

ESG Supplementary Disclosure 2025-26

Cipla Limited



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Governance and Economic Dimension

1.1 Transparency

Sustainability Reporting Boundaries (DJSI 1.1.1)

Our disclosures in this ESG Supplementary Report pertain to our non-financial performance of our global operations from 1st April 2025 to 31st March 2026. Our non-financial reporting includes only our subsidiaries. Associates are not included in the reporting boundary of this Report. Information on our joint ventures has 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 424 of our [Integrated Annual Report FY 2025-26](#)

1.2 Corporate Governance

Board Independence (DJSI 1.2.1)

Our Board comprises ten Independent Directors and one Executive Directors, resulting in 91% board independence as defined by the Corporate Sustainability Assessment (CSA). Independent Directors are evaluated against stringent criteria, including the absence of recent executive employment with the company, material financial relationships, family ties to executive officers, advisory or consulting roles, affiliations with significant customers, suppliers or charitable beneficiaries, personal service contracts, recent associations with the external auditor, or any other conflicts of interest that could impair their independence. This assessment ensures that directors maintain objectivity and exercise unbiased oversight of the company's management and operations.

We are also aligned with the SEBI Listing Obligations and Disclosure Requirements Obligations) Regulations, 2015 ('SEBI Listing Regulations'), which provide stricter requirements of Independence. In line with the SEBI Listing Regulations, at least fifty percent of the directors are to be independent. Currently, fifty-five percent of our directors are independent as per the criteria prescribed under the SEBI Listing Regulations, and 91% are independent based on the definition provided by the CSA.

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. As of 31st March, 2026, 10 of our Directors meet Independence requirements as prescribed by CSA and detailed in the table below.

Type of Members	Number of members
Executive directors	1 (9%)
Independent directors	10 (91%)
Total board size	11 (100%)

For more details about our Board of directors, please visit: <https://www.cipla.com/about-us/board-directors>. The relevant disclosures and classification of directors in line with SEBI Listing Regulations forms part of page no. 8 and 206 of our [Integrated Annual Report for FY 2025-26](#).

Non-Executive Chairperson/ Lead Director (DJSI 1.2.3)

As per the independence requirements prescribed by CSA, Dr. Y.K. Hamied is the Non-Executive Independent Chairman of the Company. Mr. Umang Vohra was the MD & GCEO of the Company until 31st March, 2026. On completion of Mr. Vohra's tenure as the MD & GCEO, Mr. Achin Gupta was appointed as MD & CEO of the Company effective 1st April, 2026. The Board has appointed Mr. P R Ramesh as the Vice-Chairman and Lead Independent Director of the Company.

Please refer to pages 203 and 204 of [our Integrated Annual Report FY 2025-26](#) for further information on the roles and responsibilities of the Lead Independent Director.

Board Gender Diversity (DJSI 1.2.5)

Out of 11 Board of Directors, two are female, i.e., 18%.

Board Accountability (DJSI 1.2.6)

Average Board meeting attendance:

In FY 2025-26, we held a total of eight board meetings. The average board meeting attendance during the reporting year was 94.32%.

Shareholder approvals for changes in bylaws / charter documents

Cipla Limited follows a robust governance framework under which any amendment to its charter documents, namely the Memorandum of Association (MoA) and Articles of Association (AoA), that affects shareholder rights requires shareholder approval. Such amendments may include changes relating to voting rights, dividend entitlements, shareholder meeting procedures, or other matters impacting shareholder interests.

In accordance with the Companies Act, 2013, alterations to the MoA or AoA must be approved by shareholders through a special resolution. Further, as a listed company, Cipla is subject to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which may require shareholder approval for certain governance-related changes. These requirements help ensure transparency, accountability, and the protection of shareholder rights in the Company's decision-making processes.

Board Mandate

During FY 2025-26, we had nine (82%) non-executive/ independent directors with four or less mandates in other listed entities. These include Dr. Y.K. Hamied, Mr. Abhijit Joshi, Mr. Adil Zainulbhai, Dr. Balaram Bhargava, Mr. Kamil Hamied, Dr. Mandar Vaidya, Ms. Maya Hari, Mr. Robert Stewart and Ms. Sharmila Paranjpe. In line with SEBI requirements, all non-executive/ independent directors are restricted to holding up to seven mandates in other listed entities.

