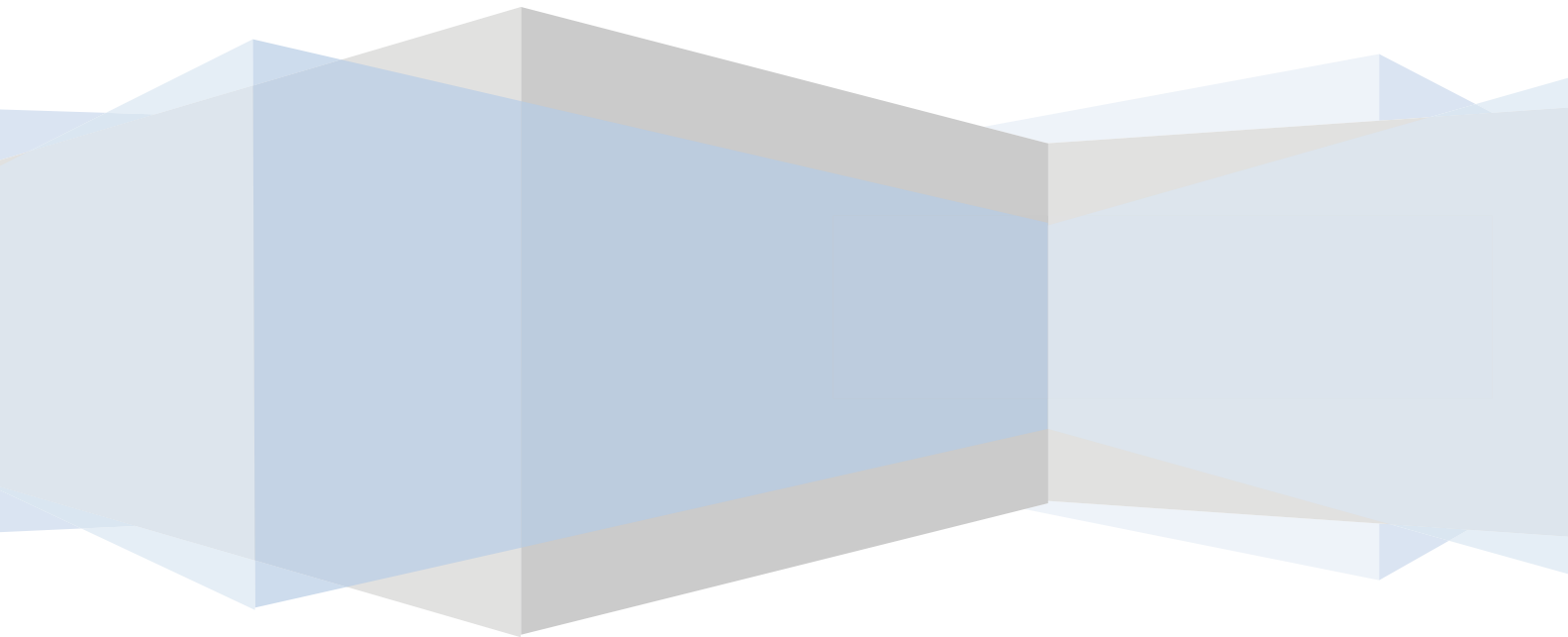


Cipla Limited Business Responsibility Report

FY 2015-16



Preamble

Cipla is a global pharmaceutical company which uses cutting edge technology and innovation to meet the everyday needs of patients. For 80 years, Cipla has emerged as one of the most respected pharmaceutical names in India as well as across more than 100 countries. Cipla's portfolio includes over 1000 products across wide range of therapeutic categories with one quality standard globally.

Whilst delivering a long-term sustainable business, Cipla recognises its duty to provide affordable medicines. Cipla's emphasis on access for patients was recognised globally for the pioneering role played in HIV/AIDS treatment as the first pharmaceutical company to provide a triple combination anti-retroviral (ARV) in Africa at less than a dollar a day and thereby treating many millions of patients since 2001.

Cipla's research and development focuses on developing innovative products and drug delivery systems and has given India and the world many 'firsts', for instance Triomune. In a tightly regulated environment, the company's manufacturing facilities have approvals from all the main regulators including US FDA, WHO-Geneva, MHRA-UK, MCC-South Africa, ANVISA-Brazil among others, which means the company provides one universal standard both domestically and internationally.

