

Indirect Greenhouse Gas Emissions (Scope 2) (DJSI 2.5.2)

Scope 2 in tCO ₂ e	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 ⁶
Total indirect GHG emissions (Scope 2) – Location Based	2,26,813	2,01,676	1,95,777 ⁷	2,07,238

⁴We have increased our reporting boundary to include an additional 15 subsidiaries as compared to FY 2022-23. These locations account for an estimated 4% of our total water withdrawal. We have also included water withdrawal data from our warehouses in India. This accounts for an estimated increase of 1.5% of our total water withdrawal compared to last year.

⁵ We have increased our reporting boundary to include an additional 15 subsidiaries as compared to FY 2022-23. These locations account for an estimated 6.4% of our scope 1 & scope 2 emissions.

⁶ We have increased our reporting boundary to include an additional 15 subsidiaries as compared to FY 2022-23. These locations account for an estimated 6.4% of our scope 1 & scope 2 emissions.

⁷ We have used the CEA 2023 factor to calculate our Scope 2 emissions for FY 2023-24 and FY 2022-23. Hence, we are issuing a restatement for our FY 2022-23 Scope 2 emissions.

Our annual target for total indirect GHG emissions – Scope 2 was 1,91,861 tCO₂e.

Our increased usage of renewable energy enabled us to avoid 81,054 tCO₂ e, a 12.4% increase from 72,080 tCO₂e in FY 2022-23.

Indirect Greenhouse Gas Emissions (Scope 3) (DJSI 2.5.3)

We have undertaken an assessment of the 15 categories of Scope 3 emissions as per the GHG Protocol to determine the relevance to each category to our business. Category 14 (Franchises) has been determined as not applicable since we do not operate on a franchisee model and Category 9, downstream transportation and distribution is combined with Category 4 upstream transportation and distribution.

We bear the financial responsibility for downstream transportation hence it is added in Category 4. The emissions associated with distribution of our products from the distributor to end consumers is excluded as the data to that granularity is not available. Hence, we have inventoried our Scope 3 emissions for 13 categories.

We have estimated our scope 3 emissions from 13 categories as given below:

Scope 3 in tCO ₂ e	FY 2022-23	FY 2023-24
Purchased Goods and Services	15,62,813	17,95,722
Capital Goods	16,243	34,426
Fuel and Energy Related Activities	68,838	70,624
Upstream Transportation and Distribution	67,377	1,10,882
Waste Generated in Operations	18,778	20,733
Business Travel	7,604	20,963
Employee Commute	13,487	20,025
Upstream Leased Assets	1,427	1,477

Processing Sold Products	3,192	5,098
Use of Sold Products	23,39,270	24,82,803
End of Life Treatment of Sold Products	1,245	209
Downstream Leased Assets	4,561	4,743
Investments	550	9,068
Total	41,05,383	45,76,772

Climate Governance (DJSI 2.5.4)

Our Investment and Risk Management Committee has been designated with the responsibility of governance and execution of our ESG initiatives, as well as identification of critical risks and devising mitigation plans for the same. Climate issues are discussed quarterly at the Board level.

At the Management level, chaired by our Global Chief Technology Officer (GCTO), our Sustainability Council is mandated with the responsibility of our sustainability performance. The council meets on a quarterly basis and provides regular update to the Board of Directors. This Council was created specifically to leverage opportunities of sustainability and innovation in our operations and monitoring the progress of our set goals and targets. From FY 2024-25, the Council will be chaired by our Global Chief Manufacturing Officer.

TCFD Disclosure (DJSI 2.5.5)

Cipla has adopted the Task Force on Climate-Related Financial Disclosures (TCFD) framework to identify and assess the potential risks linked to climate on its business operations. These climate risks typically refer to the physical impacts resulting due to extreme weather, and climatic events, and the impact associated with a shift to a low carbon economy. Cipla has assessed the climate risks to the organisation based on 4 pillars as recommended by the TCFD. They are governance, strategy, risk management, and metrics and targets. Our TCFD Summary Report can be accessed here: <https://www.cipla.com/sites/default/files/Cipla-Task-Force-on-Climate-Related-Financial-Disclosures-Report.pdf>

Climate related Management Incentives (DJSI 2.5.6)

In FY 2023-24, the Company had a target of reduction of GHG emissions, water withdrawal, waste generation, along with employee wellbeing & zero fatality. These ESG goals at the organisation level are then cascaded down to relevant leadership positions with significant weightage. At the end of the year, the performance of the organisation against these targets is reviewed and approved by the Nomination and Remuneration Committee (NRC) and Board. The performance is also assessed at a functional level. Performance is a key consideration in the variable pay out of said leadership positions.

Our Managing Director and Global Chief Executive Officer (MD & GCEO) was additionally evaluated against the Key Performance Indicators approved at the beginning of the financial year, which, inter alia, included annual, long-term, short-term, as well as financial and nonfinancial parameters. The financial parameters included targets on revenue, EBITDA, ROIC, etc. while the non-financial parameters covered operational performance and strategic priorities including innovation and new business building, new market development and future growth engines, organisation and leadership development, compliance and ESG including achievement of our climate related targets – carbon neutrality, water neutrality and zero waste to landfill by December 2025 for all India manufacturing operations, etc. The Board and the NRC periodically reviewed the performance of the MD & GCEO against the approved scorecard.

Climate Risk Management (DJSI 2.5.7)

We have undertaken a detailed climate risk assessment to identify our exposure to physical and transition climate related risks. Our TCFD Summary Report can be accessed here: <https://www.cipla.com/sites/default/files/Cipla-Task-Force-on-Climate-Related-Financial-Disclosures-Report.pdf>

Financial Risks of Climate Change (DJSI 2.5.8)

Risks driven by Regulation	
Description of Risk and Mitigation Measures	Carbon pricing has been prominent in European Union where the mechanism is EU ETS (Emission Trading Scheme). In some parts of USA, ETS and RGGI (Regional Greenhouse Gas Initiative) is followed. India currently do not have carbon pricing mechanism in operation. However, India has passed a legislation to establish a domestic crediting mechanism, which could support a domestic ETS (Emission Trading Scheme)

in the future. A notification was released by Ministry of Power on 28th June 2023 that outlines the introduction of "Carbon Credit Trading Scheme".

The carbon pricing mechanism after implementation in India would initially be predominant for energy-intensive industries included under PAT (Perform, Achieve and Trade) scheme and gradually the other sectors would also be included. In the reporting year, the list of Designated Consumers has been amended to include the chemical sector (including pharmaceuticals API) with an energy consumption of 3,000 Metric tons of Oil equivalent per year or above. We are currently in the process of reaching out to relevant authorities for further guidance. The estimated financial impact of this risk would be INR 200,00,000 at a minimum and INR 750,000,000 maximum.