CEO Succession Plan

Succession planning continued to remain central to the Nomination and Remuneration Committee's ("NRC") agenda during the year. During the year, CEO succession planning was a key focus area for the Nomination and Remuneration Committee in light of completion of Mr. Umang Vohra's term as MD & CEO of the Company at the end of the financial year. The NRC, in close consultation with the Board, formulated a structured and forward-looking succession plan. This plan was built upon the Committee's long-term and ongoing efforts to identify, assess, and develop suitable internal candidates for the MD&GCEO role, ensuring leadership continuity and organisational stability.

Board Performance Review

In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out an annual evaluation of its own performance, performance of the Board Committees as well as the individual directors.

M/s Solvexus Private Limited, an independent external agency was engaged to conduct the performance evaluation of the Board, its committees, and individual directors for FY 2025–26.

Director Liability

Directors are accountable for compliance with applicable laws and regulations to extent prescribed therein. There is no limitation to directors' liabilities except to the extent provided for or recognized under the applicable legal and regulatory framework.

Election of Board Members

In line with our Nomination, Remuneration and Board Diversity Policy, the Nomination and Remuneration Committee is responsible for identifying suitable candidates for appointment as Director of the Company. The NRC evaluates prospective candidates based on their qualifications, experience, expertise, integrity, and alignment with the Company's strategic objectives and governance requirements.

In accordance with the provisions of the Companies Act, 2013, two-thirds of the directors other than Independent Directors are liable to retire by rotation, out of which one-third retire annually and being eligible may offer themselves for re-appointment at the Annual General Meeting.

The tenure of directors on the Board is governed by the Companies Act, 2013, the SEBI Listing Regulations and the Articles of Association of the Company and varies depending on the nature of the directorship. Independent Directors and Whole-time Directors (including the MD & GCEO) are appointed for a period of 5 years. In addition, the continuation of every director on the Board is subject to approval of the shareholders at least once every five years.

Board Average Tenure (DJSI 1.2.7)

Our Board Average Tenure is 8.2 years.

Board Industry Experience (DJSI 1.2.8)

Currently, six of our Directors meeting the Independence criteria prescribed by CSA have relevant industry experience. They are Dr. Y.K. Hamied, Mr. Kamil Hamied, Mr. Adil Zainulbhai, Dr. Balaram Bhargava, Dr. Mandar Vaidya, and Mr. Robert Stewart.

Further details on the skills and experience of our Board Members is available on pages 199–200 of our [Integrated Annual Report FY 2025–26](#).

CEO Compensation – Success Metrics (DJSI 1.2.9)

Financial Returns Metrics

The performance of the MD & GCEO is periodically evaluated by the Board and the NRC against the annual organisation scorecard. The financial metrics incorporated in the annual performance scorecard comprise of organisation's Revenue and EBITDA performance against approved annual targets. These measures are assessed as part of the annual performance evaluation and are considered in determining variable compensation outcomes.

Relative Financial Metrics

The MD & GCEO's variable compensation is also linked to market-relative growth objectives embedded within the annual performance scorecard. These include the growth of the concerned market with respect to peers / benchmark. These metrics are designed to assess business performance relative to external market growth indicators and are considered in the annual performance evaluation.

CEO-to-Employee Pay Ratio (DJSI 1.2.11)

The table below provides specific details on the ratio between the total annual compensation of the Chief Executive Officer and the median employee remuneration for FY 2025-26:

CEO total annual compensation in INR*	39,05,99,204
Ratio	682

Note: In FY 2025-26 our CEO superannuated and as a result of this the CEO compensation of INR 39.06 crore includes a one-time long-term incentive of INR 25 crore approved by shareholders through a resolution dated 16th May 2024, as well as retiral benefits of INR 0.94 crore. Excluding these one-time and retirement-related components, the CEO-to-median employee pay ratio would be 229:1. The reported CEO pay ratio, however, reflects total compensation as disclosed in accordance with the prescribed methodology.