Cipla believes that an organization will be able to achieve sustainable economic growth only when it can deliver equitable development for all. Translating this belief into actions, Cipla, continually strives to intertwine Environmental, Social and Governance aspects with all facets of business operations and stakeholder dealings. This is implemented through a comprehensive Corporate Responsibility Policy supported by a robust governance structure.

Cipla's corporate responsibility policy considers following corporate responsibility issues among the most important to its core business:

- Practice of ethical standards in business, research & development as well as marketing.
- Production of world-class medicines.
- Addressing challenges of improved access to medicines and affordability.
- Minimizing environmental impacts and waste.
- Helping underprivileged communities to help themselves to become resilient and self-reliant.

This report illustrates Cipla's efforts towards creating enduring value for all its stakeholders in a responsible manner. The Business Responsibility Report (BRR), covers Cipla's India operations and is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, and is in accordance with clause (f) of sub regulation (2) of regulation 34 of Securities and Exchange Board of India's (SEBI) Listing Regulations.

Through this report, Cipla attempts to respond to the key issues that are of material interest to Cipla and its stakeholders. The report is a transparent and balanced disclosure of Cipla's business impacts and performance on each of the nine principles as mentioned in National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, Government of India.

Section A: General Information about the Company

Cipla is one of the world's largest generic pharmaceutical companies. It has over 1000 products across therapeutic categories covering communicable to non-communicable, common as well as emerging and rare 'orphan' diseases. The Company has over 30 state-of-the-art manufacturing facilities for API and formulations, spread across the states of Maharashtra, Goa, Madhya Pradesh, Karnataka, Himachal Pradesh and Sikkim. Most of the company's manufacturing units are approved by reputed international regulatory agencies such as USFDA.

While the Company has presence in over 100 countries across the world, and the main markets in which Cipla has a presence are India, South Africa, USA, Uganda, Yemen and Sri Lanka. The Company manufactures an extensive range of pharmaceutical and personal care products. The top three products provided by the Company are Foracort, Asthalin and Seroflo.

Cipla is engaged in business activities under Group 210 and Class 2100 as per the National Industrial Classification 2008 (NIC) by the Central Statistical Organization, Ministry of Statistics and Program Implementation.

Other details:

- Corporate Identification No.: L24239MH1935PLC002380
- Registered address: Cipla House, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013
- Website: www.cipla.com
- Email-id: csr@cipla.com
- Financial year reported: 1st April 2015 to 31st March 2016

Section B: Financial Details of the Company

Sr. No	Particulars	Details as on 31 st March 2016
1.	Paid up capital	₹160.68 crores
2.	Total turnover (Revenue from operation)	₹12186.23 crores
3.	Total profit after tax	₹1398.03 crores
4.	Total spending on corporate social responsibility (CSR) by the Company	Cipla spent an amount of ₹20.48 crores on CSR through Cipla Foundation and Cipla Cancer & Aids Foundation.
5.	List of activities in which expenditure in 4 above has been incurred	(Refer Principle 8 under Section E below)

Section C: Other Details

Cipla has several subsidiaries, list of which (including step-down subsidiaries) is provided in the Company's Annual Report. Each of the Company's subsidiaries abides by the law of the land and strives to carry out its business in a responsible manner. The Company's Business Responsibility initiatives were not extended to its subsidiaries in the reporting period.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

a) Details of the Director responsible for implementation of the BR policy:

- DIN: 06620380
- Name: Mr. Subhanu Saxena
- Designation: Managing Director and Global Chief Executive Officer

b) Details of the BR Head:

- DIN Number (if applicable): Not Applicable
- Name: Mr. Anurag Mishra
- Designation: Head – Operations, CSR
- Telephone No.: 022-23025999
- Email-id: csr@cipla.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy /policies for....	Yes								
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Cipla's Corporate Responsibility Policy is based on the National Voluntary Guidelines on Social, Environmental and Economical Responsibilities of Business as issued by Ministry of Corporate Affairs, Government of India, in July 2011. Cipla's Environment Policy is as per the requirements of ISO 14001, Environment Management System.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director	Yes								
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes								
6.	Indicate the link for the policy to be viewed online?	http://www.cipla.com/en/csr/overview.html								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been communicated to employees through the Intranet and external stakeholders through the Company's website (www.cipla.com)								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								

Section D: BR Information *contd...*

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company plans to have an independent assessment carried out in due course of time.								

3. Governance related to BR:

The BR performance of the Company is regularly monitored by the BR Head and reviewed by the CEO annually.