We undertake focused energy efficiency initiatives DG-Grid Synchronisation, BacComber System and others. In the reporting year, we have secured energy savings of approximately 4,127 MWh across our India manufacturing locations. We are also committed to increasing our renewable energy consumption. In FY 2023-24, 29% of our total energy mix was from renewable sources, as compared to 27% in FY 2022-23 globally. Efforts are also underway to develop an internal carbon pricing mechanism. Based on our estimates, an investment of approximately INR 320,000,000 will be required for effective risk mitigation.

Estimated Time Frame	12 years
Risks driven by change in physical climate parameters or other climate-change related developments	
Description of Risk and Mitigation Measures	<p>Change in the weather patterns, rise in temperature, change in rainfall pattern and various other factors cumulatively results in water stress of a particular region. Water stress results in increased cost of water, increased restrictions of groundwater withdrawal and increases operation and maintenance problems. Cipla has carried out a risk assessment of its manufacturing sites, offices, and depots to arrive at the potential impacts of water stress. The projections for 2030, 2040 and 2050 are carried out and the areas that would be prone to water stress is arrived using the "Aqueduct Water Risk Atlas" tool. The estimated financial impact of this risk ranges between INR 67,000,000 minimum and INR 150,000,000 at a maximum. Our approach to water conservation is focused on three critical aspects – increased use of rainwater, reduction of blue water usage and community-based initiatives for water stewardship. In FY 2023-24, we have recycled and utilised 84% of the wastewater generated through in-house facilities. Further, 54% of our manufacturing locations have implemented Zero Liquid Discharge mechanisms. We have also used 6,198 KL of rainwater harvested and 11,862 KL was recharged through borewells where permitted. Based on our estimates, an investment amount of approximately INR 35,000,000 will be required to mitigate risks related to water stress.</p>

Estimated Time Frame	22 years
-----------------------------	-----------------

Financial Opportunities Arising from Climate Change (DJSI 2.5.9)

Description of Opportunity	<p>We undertake focused efforts for increased renewable energy consumption through installation of solar rooftops open access of solar and wind energy and long-term renewable energy certificate purchase contracts. We also leverage alternative sources of fuel; 11% of our energy consumption in FY 2023-24 was from biomass.</p> <p>In FY 2023-24, renewable energy comprised 29% of our total global energy mix, as compared to 27% in FY 2022-23.</p> <p>We also aim to achieve 50% renewable electricity consumption for our India manufacturing operations by December 2025. In FY 2023-24, 33.6% of our total energy consumption was from renewable sources.</p> <p>Realising this opportunity will result in an estimate annual savings of a minimum of INR 70,000,000 and maximum of INR 10,00,00,000, requiring an investment of approximately INR 15,00,00,000.</p>
Estimated Time Frame	4 years

Climate related Scenario Analysis (DJSI 2.5.10)

Physical risks for the sites, offices, and depots of Cipla were identified and baseline and scenario analyses were performed considering the Representative Concentration Pathway (RCP). Three RCP scenarios: RCP 4.5, RCP 6.0, and RCP 8.5 were considered for the scenario analysis. Our TCFD Summary Report can be accessed here: <https://www.cipla.com/sites/default/files/Cipla-Task-Force-on-Climate-Related-Financial-Disclosures-Report.pdf>

Physical Climate Risk Adaptation (DJSI 2.5.11)

Our risk assessment and mitigation plan cover a 100% of our existing and new operations. We have adopted focused targets for our India manufacturing operations to be achieved by December 2025. We have committed to Carbon Neutrality, Water Neutrality, Zero Waste to Landfill and 50% renewable energy consumption. Our TCFD Summary Report can be accessed here: <https://www.cipla.com/sites/default/files/Cipla-Task-Force-on-Climate-Related-Financial-Disclosures-Report.pdf>

Emission Reduction Targets (DJSI 2.5.12)

We have adopted an absolute carbon neutral target for our Scope 1 (energy based) and Scope 2 emissions for our India manufacturing operations by December 2025. As of 31st March 2024, we have reduced our absolute Scope 1⁸ and 2 emissions by 28% as compared to our baseline. Our combined Scope 1 and 2 emissions for our India manufacturing operations for the reporting year is 1,89,591 tCO₂e.

We have also set a target to achieve 50% renewable electricity for our India manufacturing locations. In FY 2023-24, 33.6% of our total energy was sourced from renewable sources.

Scope Covered by Target	Time Frame	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year
Scope 1 + 2 combined	Base year: 2019	Base year emissions: 2,63,266 tCO ₂ e	100%
	Target year: December 2025	Percentage of total base year emissions: 100%	

2.6 Biodiversity

Biodiversity Risk Assessment (DJSI 2.6.1)

We undertook an assessment of our Indian operations in FY 2023-24 to assess nature related gaps and to identify the impacts and dependencies on nature. The risk assessment on biodiversity and ecosystem was based on the Taskforce on Nature-related Financial Disclosures (TNFD) risk and opportunity assessment approach (LEAP).

The scope of this assessment included 37 of our manufacturing units across India and adjacent areas to these locations to understand the potential impact and dependencies our

operations may have on nearby biodiversity and ecosystem services. All sites were assigned a score based on identified categories and risk types in line with various national and global standards like IUCN RET species and their habitats, IFC PS 6, Environmental clearance requirements as per EIA notification 2016, Wildlife Protection Act 2022, TNFD Framework.

Findings from the assessment show that 81% of operations have a low or very low risk and 14% of operations are assigned a medium risk category. Two units (5%) are assigned to the high-risk category as they are located within 10 km radius of High Biodiversity Value area (National Park). Our detailed Biodiversity Risk Assessment Summary report can be found here: https://www.cipla.com/sites/default/files/taskforce_on_nature-related_financial_disclosures_tnfd_report.pdf%20

Biodiversity Commitment (DJSI 2.6.2)

As a responsible corporate citizen, we recognise that protecting and promoting our biodiversity is in the long-term interest of our operations and society at large. In line with the UN Convention on Biological Diversity (CBD) Kunming-Montreal Global Biodiversity Framework (GBF), we have developed a robust policy that will support our efforts for conservation and engage with our stakeholders on the same. Our policy can be accessed here: https://www.cipla.com/sites/default/files/2024-07/biodiversity_policy.pdf

No Deforestation Commitment (DJSI 2.6.3)

We are committed to making focused efforts in achievement of the 2030 Mission of the Kunming-Montreal Global Diversity Framework. In line with this, we are focused on adopting nature-based solutions such as conserving and preserving ecologically sensitive areas and wildlife. We will also comply with all relevant regulations for green covers through afforestation efforts and/or a commitment to discourage deforestation, as may be applicable, to address our dependencies on biodiversity and drive and deliver positive impacts.

2.7 Product Stewardship

Product Design Criteria (DJSI 2.7.1)

With the aim of supporting innovation and sustainability, we place critical focus on efforts to drive process developments and efficiency. Comprehensive management practices have been formalised to support optimal use of resources, cost reduction and alignment with environmentally conscious methodologies.