Management Ownership (DJSI 1.2.12)

Position	Name	Multiple of base salary
Chief Executive Office	Mr. Umang Vohra	2.80 ¹
Average across other Executive Committee Members		6.28

¹ The base salary included for this calculation refers to the amount paid under our India operations only

Government Ownership (DJSI 1.2.14)

The Life Insurance Corporation (LIC) of India holds 9.59% of the total voting rights of the company as on 31st March 2026. Further details are available in our [Integrated Annual Report FY 2025-26](#) page no. 225.

Family Ownership (DJSI 1.2.15)

Founding individuals or family members individually own 29.13% of the voting rights of the company.

Further details are available in our [Integrated Annual Report FY 2025-26](#) page no. 224

ESG Governance Oversight (DJSI 1.2.15)

The Board of Directors holds overall responsibility for overseeing our sustainability efforts. It is supported by the Investment and Risk Management Committee ('IRMC'), which reviews key ESG initiatives, identifies critical risks, and formulates appropriate mitigation plans. ESG goals are embedded within the performance indicators of our Managing Director and Global Chief Executive Officer. Approved by the Board and the Nomination and Remuneration Committee ('NRC'), these goals are tracked on a periodic basis.

At the executive level, sustainability performance is managed and overseen by the Sustainability Council, chaired by the Global Chief Manufacturing Officer ('GCMO'). The Council brings together members of the Management Council and heads of departments across various functions. Meeting quarterly, it provides regular updates to the IRMC. A formal Charter governs the Council's operations, defining its purpose, scope, governance structure, and the responsibilities of its members. The Charter is available on the Company website: https://www.cipla.com/sites/default/files/sustainability_council_charter.pdf.

A dedicated Central Sustainability Team, led by the Chief Corporate EHS & Sustainability, drives end-to-end implementation of our sustainability initiatives and reports directly to the GCMO and management on progress and performance.

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.

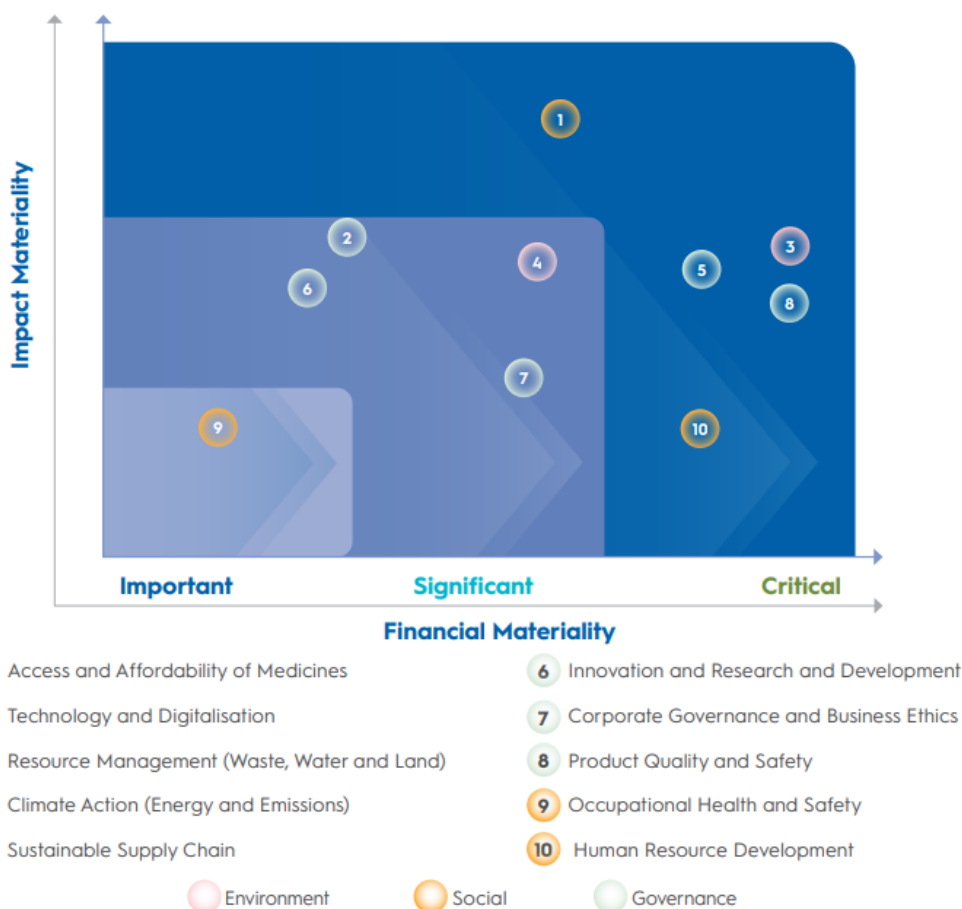
During FY 2024-25, we conducted our maiden Double Materiality Assessment('DMA'). This process involves assessing the impact of our business activities on the external environment and society and how sustainability-related risks and opportunities could impact our financial performance, taking into account the views and concerns of key stakeholders including suppliers, customers, investors, and employees. Our detailed Materiality Assessment report can be accessed at: https://www.cipla.com/sites/default/files/2026-06/Materiality-Assessment_05-26-26.pdf