This is Cipla's 4th Business Responsibility Report which is produced annually since FY 2012-13. The report can be viewed at: <http://www.cipla.com/en/investor-information/shareholder-information.html>

Section E: Principle-wise performance

Principle 1 – Corporate Governance

Cipla is committed to good corporate governance. The Company has always laid emphasis on the values of fairness, transparency and accountability for performance at all levels, thereby enhancing the stakeholders' value and protecting the interest of the stakeholders. Cipla has adopted a Business Code of Conduct which guides its employees and directors to conduct business in an ethical, responsible and transparent manner. The Code of Conduct directs that any director or employee of the Company shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company.

The Code of Conduct lays special emphasis on transparency as it directs all directors and employees of the Company to conduct the business in a totally transparent manner except where the needs of business security dictate otherwise. Further, it prescribes that such transparency shall be brought about through appropriate policies, systems and processes. It expects the conduct to be so transparent that it is perceived to be as such even by third parties.

The corporate governance framework is further supported by a Vigil Policy which serves as a mechanism for its directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal, and hence to help ensure Cipla continues to uphold its high standards.

Company had received 6 complaints during the year and all these complaints have been suitably closed as on the date of this report.

Principle 2 – Safe and Sustainable Products and Services

Cipla is one of the leading manufacturers of generic pharmaceuticals in the world. As the vision of the company is to provide affordable and accessible medicines to everyone, Cipla has been at the forefront of research & development. Through its persistent efforts, Cipla has been able to bring down prices of some of the world's most expensive medicines which were used for the treatment of cancer, HIV/AIDS, pulmonary and rare diseases etc. Cipla reviews the affordability factor of its products on an ongoing basis and works towards making them as affordable as possible. Few products that testify Cipla's sustained efforts towards providing affordable medicines are:

1. **Iron Chelators** – For Thalassaemia, Cipla is the only company to have both the oral iron chelators (Deferiprone and Deferasirox) at an affordable price.

Section E: Principle-wise performance *contd...*

2. **HEPCVIR & HEPCVIR L** - For Hepatitis C Infection.

3. **HEPCDAC** - For Hepatitis C infection.

Considering that the Company has a multi-product, multi-facility production system, it is not possible to determine product-wise resource consumption. Nevertheless, Cipla is cognizant of the importance of adopting world-class environmental and social practices at its manufacturing locations. The company has undertaken various measures to create a safe working environment for its workforce, testimony to which is the OHSAS 18001 certification for all its manufacturing units. On the environment front, Cipla has adopted principles of natural resource conservation, reuse, reduce, recycle, waste minimization and renewable energy. All manufacturing units are certified for ISO 14001 as well.

Cipla follows a strategic approach towards waste minimization & recycling. All facilities and operations are reviewed systematically so as to identify the possible sources of waste. Waste is categorized in adherence with the applicable regulatory norms in two categories i.e. Hazardous Waste and Non-hazardous Waste. Based on the category of the waste, mechanisms for disposal / recycling are developed. Cipla subscribes to government approved agencies / facilities for disposal of waste. Electronic waste is given to government-approved vendors; Waste like printer cartridges, used oil, paper, plastic etc is given for recycling to vendors. Further, Cipla sells mixed solvents, which is part of its API manufacturing processes waste, to authorized recyclers. Cipla also sends used catalysts to authorized vendors for regeneration. Cipla is able to recycle more than 20% of its solvents.

To facilitate local economic growth, Cipla encourages and supports local suppliers in the vicinity of its manufacturing facilities, especially those suppliers who produce unique products such as respiratory products, certain packaging and other supporting materials (linen, printing) etc. Local sourcing also lowers the transportation costs and also helps in the reduction of vehicular air emissions. In the last FY, Cipla procured more than 50% of its required materials from local ('Local' means suppliers based out of India) suppliers.

Principle 3 – Well-being of Employees

Cipla believes that its workforce is the most important factor for its success. Hence, employee well-being and holistic development are at the top of Cipla's Human Resource (HR) agenda. The people policies of the company endeavours to provide an inspiring work environment that is safe, secure, non-discriminatory and rewarding with definitive career paths for everybody. A zero-tolerance approach is adopted towards issues concerning discrimination on the grounds of race, religion, nationality, ethnic origin, colour, gender, age, citizenship, sexual orientation, veteran status or any disability.