Aspect	FY 2023-24
Choice of raw materials or components that have a lower environmental footprint	Through our efforts in developing an alternative coating material, we were able

	<p>to eliminate Class 2 organic solvents from the product coating process for one of our products and replace it with aqueous coatings. This breakthrough helped in preventing the use of hazardous solvents in our finished products manufacturing.</p> <p>We developed a process that replaced the existing two stage – seal coating and film coating, with a single stage coating for one of our products, thus saving significant time and cost.</p> <p>Initiatives have been taken to consider replacement of normal phased chiral methods with reverse phased chromatography to replace solvents like Toluene and Dichloromethane.</p>
<p>Direct operations, production & manufacturing</p>	<p>While our top priority remains improving outcomes for asthma patients with the most effective inhaler devices, we are increasingly aware of the importance of environmental sustainability. Building on our respiratory legacy of over four decades, our pioneering efforts and innovation in our lung leadership journey today also includes investments in sustainable solutions such as inhalers with low carbon emissions (low GWP propellants) for a healthier future for both our patients and the planet. This will help in reducing GHG emissions from Propellants during the production or manufacturing stage.</p>
<p>Distribution, storage and transportation</p>	<p>Our commitment to responsible and quality supply chain practices goes beyond just being compliant. We have implemented a Continuous Improvement Program that focuses on optimising processes through cost-effective</p>

	<p>procurement of raw materials, reducing API costs and mitigating risks of supply disruption. We employ an Alternate Vendor Development (AVD) strategy for sourcing APIs, promoting local manufacturing reducing risks while ensuring cost advantages.</p> <p>Through proactive measures, including 360-degree vendor reviews, we address logistical challenges and ensure uninterrupted raw material supply.</p>
<p>Use phase - operation and servicing/maintenance</p>	<p>Through our efforts in developing an alternative coating material, we were able to eliminate Class 2 organic solvents from the product coating process for one of our products and replace it with aqueous coatings. This breakthrough helped in preventing the use of hazardous solvents in our finished products manufacturing.</p> <p>Furthermore, we have made significant investments in the development of low carbon emission inhalers (with low GWP propellant), further protecting the wellbeing of all our patients and reducing GHG emissions from propellants in the use phase of product.</p>
<p>End of life management</p>	<p>As a pharmaceutical company, we do not reclaim or recycle products at the end of their life. However, we have waste management systems in place at all of our manufacturing facilities and warehouses. Products sold in the market and reaching to end of life unused, because of any reason, are taken back by our warehouses for safe disposal through incineration route.</p> <p>For FY 2023-24, we collected plastic waste equivalent to 100% of its pre- and post-</p>

	<p>consumer plastic waste generated, which amounted to 21,857 MT. Of this, 16,250 MT was recycled, 3,900 MT was sent for co-processing and 1,708 MT was sent to a waste to energy plant. We undertook an external audit of our Extended Producer Responsibility channel partner. For FY 2024-25, we aim to maintain 100% EPR compliance for pre- and post-consumer plastic waste.</p> <p>Further, we have also launched an inhaler recycling program in South Africa. The objective of the program is to encourage patients to dispense their asthma inhalers in a responsible manner. The plastic will be recycled and repurposed into items that will make a profound difference in communities while helping to reduce our collective carbon footprint.</p>
--	--

Life Cycle Assessment (DJSI 2.7.2)

In FY 2023-24, we have undertaken a Product Carbon Footprint (PCF) assessment of four anaesthetic inhaler products i.e., Sereflo Ciphaler DPI 500mcg inhaler, Sereflo pMDI 125/25mcg inhaler, Kelhale pMDI 100mcg inhaler and Becloformo pMDI 100mcg inhaler manufactured across two of our India manufacturing units - Indore and Goa. These four products account for 0.4% of our total revenue generated from all products. This assessment along with Full Life Cycle Assessment (LCA) was carried out in accordance with ISO 14067 and ISO 14040/44 Standards including the four phases - goal and scope definition, life cycle inventory analysis, life cycle impact assessment and life cycle interpretation.

This assessment was undertaken to quantify the life cycle greenhouse gas emissions covering cradle to grave stages of the four products, identify the hotspots and mitigative actions as well as communicate them to the external stakeholders. The four anesthetic inhaler products were identified and finalised based on a few critical factors. Three of the four inhalers use propellants in its usage. Based on our assessment of our GHG emissions from our operations, propellants have been identified as the greatest contributor to our Scope 1 and Scope 3 emissions. Furthermore, these products are going to the UK market, which is characterised by strict and

evolving regulations with respect to environmental impact. Hence, to comply with existing and upcoming regulatory requirements, we selected these inhalers for assessment.

Impact categories covered through this assessment included abiotic depletion (elements and fossils), acidification potential, eutrophication potential, global warming potential (GWP 100 years), Global warming potential (GWP 100 excl. biogenic carbon), human toxicity potential, ozone layer depletion potential, photochemical ozone potential, primary energy demand from renewable and non-renewable sources, blue water consumption. These impact categories are in line with CML – August 2016.

Exposure to Hazardous Substances (DJSI 2.7.3)

We have established a formal process of evaluating the inherent hazards of chemicals, raw materials, intermediates & potential exposures while handling. This is done through qualitative and quantitative assessments monitor exposures to humans & the environment. We use similar comparable methodology as ICCA guidance on Chemical risk management for mitigating risk of exposure to pharma compounds. The controls required at different manufacturing stages are identified at the stage of new product introduction with a documented risk review of the product exposure and handling through toxicology and industrial hygiene functions. These controls are then implemented at site after review by the site EHS team. These processes are further supported by skilled and experienced inhouse toxicology and hygiene experts.

Our risk assessment includes similar steps like characterising the hazards and determining the exposure potential based on quantity, duration of operations, properties of material and Occupational Hazard band of the material. Subsequently, a set of containment control strategies is applied to handle the said material/ product. We follow the philosophy of keeping the exposure as low as possible by investing in effective engineering and administrative control. The controls required at different manufacturing stages are identified at the stage of new product introduction with a documented risk review of the product exposure and handling through toxicology and industrial hygiene functions. These controls are then implemented at site after review by the site EHS team.

We are subject to REACH Regulations with respect to shipping of our products to REACH regulated countries. Strict compliance is maintained with this for all relevant products. However, in line with clause 2.2.3.2 of the REACH Registration Guidelines, we are not required to register our products. None of our products contain any substances on the Candidate List of Substances of Very High Concern ('SVHC'). All our products undergo robust quality checks and testing prior to market release.