We also engaged with our Enterprise Risk Management Team to ensure alignment of the potential financial risks identified with the internal risk register and overall risk ratings as identified by the Company. Our double materiality assessment process also enabled 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. While reviewing the results of our double materiality assessment, we ensured alignment with our ERM and addressed and incorporated any deviations as required.

Following a robust process, we identified the top 10 material issues for our business. These were reviewed and validated by our Senior Management and Management Council Members prior to finalisation. Our DMA results were also presented and reviewed by our Board.

The material issues identified through our maiden DMA continue to guide our sustainability priorities in FY 2025-26. We continue to monitor our material topics for any significant shifts in our operating context, stakeholder expectations, or regulatory landscape that may warrant an earlier review. During the current year, we further reviewed our material topics to assess their continued relevance and relative priority in light of evolving business and regulatory context.

Our top material issues are depicted in a matrix below:



Note: The numbering of above corresponds to the serial order of material issues as presented in materiality matrix and does not indicate their financial or impact materiality ranking.

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 Patient Safety	Climate Action	Sustainable Supply Chain
Business Case	As a healthcare company, our primary commitment is to our patients. We endeavour to provide them with high-quality medicines that positively impact	As a pharmaceutical company, we are cognizant of the potential adverse impact of our operations on global warming and climate change. We strive to maintain responsible and	We rely on a global supply chain and are committed to ensuring its sustainability. We recognise the importance of addressing issues such as working conditions, wages

	their health and wellbeing. Inconsistent or non-compliance with regulatory standards can lead to increased scrutiny during inspections. This could severely hinder the ability to launch new products, affecting market competitiveness and revenue generation. Additionally, poor quality raw materials, sterility issues, human errors and lack of robustness in processes can lead to low quality products and product recalls. This could negatively affect our revenues, brand value and stakeholder trust.	ecofriendly operations.	and the impact of climate change in our supply chain and addressing any risks that we may be exposed to because of supply chain disruptions. Responsible and effective supply chain management is central to our ability to deliver on our commitment to patients. Our dependence on API and drug suppliers in China, along with inhaler valve suppliers in Europe, makes us vulnerable to geopolitical and supply chain disruptions. This may be heightened by a lack of diversified suppliers, especially amid changing global market conditions. Furthermore, ineffective practices can result in financial penalties, increased regulatory scrutiny, diminished brand value and reduced investor confidence.
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Business Impact	Revenue	Risk	Risk
Business Strategies	Our quality framework is anchored in robust Quality Management Systems ('QMS'), supported by digitisation to ensure adherence to applicable and emerging regulatory requirements for products manufactured at Cipla locations as well as those sourced from third parties. We drive continuous improvement through comprehensive quality enhancement and training programmes that focus on historically known gaps and challenges. Automation tools are deployed across process and equipment reviews, leveraging predictive data analytics and smart interlocks to monitor critical activities and eliminate manual interventions,	Our efforts are driven by our strategic targets that support a reduced carbon footprint. We have been investing in energy efficient technology, renewable energy and alternative sources of energy. Additionally, transition to Green Propellants (with low Global Warming Potential) as compared to traditional propellants, can help us gain greater access to better markets, that are subject to stringent requirements on the environmental impact of products.	Our supply chain resilience is strengthened through a Continuous Improvement Programme focused on creating cost-effective alternatives for raw material procurement and mitigating risks of supply disruption. We continuously monitor for potential disruptions and proactively deploy mitigation measures such as alternate sourcing and advance purchases. Sufficient inventory balances are maintained for key strategic molecules to ensure uninterrupted supply. Business planning procedures are being implemented, improved, and digitised to enable scenario-based simulations and achieve greater end-to-end supply chain visibility. Logistics are optimised and costs