1.	Total number of employees	24,034
2.	Total number of employees hired on contractual/ casual basis	13,003
3.	Number of permanent women employees	2,663
4.	Number of permanent employees with disabilities	To eliminate any possibilities of discrimination, Cipla does not record any information regarding employee disabilities.
5.	Do you have an employee association that is recognized by management?	Yes, Cipla has three employee associations, one each at Patalganga, Kurkumbh and Bangalore for permanent workmen employed at these locations
6.	What percentage of your permanent employees is members of this recognized employee association?	1. Patalganga: 8.88% of total permanent employees at Unit 1 2. Kurkumbh: 4.26% of total permanent employees at Unit 1, 3. Bangalore: 10.97% of total permanent employees at Virgonagar Unit

Section E: Principle-wise performance *contd...*

The company has adopted a Prevention of Sexual Harassment Policy in accordance with the statutory requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All sexual harassment complaints are diligently reviewed and investigated by an Internal Complaints Committee (ICC) constituted under the Prevention of Sexual Harassment Policy. During the last financial year, Cipla has undertaken the following measures:

1. POSH Refresher awareness programs were conducted at all factories and establishments at Mumbai and depots/SM offices to educate employees.
2. Refresher training programs were conducted for managers to educate and equip them to handle POSH cases appropriately.
3. Refresher training programs were conducted for ICC members to train them effectively handling of reported POSH cases.
4. As physically reaching to every employee working in the field is difficult, self-learning training module in form of power point presentation is uploaded on intranet portal.
5. Posters creating awareness about creating positive and sexual harassment free work environment are displayed at various places at all establishments.

Grievances

There were no instances of any child labor, forced/ involuntary labor, discriminatory employment during the FY 2015-16. A total of 14 cases were reported under the Prevention of Sexual Harassment Policy during the FY 2015-16, out of which 2 cases were under investigation at the end of financial year. Subsequently, all the cases were satisfactorily addressed and appropriate action was taken.

Learning & Development (L&D)

The organization believes that continuous knowledge, competency and skill development is vital for its intellectual capital. Employees are trained on skills and competencies required for the current role and developmental interventions required to perform additional duties and assume higher responsibilities. The pursuit of L&D has always been to develop leadership, behavioral and functional competencies of employees. The L&D interventions are broadly classified under Level based and Skill based. Some of the notable interventions under level-based include Leadership for Enhancing Accelerating Performance (LEAP), Global Leadership Council (GLC), 360 degree feedback for CLT etc.

Skill-based interventions include function wise need-based interventions, skill builders, designing tools for standardization in training content and delivery for internal teams. Specific leadership development interventions like coaching the coach, first time manager and manager of manager programs etc. have also been implemented.

Category	Skill-Upgradation Trainings	Safety Trainings*
Permanent Employees	13,940	25,194
Permanent Women Employees	1,416	7,422
Casual/ Temporary Employees	29	8,185
Contract Workers	898	5,366
Employees with disabilities	To eliminate any possibilities of discrimination, Cipla does not record any information regarding employee disabilities.	To eliminate any possibilities of discrimination, Cipla does not record any information regarding employee disabilities.

* The number reflected in the section "Safety Training" reflects the actual number of trainings conducted.

Section E: Principle-wise performance *contd...*

Principle 4 – Responsiveness to all stakeholders

Stakeholder engagement at Cipla is a continuous process to enable the company to devise strategies to fulfil stakeholder expectations and earn their long-term support. The company follows various mechanisms to engage with various stakeholders. Outcome of these engagement mechanisms form a critical input for company's business planning and improvement. The improvements made are then communicated to the stakeholders, where deemed necessary. The company honours information requirements of its stakeholders as and when they seek information and strive to provide them reliable information. These efforts are in addition to the mandatory disclosures required by law.

The major stakeholders identified by Cipla are Employees, Contract Workers, Customers, Distributors, Stockists, Doctors, Patients, Healthcare Providers, Shareholders / Investors, Local Communities, Business Partners, Contractors / Vendors / Suppliers, Government Bodies etc.

Out of these, Cipla has identified some groups as disadvantaged, vulnerable & marginalized. These include, among others, deprived children who cannot afford quality health & education, communities from low socio-economic strata, cancer patients, disaster affected people and people with developmental/ visual disabilities. Cipla, through the Cipla Foundation works with various NGOs to engage with such groups to identify their needs and address them to the extent possible.