Social Dimension

3.1 Labor Practices

Workforce Breakdown: Gender (DJSI 3.1.2)

Diversity Indicator	Percentage (0-100%)
Share of women in total workforce (as % of total workforce)	15.28
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	14.55
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	14.84
Share of women in top management positions (as % of total top management positions)	25
Share of women in management positions in revenue-generating functions (as % of all such managers)	7.42
Share of women in STEM-related positions (as % of total STEM positions)	23.21

Workforce Breakdown: Race/ Ethnicity & Nationality (DJSI 3.1.3)

Less than 20% of our workforce is based in the US. We are not able or allowed to report on ethnic and racial minorities, and therefore provide a breakdown based on nationality. The nationalities which make up the highest percentage of our workforce are provided in the table below.

Nationality/ Geography	Share in total workforce (as a % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
India	92.54	93.85
USA	2.79	1.37

South Africa	3	2.92
Sri Lanka	0.41	0.45
Morocco	0.27	0.3
Others*	0.99	1.11

*Details of countries under 'Others' are covered in our Integrated Annual Report FY 2023-24

Freedom of Association (DJSI 3.1.5)

We engage in collective bargaining, with significant worker representation at associations in India and the SAGA region. In the United States of America, our operations comply with the National Labour Relations Act ('NLRA').

Category	FY 2023 - 24			FY 2022 - 23		
	Total workers in respective category (A)	No. of workers who are part of associations or unions (B)	% (B/A)	Total workers in respective category (C)	No. of workers who are part of associations or unions (D)	% (D/C)
Male	271	271	100	226	226	100
Female	114	114	100	80	80	100
Total Permanent Workers	385	385	100	306	306	100

3.2 Human Rights

Human Rights Due Diligence Process (DJSI 3.2.2)

We have established clear layers of preventive and detective controls to ensure compliance with established processes and relevant regulations. We utilise risk analytics to automate the detection of non-compliance, fraud, and inefficiencies in not only our own operations but also in the activities of our value chain and other business partners. All new business-related agreements and associations undergo our extensive prior due diligence process that includes checks against human rights violations. Our business agreements and contracts include a

standard provision ensuring compliance with all relevant laws, conventions, and policies, encompassing human rights requirements.

In FY 2023–24, the policies and processes pertaining to human rights were reviewed at the global level and comprehensive due diligence on all potential and actual human rights risks (viz. child labour, forced labour, freedom of association, right to collective bargaining, equal remuneration, employee health and safety and discrimination) were periodically conducted by an independent professional at all locations on a rotational basis. Over the past three years, we have undertaken independent audits across our manufacturing facilities and this year, we have completed human rights assessment for all the major offices in India in line with the SA 8000 standard. This exercise covered the entire workforce, including employees, permanent workers, and contractual workers, with an emphasis on human rights risks concerning minors, children, and women.

The procedures in place for safeguarding human rights were found satisfactory with no major observations. At Cipla, we proactively detect and address potential human rights risks by conducting systematic audits at all our sites. Subsequently, corrective and preventive actions for identified human rights risks are promptly implemented across all Cipla facilities.

Human Rights Mitigation and Remediation (DJSI 3.2.4)

Processes implemented to mitigate human rights risks

At Cipla, we are deeply committed to upholding human rights across our global operations. Our policies strictly prohibit discrimination and harassment, ensuring a safe and respectful workplace for all employees. You can read our comprehensive Human Rights Policy [here](#).

Our business agreements and contracts include a standard provision ensuring compliance with all relevant laws, conventions, and policies, encompassing human rights requirements. We offer a dedicated grievance channel through our Whistleblower Policy, allowing stakeholders to confidentially report concerns to the Chairperson of the Ethics Committee or the Chief Internal Auditor at ethics@cipla.com. We have established clear layers of preventive and detective controls to ensure compliance with established processes and relevant regulations. We utilise risk analytics to automate the detection of non-compliance, fraud, and inefficiencies in our operations.

Over the past 3 years, we have undertaken independent audits across our manufacturing facilities and corporate offices in India to identify and mitigate any potential human rights concerns. And this year, we have completed human rights assessment for all the major offices in India in line with the SA 8000 standard. This covered the entire workforce, including employees, permanent workers and contractual workers, with an emphasis on human rights risks concerning minors, children and women. The procedures in place for safeguarding human rights were found satisfactory with no major observations.

With dedicated grievance redressal mechanisms, fair and prompt investigation protocols, regular trainings and awareness sessions, we ensure that 100% of our sites, facilities and offices are covered by effective mitigation and remediation measures to readily tackle any potential human rights risks or concerns.

The type of remediation actions taken

We uphold a zero-tolerance policy against retaliation towards complainants or whistleblowers, ensuring their protection throughout and beyond the investigation process. We have standard protocols for carrying out fair and prompt investigation for any suspected or actual incidents reported through our communication channels. Further, we have in place corrective and preventive action mechanisms for identified human rights risks based on regular assessment of our own operations and of our value chain partners and those are promptly implemented across all Cipla facilities and for identified value chain partners in need of the CAPA support. In FY 2023-24, there were no instances of complaints for discrimination at workplace, child labour, forced / involuntary labour and or nonpayment of proper wages.

3.3 Human Capital Management

Training and Development Inputs (DJSI 3.3.1)

	FY 2023-24
Average hours per FTE of training and development	33.06
Average amount spent per FTE on training and development (in INR)	2,421

Data breakdown by category:

Particulars	Average training hours		
	Male	Female	Total Average
Permanent employees			
a. Top Management	0.95	1.42	1.06
b. Senior Management	11.80	8.52	11.35

c. Middle Management	39.39	24.68	37.41
d. Junior Management	41.64	33.12	40.42
e. Associate / Non-Management	2.85	2.06	2.62
f. Indian Subsidiaries	11.41	11.05	11.35
Permanent workers	21.48	17.93	20.44
Non-Permanent employees	7.0	14.92	8.78
Non-Permanent workers	0.51	0.32	0.47
Total	28.53	20.34	27.18

Employee Development Programs (DJSI 3.3.2)

	Program 1	Program 2
Name & Description of the program	Leaders as Coaches - We offer a nine-month certification training curated for business leaders with active people management roles, helping them develop into effective coaches.	LeadX is designed for experienced leaders to enhance their selfawareness, interpersonal skills and decision-making abilities.
Business benefits of the program	Leaders as coaches can drive inspiration and empower their teams to achieve their full potential. At Cipla, learning is embedded in our DNA. It fuels our core business	It equips leaders to navigate organisational challenges effectively and inspire their teams, fostering a positive work environment and driving overall success.

	drivers of innovation, agility, and readiness for the future. Our commitment to learning propels us forward, whether it's acquiring new skills, adapting to market shifts, or exploring innovative approaches.	At Cipla, learning is embedded in our DNA. It fuels our core business drivers of innovation, agility, and readiness for the future. Our commitment to learning propels us forward, whether it's acquiring new skills, adapting to market shifts, or exploring innovative approaches
Quantitative impact of business benefits	<p>Based on a Kirkpatrick Model to evaluate the learning impact, we have advanced to measure at Level 3. We assess how well participants apply their acquired knowledge and skills in their daily roles. This focuses on behavioural changes linked to the training. The evaluation was based on structured feedback received from their direct reportees and managers.</p> <p>In FY 2023-24, participants of the Leaders as Coaches program reported a 12% improvement in demonstrated behaviours.</p>	<p>Based on a Kirkpatrick Model to evaluate the learning impact, we have advanced to measure at Level 3. We assess how well participants apply their acquired knowledge and skills in their daily roles. This focuses on behavioural changes linked to the training. The evaluation was based on structured feedback received from their direct reportees and managers.</p> <p>Leadx participants saw a 5.3 % improvement in demonstrated behaviours.</p>
% FTEs participating in the program	0.15	0.5

Human Capital Return on Investment (DJSI 3.3.3)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Revenue	191,595,900,000	217,633,400,000	227,531,200,000	257,740,900,000

Total Operating Expense	128,323,700,000	139,856,800,000	154,111,300,000	161,650,500,000
Total Employee-related expenses (salaries + benefits)	32,322,900,000	35,299,100,000	38,300,800,000	43,100,400,000
Resulting HC ROI	2.9575	3.20336	2.91693	3.22945
Total Employees	25,672	25,926	26,615	27,764

Hiring (DJSI 3.3.3)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total number of new employee hires	4,199	6,391	6,465	6,560
Average hiring cost/FTE in INR	22,547	24,818	26,414	25,142

Data breakdown of new employee hires by category:

Category	<30 Years		30-50 Years		>50 Years		Total
	Male	Female	Male	Female	Male	Female	
Permanent Employees							
Top Management	-	-	-	-	-	-	-
Senior Management	-	-	5	-	12	-	17
Middle Management	80	37	569	89	20	8	803

Junior Management	3,578	723	616	172	11	5	5,105
Associates/ Non management	15	6	38	18	4	4	85
Indian Subsidiaries	295	62	168	23	2	-	550
Total	3,968	828	1,396	302	49	17	6,560

Type of Performance Appraisal (DJSI 3.3.5)

Implementing a systematic performance review and appraisal process offers a structured framework for defining strategic goals, evaluating employee performance, and aligning individual contributions with organisational objectives. We employ a Management by Objective (MBO) approach through our digital platform, MiDNA (Develop, Nurture, Achieve), to conduct performance reviews and appraisals. Through MiDNA, employees can establish their goals, while managers track progress in real-time and offer timely feedback, facilitating necessary support.

Unlike traditional bell curve distributions, our approach acknowledges business accomplishments and performance trends, adhering to a performance curve model. Our digital review process allows for feedback from various stakeholders at a 360-degree level, informing performance ratings and compensation reviews. Thus, our performance management system fosters personal and professional development by empowering individuals with continuous feedback and guidance.

At Cipla, focus is on regular discussions between managers and employees on their progress and exchanging feedback at multiple checkpoints during the year. We also have many cascade sessions on training managers to effectively conduct these conversations with employees. Through 'Cipla Unplugged', our internal radio podcast, we spread awareness about qualitative performance discussions between managers and team members.

We follow a structured 360-degree feedback process involving line managers, skip managers, and functional heads to identify potential candidates. Personalised development plans are then crafted to enhance individual capabilities and maintain a sustainable leadership pipeline. Our three-tiered talent review boards ensure leaders at all levels are engaged in recognising and nurturing talent.

Employee Support Programs (DJSI 3.3.7)

Our benefits and policies serve as the foundation of our cultural ethos, exemplifying our dedication to cultivating an environment where employees can excel. They go beyond mere guidelines and services, designed specifically to foster a supportive and empowering atmosphere. Aligned with our core philosophy of Caring for Life, these curated policies and benefits are aimed at nurturing Ciplaites to flourish and thrive.

Embracing the Pause | Time Away from Work

We are committed to offering a diverse array of opportunities that enable our employees to effectively manage the balance between work and personal life, cultivating a culture centered around resilience and well-being. We advocate for periodic "pauses" throughout the year, providing employees with the chance to recharge, step back from their daily routines, and engage in moments of relaxation, introspection, and self-improvement. We strongly encourage our colleagues to utilise 14 days of their annual leave entitlement for these rejuvenating breaks. In addition to that we have other initiatives to help our colleagues focus on their wellbeing and personal development:

Time away from work	Inclusive ecosystem	Flexibility	Family support
<p>Different types of leave</p> <ul style="list-style-type: none"> • Maternity • Paternity • Gender neutral adoption • Transfer • Sabbatical • Medical • Accidental • Compassionate 	<ul style="list-style-type: none"> • Medical Insurance for self, spouse, children, live-in partners, same sex partners and their respective parents and parent-in laws • Day care, creche and lactation facilities • Gender neutral washrooms • Accessibility facilities for differently abled colleagues 	<ul style="list-style-type: none"> • Hybrid working model at corporate office • Flexibility to work from home for two days in a month for women in field roles. • Employee financial wellbeing • Employee volunteering policy 	<ul style="list-style-type: none"> • Financial assistance programme in the event of death of employees/ workers • Education merit awards for children of employees • Crowdfunding platform to support employees in medical emergencies for self and family

The parental leave policy supports male employees by offering up to 2 weeks (14 calendar days) of paternity leave within 270 days of their child's birth, helping them balance family responsibilities with their careers. Female employees are entitled to up to six months of paid maternity leave, covering both the pre-natal and post-natal phases. They have the flexibility to utilise up to three months before the anticipated delivery date or the entire six months following the birth of their child, encompassing the delivery date itself.

In addition, Gender Neutral Adoption Leave Policy is crafted to facilitate a seamless and joyful adoption journey for all our employees, irrespective of gender. This policy grants a duration of 6 months (in calendar days) for Adoption Leave based on certain internal policy conditions. Additionally, the policy accommodates intended parents involved in a surrogacy arrangement compliant with applicable laws. Eligible employees may avail of this leave multiple times throughout their tenure at Cipla.

Support Spectrum and workplace flexibility:

- Extended medical insurance coverage to employees with live-in or same-sex partners, in addition to existing coverage for spouses, children, parents, and parents-in-law.
- We adhere to legal requirements and prioritise accessibility as a cornerstone of our infrastructure. Ensuring accessibility is a priority, with our infrastructure meeting accessibility standards across offices and site locations. We prioritise the rights of our differently abled colleagues, and our Equal Opportunity policy, drafted in accordance with The Rights of Persons with Disabilities Act, 2016, safeguards their rights and ensures equal opportunities for growth and success.
- Daycare facilities for parents and reimbursement options for women colleagues in specific roles
- We have breastfeeding/lactation facilities at our onsite creches and corporate offices.
- Our employees working in the corporate office have the benefit of working in a hybrid model.
- To support women employees working in sales to balance personal commitments with work requirements, we have a #flexiFieldPolicy for them to work from home two days in a month.