Principle 5 – Human Rights of stakeholders

Cipla's philosophy towards respecting human rights and upholding the dignity of every individual associated with the company is detailed in its Corporate Responsibility Policy under 'Human Rights' sub-section. The company strives to provide a non-discriminatory and harassment-free workplace for all employees and contract staff. The Constitution of India, the United Nations' Universal Declaration of Human Rights (UNDHR), International Labour Organization (ILO) guidelines and the Indian Factories Act, 1948 provide the overarching framework for the Company's approach towards human rights.

All employees and contract staff are empowered to report any incidents of discrimination and harassment. The company does not employ child labour and its recruitment policies ensure that all employees are free to choose to be associated with the Company. Cipla does not capture any information on caste, religion or colour of the candidate during the recruitment process and hence eliminates any possibility of discrimination. Statutory compliance of all contractors on minimum wage payments is reviewed and monitored. Through the induction program and regular communication regarding Cipla's values, the company sensitises its employees and contractors on aspects of human rights.

During the last FY, no stakeholder complaints pertaining to Human Rights were received.

Principle 6 – Protecting the Environment

Being one of the largest pharmaceutical manufacturing companies of the country and thus having a large environmental footprint, Cipla is well cognizant of its responsibilities towards preserving the environment. Cipla has always maintained an equitable balance between economic growth and environment protection. For Cipla, Occupational Health, Safety & Environment management are an integral part of its business strategy. The policy dealing with Occupational Health, Safety & Environment has already been prepared, implemented and monitored, and is in adherence to all the applicable regulations & industry best practices. The Policy has been made available to all the employees, workers, contractors, sub-contractors and transporters.

All manufacturing sites of the Company are certified for ISO 14001 (Environmental Management System). As part of Environmental Management system, Cipla identifies, on a regular basis, the environmental aspects,

Section E: Principle-wise performance *contd...*

impacts and the risks associated with its facilities. The two major potential environmental risks associated with Cipla's operations are (i) Any discharge/ release of emissions/ effluents that exceed specified permissible limits and (ii) Over-depletion of natural resources such as water, fuel, air etc. For mitigating both these risks, Cipla has put in place adequate control measures, systems and processes.

Apart from the local environmental issues, Cipla also understands the criticality of consequences of global environmental issues. It is committed to respond to such issues by undertaking all those measures locally that reduce the Company's impact on the environment, and simultaneously address the issues of global warming and climate change. The key environmental initiatives taken by Cipla during the last financial year are:

1. **Reduction of carbon footprint:** Cipla took the following measures to reduce its carbon footprint:
 - a. Installation of 140KW of roof-top solar power plant at Patalganga,
 - b. Using solar water heater system for process application at Goa, Kurkumbh and canteen dishwasher at Indore,
 - c. IBR boiler installed in place of Non IBR boiler at Goa,
 - d. Phase-wise replacement of conventional bulbs with LED lights
 - e. Installing solar lighting
2. **Water Recycling:** Effluent water is recycled through RO at most of the plants and used for:
 - a. Boiler feed water
 - b. Cooling tower water
 - c. Horticulture purposes
3. **Reducing energy consumption through adopting Energy Efficiency measures:** Most of the manufacturing units are certified for ISO 50001: Energy Management System (EnMS) and are committed for energy reduction year after year. Some of the key initiatives taken for energy conservation are:
 - a. Reciprocating air compressor by energy efficient screw compressor, chillers, pumps etc thereby reduction in significant energy consumption,
 - b. Conducting periodical energy audits to fix, if any, unnoticed problems, leakages and losses in electrical and mechanical systems,
 - c. Using Variable Frequency Drives (VFD) to regulate the system as per variable demand there by reducing the wastage of energy,
 - d. Using BMS to regulate the energy consumption,
 - e. Replacement of old chillers with new energy efficient chillers in Baddi, Kurkumbh, and Patalganga,
 - f. Replacement of Old motors with new Energy efficient motors at Kurkumbh, Virgonagar,
 - g. Maintaining power factor to almost unity by continuous monitoring.
4. **Other Environment Protection initiatives:** Cipla also undertook the following initiatives:
 - a. Non environmental friendly calcium chloride brine is replaced by Methanol water for environmental protection and reducing high level of corrosion. Online Filtration systems are provided for Chilled water plant and cooling tower water to minimize the corrosion of circulation pipe & environmental protection,
 - b. Boiler exhaust and air fuel ratio is regularly monitored for environmental protection and committed efficiency,
 - c. High TDS effluent is passed through a multistage evaporator for environmental protection,

Section E: Principle-wise performance *contd...*

- d. Automatic glass ware cleaning are used in Laboratory and Dish washer are used for cleaning of plates, glasses, spoons and other accessories,
- e. All the Formulation manufacturing areas final air filtration is with **HEPA** filter with an efficiency of more than 99.97%,
- f. Closed material handling to minimize the environments exposure wherever possible,
- g. Major noise generating equipment are acoustically insulated to reduce the noise level,
- h. Phasing out of R22 by environmental friendly gases.