The Larger Cipla Family | Investing in supportive practices:

The families of our employees are an integral part of their life, thereby forming an important part of our larger family. We support our extended families through practices like the MiCareFund which offers employees another source to meet funds for their medical expenses. Under iPharmacy, employees of Cipla can get upto 25% discount on select Cipla medicines. We recognise and reward children of our employees who have showcased outstanding academic achievements at various levels. Lastly, we also have a Long Service Awards & Superannuation award to celebrate and acknowledge our employees' loyalty and commitment to the organisation.

Employee Turnover Rate (DJSI 3.3.8)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total employee turnover rate	15.78%	21.61%	21.7%	18.6%
Voluntary employee turnover rate	9.59%	--	19.1%	17.1%

Data breakdown by category:

Employee category	By Age Group						Total Number of Employees
	<30 years		30-50 years		>50 years		
	Male	Female	Male	Female	Male	Female	
Top Management			1				1
Senior Management			6	3	14		23
Middle Management	66	28	694	86	36	9	919
Junior Management	2,177	288	1,072	138	17	8	3,700
Associates/ non-management	8	4	42	13	20	5	92
Indian Subsidiaries	55	31	107	17	6		316
Total	2,406	351	1,922	257	93	22	5,051

Trend of Employee Wellbeing (DJSI 3.3.9)

Core focus	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Employee engagement (% of employees with top level of engagement, satisfaction)	84	88	87	91
Data coverage (% of FTEs)	65	90	73	84

We foster a culture of open communication and collaboration among our employees through various engagement initiatives. We conduct an annual global employee survey to gain more insight into our employees with aspects such as job satisfaction, clarity of purpose, extent of happiness, stress and general well-being.

3.4 Occupational Health and Safety

OHS Programs (DJSI 3.4.2)

OHS risk and hazard assessments in the workplace; Prioritization and integration of action plans with quantified targets to address those risks

We prioritise safety, health, and environmental responsibility through our comprehensive EHS Policy, and processes aligned with Factory Rules and ISO 14001/45001 standards. Our commitment to these standards spans across all manufacturing sites, R&D, supply chain and business operations. Qualified and competent EHS professionals are appointed across manufacturing/ businesses/ R&D and the value chain to ensure that EHS forms a part of all decision-making processes. We identify and mitigate significant environment, health, and safety hazards through risk assessments, aiming to reduce risks to ALARP levels (as low as reasonably practicable). Our risk assessment process prioritises Elimination, Substitution, Engineering, and Administrative controls in that sequence.

We ensure safety through a range of risk assessment systems. These cover everything from new product introductions and hazard studies to containment control strategy assessments, all aimed at minimising personnel exposure. We implement specific engineering controls, operational protocols and PPE to manage health risks effectively. Additionally, we carry out periodic risk-based medical surveillance to monitor and assess any health outcomes stemming from occupational exposures.

In FY 2023-24, we targeted to have zero fatality case and achieved the same. In addition, we have also set Goal to achieve TIR (Total Incident Rate) of less than 6.75 (per one-million hours worked); against which we have achieved 2.4.

Integration of actions to prepare for and respond to emergency situations; OHS training to raise awareness and reduce operational health & safety incidents

We have identified significant risk areas at our sites, including height work, confined space work, hot work and excavation. To enhance safety in these high-risk activities, we have revamped our Permit to Work procedure across all manufacturing sites in FY 2023-24. This new procedure includes detailed safety measures, responsibility assignments, communication protocols, energy isolation guidelines and preparation protocols for hot work and confined

space entry. Additionally, we developed scaffold safety standards aligned with Indian and international norms. To ensure our teams are well prepared, we conducted extensive internal and external training to boost competency in scaffold and lifting and rigging practices.

We conduct regular, expertly designed training sessions to promote workplace safety. Our workforce receives comprehensive instruction on hazard identification, safe work procedures, self-protection measures and emergency response protocols. These training programmes include safety training, process education sessions, awareness campaigns, the implementation of safety signage and emergency drills. In FY 2023-24, we conducted 10,648 Occupational Health and Safety ('OHS') and 362 Environment related trainings. We encourage our employees to report unsafe conditions and empower them to halt hazardous activities whenever necessary. Our dedicated in-house training professionals work along with external experts to ensure our workforce receives best-in-class training.

Evaluation of progress in reducing/preventing health issues/risks against targets

We have a 'learning from incidents' forum for discussing learnings of all incidents to ensure that learning from the incident site is percolated to other sites. Global CAPA is assigned to all sites for ensuring these learnings are implemented. This ensures that the same incident will not be repeated at other sites.

Internal inspections

Daily Gemba walk is being organised by the site EHS Team. Monthly EHS planned inspections are done by the Leadership Team along with the site head. Behavioural observations/inspections are also done by the line managers and above every month. Cross-site audits were also introduced last year in which detailed EHS Audit is conducted by the EHS Heads of other sites annually.

Site Assessments and EHS Audits in FY 2023-24

In FY 2023-24, 76 internal audits were conducted, held at a six-monthly frequency. 16 external audits were conducted, done at an annual frequency. There were 13 working conditions audits and 17 focused audits (including Statutory laws, Electrical safety, Lab safety, Process safety) done in the reporting period.

Independent external verification of health, safety and well-being

We have also established a robust Occupational Health and Safety management system, compliant with ISO 45001:2018 standards, across all our manufacturing facilities in India. All personnel and processes within the premises of our Cipla India manufacturing facilities are covered by the management system (ISO 45001:2018) without any exception or exclusion. We enforce comprehensive road safety guidelines for drivers and passengers, including mandatory requirements for both hired and personal vehicles and motorcycles. All drivers

undergo road safety training, and we monitor driving behaviours on Company-owned cars and buses, particularly on high-risk routes. Our EHS processes are standardised across manufacturing sites, with tailored procedures for depots and lower-risk operations.

Procedures to investigate work-related injuries, ill health, diseases and incidents

We encourage our workforce to actively report incidents and potentially unsafe conditions, no matter how small they are. The Company has not received any complaints from employees and workers about working conditions and health and safety during FY 2023-24 and FY 2022-23.

Active Employee Involvement: Our employees are at the heart of our safety efforts. They participate in preparing and reviewing risk assessments, joining safety committee meetings, investigating accidents and collecting data on work-related hazards and mitigation measures.

Open Communication: Workers actively participate in preparing and reviewing risk assessments, safety committee meetings, accident investigations, and campaigns to gather data on work-related hazards and mitigation measures. They are encouraged to provide input through Safety Suggestion boxes for anonymous observations. Observations can also be shared on our internal reporting software. Open forums like safety committee meetings and Toolbox Talks (TBTs) foster an environment where the workforce feel safe to report unsafe conditions without fear of retaliation.

OHS criteria introduced in procurement and contractual requirements

At Cipla, Environmental Health and Safety ('EHS') is a core part of our business ethos. To protect and safeguard our workforce, our procurement and contractual processes are also governed by safety protocols. These include 'user requirement specifications' embedded in our contracts to ensure OHS compliance.

Safety Performance (DJSI 3.4.3), (DJSI 3.4.4), (DJSI 3.4.5)

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.15	0.15
	Workers	0.15	0.20
Total recordable work-related injuries	Employees	14	9
	Workers	10	12
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0
Rate of recordable work-related injuries (per one million person-hours worked)	Employees	0.51	0.33
	Workers	0.50	0.59

3.5 Contribution to Societal Healthcare

Access to Healthcare Programs- Products and Drugs (DJSI 3.5.1)

Reporting on targets and progress associated with access to healthcare products and drugs; Initiatives on improving access to medicine for vulnerable populations or Least Developed Countries (LDCs)

In FY 2023-24, the business has achieved significant progress, serving 1.5 million patients in 56 countries, with a strong focus on low- and middle-income countries (LMICs) in Africa. Our target is to maximise the number of patients we can help using the institutional and donor funding we receive. As the level of disease burden affects the demand for our products, our

goal is to secure ongoing funding to maintain the supply of products and effectively address the disease burden to the greatest extent possible. A cornerstone of our strategy has been the effective reduction of costs which directly benefited patients by lowering the overall price of life saving medicines. To ensure timely delivery and consistent availability of critical drugs, we have focused on streamlining our supply chain and reducing product lead times. This approach has significantly improved our capacity to deliver medications promptly, addressing urgent healthcare needs across diverse regions. Furthermore, we have extended the shelf life of our Tenofovir/Lamivudine/Dolutegravir (TLD) formulation, reinforcing its effectiveness over longer periods and ensuring sustained therapeutic benefits for patients.

Further, Cipla South Africa is involved in Dablap meds (Central Chronic Medicine Dispensing and Distribution - CCMDD), a National Department of Health program aimed at providing easy access to chronic medication for chronic stable state patients. The goal is to foster retention-in-care for HIV and Non-Communicable Diseases (NCD) patients and decongest state facilities by decanting stable patients into the CCMDD program. As part of the program, Sha'p Left is a contracted Pick-Up Point (PUP) service provider where Patient Medicine Parcels (PMPs) are processed and distributed to patients at a low cost. As part of the program,

- Cipla Foundation has distributed 4,57, 292 parcels to patients in FY 2023-24.
- There was a 30% increase from the previous year in the number of patients registered, with more than 53,000 new patients registered in FY23.
- A total of 51 PUPs combined serviced the patients.
- For the next year, we **target a 5% growth in the number of patients served and 10% growth in the number of patient medicine parcels distributed across PUPs.**

Number of patients with access to low/free of cost access to the PMPs

Number of patients with low-cost access to the organization's products or services to address diseases/ conditions	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Patients serviced through low-cost medicine parcels	2,48,108	5,62,377	5,59,402	4,57,292

The Company markets 123 molecules of the 591 molecules listed in the World Health Organisation ('WHO') list of essential medicines released in July 2023, including four of the seven antibacterial-resistant pathogens prioritised by India's National Antibacterial Surveillance Network. The Company also has its 29 products listed in WHO List of Prequalified Medicinal Products as part of WHO Prequalification of Medicines Programme (PQP) which is

used by international procurement agencies to guide bulk purchasing of medicines for distribution in resource limited countries. The list of products is available on the website of [WHO](#).

Furthermore, approximately 20 million people in India are estimated to be affected by sickle cell disease, with approximately 1.5-2 lakh children born with the condition annually. The disease is particularly prevalent among tribal and non-ethnic tribal groups in the sickle cell belt of India. Cipla has obtained regulatory approval in India for Hydroxyurea, used in the treatment of sickle cell anaemia. We are also currently developing a pediatric formulation specifically for treating sickle cell anaemia in children. Additionally, regulatory approval has been secured by Cipla for Plazomicin, a novel aminoglycoside antibiotic, for the treatment of drug-resistant complicated urinary tract infections in India.

In South Africa, Cipla Foundation supports the Miles for Smiles program by creating awareness and helping raise funds for Operation Smile that facilitates corrective surgery on children born with cleft lip and palates. For these children, a relatively quick, simple operation results in a life-changing smile. We strive to ensure that every child with a cleft lip or palate has access to this level of surgical care. Approximately one in every 1000 babies in African is born with a cleft lip or cleft palate. One in 10 children born with a cleft will die before their first birthday. Those that survive struggle with speech difficulties, are often malnourished and are frequently ostracised because of their appearance.

A cleft lip or cleft palate operation and follow up care costs approx. ZAR 5500 and it takes roughly 45 minutes per surgery. In FY2023-24, Cipla Foundation South Africa raised enough funds for sponsoring 50 corrective surgeries for the affected children. This was achieved through organising external fund-raising events, internal fund-raising events and partnering with Corporates & NGOs. Since 2006, Cipla Foundation has funded and supported 3100 such surgeries.

Product innovation to facilitate access

The Company entered into a collaborative research agreement with CSIR-Central Drug Research Institute (CSIR-CDRI), a constituent laboratory of the Council of Scientific and Industrial Research, Government of India, to jointly develop a novel ophthalmic formulation for fungal keratitis. The collaboration aims to leverage the combined expertise and resources of both organisations to develop a safe and efficacious drug for fungal keratitis.

Providing patient assistance to access and reimbursement support

In US market, the Company dispensed over 86 million prescriptions in FY 2023- 24 and over 8.2 million of these prescriptions were respiratory related products. In FY 2023-24, the Company's patient assistance programs helped 20,464 patients gain access to the Company's medications and facilitated over 22,379 transactions for our co-pay cards across various products.

Conducting research to develop new medicines for neglected diseases

Cipla collaborated with the Drugs for Neglected Diseases initiative (DNDi) to develop a child-friendly combination treatment for infants and young children living with HIV in South Africa. This offers a significant improvement over existing pediatric formulations, eliminating the need for refrigeration and providing ease of administration for infants and children.

Local Capacity Building (DJSI 3.5.2)

Research and Development

Collaboration to Improve Disease Treatment and Product Development: Cipla is working with a partner company to develop a connected smart device, which will help patients & health care providers to monitor accuracy of inhalation techniques.

Collaboration with Academic Institutions: We have initiated a partnership with CDRI (Central Drug Research Institute) Lucknow to develop Liposomal polymeric sustained release ophthalmic formulation for Fungal Keratitis. This ophthalmic formulation will address the unmet need of availability of effective targeted topical treatment of infected cornea with reduced frequency of administration resulting in fast cure with better patient compliance.

Patient Education

Tuffies - A Cipla Long-term Initiative, Helping Kids of India Breathe Free

Delving deeper into specific patient cohorts, Cipla launched the 'Tuffies' campaign to direct more targeted awareness in improving respiratory care amongst children like those living with asthma. Engaging children aged 5-10 and their parents/caregivers through various online and offline channels, the campaign was launched with the Tuffies Comic Book series. This series was co-created with Indian paediatricians and is available in 7 languages. In its inaugural year, the campaign distributed lacs of comic books, launched the 'Tuffies Ki School Yatra' in 550 schools reaching over 2 lac kids as well as teachers and engaged 4,000+ doctors and released the 'Tuffies Mighty Melody' co-created with Shankar Mahadevan. The campaign garnered 460+ news stories in top publications.