Apart from undertaking environmental initiatives in existing manufacturing units, Cipla also understands the importance of incorporating environmental considerations in the design & construction stages of new manufacturing plants. For example, the new plant at Sikkim is built with following considerations:

1. Pre-engineered structure is made with steel structure which is 100% recyclable,
2. 2% of the roof is with natural light,
3. Effluent Treatment Plant (ETP) & all the storage tanks are installed above the ground to avoid any underground contamination,
4. Structural paint used is water based with low VOC,
5. Environmental friendly PIR panels are used for external façade in place of brick work and plastering.

Statutory compliance in respect of Environment Management is of prime importance to the Company. Hence, all emissions/ waste generated by the Company are well within the permissible limits given by CPCB and SPCBs. During the last FY, there were no show causes or legal notices received from CPCB/ SPCBs.

Principle 7 – Responsible Policy Advocacy

Cipla has representation in multiple national & international industry & trade associations like Indian Pharmaceutical Association (IPA), Federation of Pharma Entrepreneurs (FOPE), Association of Biotechnology Led Enterprises (ABLE) etc. Cipla actively participates in putting forth its views on new standards or regulatory developments pertaining to the pharmaceutical manufacturing industry as well as industry at large, broadly in areas concerning Access to Medicine & Affordability, Economic reforms, Best practices, Corporate Governance, Corporate Social Responsibilities etc.

Cipla endeavours to be involved in making sound policy decisions, to drive change in public policies that are beneficial to the Industry. It endorses the inclusive development policies and sustainable development principles through participating in CSR forums and discourses that discuss or debate such issues.

Principle 8 – Inclusive Growth & Equitable Development

Inclusive growth is a prerequisite for sustainable development. It has been a constant endeavor at Cipla to create value & growth not just for itself, but for all its stakeholders. The multifarious Corporate Social Responsibility (CSR) initiatives taken by the Company are a testimony to this commitment. Through its CSR initiatives, Cipla aims to effectively contribute to developing a sustainable and resilient community. Cipla follows a 'principled approach' which emanates from a working philosophy of the organization to conduct and govern itself in an ethical, transparent and accountable way.

Last financial year, Cipla had constituted its CSR Policy as required by Section 135 of Companies Act, 2013. The Company has already put in place an appropriate organizational structure and positioned senior level/ functional representatives to drive CSR effectively. Through focused interventions, it governs the functioning and implementation of CSR policy.

Section E: Principle-wise performance *contd...*

The CSR initiatives of the Company are implemented through Cipla Foundation, CIPLA CANCER & AIDS FOUNDATION (CCAF) and different NGO Partners. Cipla has partnered with more than 35 NGOs across the country for implementing its CSR projects.

During FY15-16, Cipla focused on increasing its CSR footprint in areas other than the locations where it has business presence, increasing the CSR spend in specific themes and adding, Skill Advancement and Disaster response to its focus areas. The significant needs of disaster response are water, food and medicines. Cipla's vision, being a leading healthcare company is to address the needs for medicines during any disasters and as done during Kashmir, Nepal and Tamil Nadu in the past.

Going forward, the Company intends to undertake long-term, self-sustainable projects, with established NGO partners, thereby improving the quality of its CSR spend. Cipla shall continue to focus on Health & Sanitation, Education and Skill Advancement and Disaster Response for relevant target groups, ensuring diversity of beneficiaries and a larger geographical CSR footprint.