Breathefree, for over a decade, has served as a comprehensive patient-centric support system for respiratory care in India. With over 1,000+ educators, Breathefree has counselled more than 36 lac patients in FY 2023-24. The patients were counselled on disease management, correct device technique and the importance of treatment adherence. This year marked a significant milestone with the largest outreach effort to date - the Breathefree Yatra, which screened an additional 8 lac people. This initiative played a crucial role in raising awareness and facilitating access to diagnosis. Continuing our collaboration with CREST Private Limited, Breathefree conducted CORD (Certificate Course on Obstructive Airway Diseases) programs to train 200+ Breathefree Educators on inhaler devices, spirometers,

obstructive airway diseases and counseling skills. This initiative has consistently set new benchmarks in respiratory counseling and care, equipping educators with advanced skills to better serve patients. Having spearheaded the digital device training service, Breathefree Digital Educator, India's 1st digital education platform for device training (inhalers, nebulizers, nasal spray) witnessed substantial growth having trained over 5.4 lac patients in FY 2023-24, educating nearly 2.5x patients compared to last year.

Breathefree in Nepal and Sri Lanka: Breathefree bridged the diagnosis and counseling gap through camps and Breathefree Educator counseling. Over 7,500 patients were screened for Obstructive Airway Diseases (OADs) in Nepal and an additional 6,000+ patients were screened in Sri Lanka to guide them towards initiating their treatment journey through the BreatheFree camps. Over 750 digital educator counseling sessions were conducted in Nepal. Physical BreatheFree counseling sessions covered over 36,000 patients in Nepal and over 1 lac patients in Sri Lanka.

Provider Education

CiplaMed 2.0: Knowledge sharing platform for healthcare practitioners (HCPs)- Cipla announced the launch of CiplaMed 2.0, an enhanced version of the industry-leading knowledge platform for the medical fraternity with dedicated user base of ~12,000 professionals. In line with its digital transformation agenda, Cipla is pioneering an integrated omnichannel experience for healthcare professionals that seamlessly combines in-clinic interactions with digital engagement and access to medical information.

Healthcare Superstars (HSS) is Cipla's one of its kind international respiratory web series. In this series, internationally acclaimed and recognised Key Opinion Leaders join to discuss trending respiratory topics, have a dialectic talk and give an expert opinion on various case studies on key topics like asthma, Chronic obstructive pulmonary disease (COPD), COVID-19, etc. 30,000+ doctors have registered for HSS in the 4 episodes in FY 2023-24 and 10,000+ doctors have attended the web series in FY 2023-24. It has 55+ country participation with a reach of 55+ million people.

Supply Chain Management

Cipla Medpro South Africa (Pty) Limited, a wholly owned subsidiary of the Company in South Africa, acquired 100% of the issued ordinary shares of Actor Pharma (Pty) Limited, underpinning Cipla's commitment and investment in its over-the-counter business and supporting its journey to be a leading healthcare player in South Africa. Actor specialises in OTC and generic medicine, having established strong consumer brands and identified niche markets in women's health, nasal, cough and cold and baby and child segments.

Cipla increased its stake in GoApptiv, a digital-tech company, to facilitate better patient reach to tier 2-6 cities in India. GoApptiv, is a digital tech company that offers end to end business

solutions for healthcare companies, to commercialise and improve access of healthcare product reach in lower-tier geographies by leveraging proprietary technology platforms and physical reach.

Cipla has successfully initiated a transformative deal with a leading Global Pharmaceutical company for a long-acting anti-viral injection. This agreement empowers Cipla to extend access to vital medication to low and middle-income countries, marking a significant stride towards global health equity and accessibility.

Measure Contribution to Health Outcome (DJSI 3.5.8)

Key Programs	KPI used to measure impact (e.g. # of patients reached)	Impact FY 2023-24	Forecast Impact FY 2024-25
<p>Prevention</p> <p>Awareness Campaign in Sri Lanka- Hari Husmak (The Right Breath)</p> <p>Breathefree #HariHusmak campaign, committed to serving the community by raising awareness about respiratory health, advocating for the importance of early diagnosis of respiratory diseases and providing support for managing respiratory diseases. In less than 2 months of its launch in February 2024, Company has reached more than 4 million people in Sri Lanka which has generated more than 2,100 patient calls and ~800 patient appointments.</p> <p>Influencer Awareness Campaign in Nepal- Gaas, Baas, Kapas Ra Saas (GBKS)</p> <p>With 'GBKS', Cipla extended relationship based care by understanding the health issues of our patients within the context of their lives and forging a bond of trust, empathy and understanding. In FY 2023-</p>	<p>Program Reach</p>	<p>4 million</p>	<p>5.5 million</p>
	<p>Program Reach</p>	<p>8.2 million</p>	<p>9 million</p>

<p>people through social media, YouTube, doctors' clinics and other sources.</p> <p>Through alternative content partnership, the campaign explored, created and integrated its message into multiple videos for the short-form content platform, FilterCopy (with ~ 1 crore subscribers) and was complimented by a witty film "Berok Zindagi Ke Liye Bas Common Sense He Kaafi Hai".</p>			
<p>End to End Cycle Solutions/Other Program</p> <p>Breathefree, for over a decade, has served as a comprehensive patient-centric support system for respiratory care in India. With over 1,000+ educators, Breathefree has counselled more than 36 lac patients in FY 2023-24. The patients were counselled on disease management, correct device technique and the importance of treatment adherence. This year marked a significant milestone with the largest outreach effort to date - the Breathefree Yatra, which screened an additional 8 lac people. This initiative played a crucial role in raising awareness and facilitating access to diagnosis.</p> <p>Continuing our collaboration with CREST Private Limited, Breathefree conducted CORD (Certificate Course on Obstructive Airway Diseases) programs to train 200+ Breathefree Educators on inhaler devices, spirometers, obstructive airway diseases and counseling skills. This initiative has consistently set new benchmarks in respiratory counseling and care,</p>	<p>Patients counselled</p>	<p>3,600,000</p>	<p>4,000,000 – 4,500,000</p>

<p>equipping educators with advanced skills to better serve patients.</p> <p>Having spearheaded the digital device training service, Breathefree Digital Educator, India's 1st digital education platform for device training (inhalers, nebulizers, nasal spray) witnessed substantial growth having trained over 5.4 lac patients in FY 2023-24, educating nearly 2.5x patients compared to last year.</p>			
--	--	--	--

Accessibility and Transparency of Outcome Data (3.5.9)

At Cipla, all the clinical trial results, including real world studies, are presented at medical conferences and published in peer reviewed medical journals.