Cipla has continued/ added the following CSR projects under the below-mentioned focus areas:

- 1. Health:** Cipla Palliative Care and Training Centre, SNEHA project for improving child health & nutrition, Developmental Disabilities project with Ummeed, Mobile Health Vans, Initiative with Indian Institute of Cerebral Palsy etc.
- 2. Education:** Bal Vatika & Bal Shiksha Abhiyan, Hole-in-the-wall e-learning project, Jidnyasa, Student excellence awards, Infrastructural support to schools near plant locations etc.
- 3. Skilling:** In the area of skilling, Cipla plans to support skill building programs for health care providers, provide sponsorship to students for industry / employability skill courses and structuring of skill development courses in the pharmaceutical and health care industry.
- 4. Disaster Response:** Cipla has been active in responding to natural disasters calamities. Cipla has reached out to the affected communities and provided medical services, conducted medical camps, provided child friendly spaces and secure environment towards their socio-emotional development & recovery. Cipla strives to continue working closely with NGO partners and provide support to the disaster stricken areas and extend their support in long-term recovery and mitigation of disasters.

Cipla undertakes regular reviews to ensure that its CSR projects are well adopted by the intended beneficiaries. For example, the watershed project in Patalganga has been successfully adopted by the local community. Also project on Mobile Health Van has seen good referral linkages with both local government hospitals and private centers.

For more details on the Company's CSR activities, please refer to Cipla's CSR report forming part of Annual Report 2015-16, available on the Company's website. The Company has spent an amount of ₹20.48 crores on CSR in the FY 2015-16.

Principle 9 – Providing Value to Customer

Cipla follows a Standard Operating Procedure (SOP) for providing factual information about its products to its customers. Cipla also provides prescribing information for its products and general information for patients is also captured in-order to create awareness with respect to dosage compliances and guidance on taking complete course of prescribed treatment. Cipla has revamped www.ciplamed.com and added a lot of new sections to make it more informative & interactive. This site is aimed at meeting the needs of any stakeholder, especially medical professionals, who intends to get information about Cipla's products, dosages, potential side effects and ailments etc.

Cipla complies with all the applicable packaging & labeling standards and regulations. Cipla has recently formed a Business Ethics & Compliance team to ensure that internal compliances are followed for promotion and advertising and partnering with HCPs.

As stated in Cipla's Corporate Responsibility policy, Cipla is committed to deal with its customers in a professional manner and maintain the highest standards of integrity and honesty. Cipla shall never engage in any unfair trading practices, irresponsible advertising or anti-competitive behavior. The Company follows properly laid-down guidelines for producing any promotional material. There is no significant case filed and pending as on the end of FY 2015-16 against the Company regarding unfair trade practices, irresponsible advertising or anti-competitive behaviour. There are adequate checks and balances implemented to ensure that the business is done in fair and responsible manner.

Customers are the lifeblood of the Company's business, hence customer focused metrics are of crucial importance. A structured customer complaint redressal system is in place to address any sort of customer concern or grievance. The customer complaints either pertain to product quality or drug safety. All product quality related complaints received from the customers are acknowledged, investigated and responded to as per the Standard Operating Procedures prescribed by the CQA (Corporate Quality Assurance). Any customer complaint lodged is passed on to the individual unit for investigation and wherever applicable a CAPA (Corrective Action Preventive Action) is generated. CAPA generated for any complaint is also assessed for Global CAPA, where in the CAPA generated by one unit is shared with other units manufacturing the same dosage form / having same systems, to evaluate the same at their end and implement if required, so that complaint of similar nature is prevented to reoccur in any of the units in Cipla. A strong change management process is in place at the Company through which impact analysis is undertaken before any change is permitted. There were 1814 such complaints received in the last financial year out of which 48 complaints are under investigation. Preliminary responses have been provided to these complaints and appropriate action is being taken to address them. There has been no impact on product quality and patient safety.

Cipla has developed a strong global pharmacovigilance system and standard operating procedures for handling and processing safety related complaints received from consumers, patients, and healthcare professionals. The Company has a dedicated phone line and a dedicated mailbox where safety related complaints are received. Each complaint is diligently followed up with the reporter to enquire the patient's safety and also to get the adequate information in order to assess the safety profile of a drug. Cipla's field team, being an important link between Cipla and end-users, is sensitized periodically about importance of pharmacovigilance through appropriate trainings. All other Cipla employees across all locations globally undergo Pharmacovigilance training periodically. Sticker's indicating Drug safety contact details were pasted on all the phone instruments at Cipla's Vikhroli and Head office location.

During the last financial year, there were 478 drug safety related complaints received spontaneously out of which 9 are under investigation. After thorough investigation of all complaints, it was found that there was no concern regarding safety profile of any product.

Note: All the facts and figures including details of employees reported above, unless stated otherwise, pertain to Cipla's India operations.

12th August 2016