	reviews, and errors. Sterile work practices are continuously strengthened to minimise microbiological excursions. Identified non-conformities are thoroughly investigated, with appropriate Corrective and Preventive Actions ('CAPA') defined and implemented. Potential challenges are proactively identified through periodic internal reviews and audits, while rigorous audits of vendors and contract manufacturers ensure compliance with current Good Manufacturing Practices ('cGMP') and QMS standards.		rationalised through rate contracts with sea liners and prior scheduling of dispatches. Additionally, we leverage Artificial Intelligence ('AI'), Machine Learning ('ML'), and Generative AI technologies to enhance operational efficiency and visibility across the supply chain.
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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 Patient Safety	Climate Action	Sustainable Supply Chain
Target	All-time audit readiness	80% renewable electricity for our India	80% of our critical Indian suppliers to

	• Close investigations and regulatory audit observations swiftly within defined timelines	manufacturing operations • 30% absolute reduction (Scope - 1 energy based and Scope 2) from baseline of FY 2023-24 for Global Operations	comply with Cipla ESG Framework
Target Year	2026	2030	2030
Progress as on FY 2025-26	• 120 external, 71 customer and 87 internal audits conducted • 49 regulatory inspections conducted • Zero critical observations from external audits	• 84% renewable electricity sourced for India manufacturing operations in FY 2025-26 (up from 64% in FY 2024-25), exceeding the 80% target ahead of timeline. • 39% absolute reduction in Scope 1 (energy-based) and Scope 2 emissions for global operations from the FY 2023-24 baseline, surpassing the 30% target. • 52% renewable energy share globally (up from 41% in FY 2024-25) • 1,88,037 tCO₂e of emissions avoided through renewable energy sourcing	• 24% of the critical suppliers were assessed (on-site) by FY 2025-26 from baseline year FY 2023-24. • ISO 20400 certification underway.

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.
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Material Issues for External Stakeholders (DJSI 1.3.4)

Particular	Material Issue 1	Material Issue 2
Material Issue	Climate Action	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	Continued reliance on fossil fuels in operations poses significant environmental risks that can exacerbate social vulnerabilities and widen inequalities. These consequences may, in turn, disrupt our operations and supply chain stability. As stakeholders increasingly demand accountability for environmental performance, failure to effectively manage and reduce our emissions could erode trust and damage our business reputation. We have set comprehensive and focused targets that will	Access to affordable medicines is fundamental to improving global health outcomes and well-being. Yet in many low- and middle-income regions, prohibitive costs continue to prevent communities from obtaining essential treatments. Driven by our ethos of Caring for Life, we are committed to bridging this gap and ensuring that vital medicines reach all those who need them.

	enable positive environmental impacts from our operations. 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.	
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Materiality Metrics for External Stakeholders (DJSI 1.3.5)

Particular	Material Issue 1	Material Issue 2
Material Issue	Climate Action	Availability and Affordability of medicines
Output Metric	Avoided CO ₂ Emissions	Number of patients with access to low-cost medicines
Impact Valuation	Protection of air quality through reduced usage of fossil fuels	Improvement in health status and wellbeing
Impact Metric	Social Cost of Carbon	% of reduction in chronic illnesses

1.4 Risk and Crisis Management

Risk Governance (DJSI 1.4.1)

Our governance framework is underpinned by dedicated operational risk management functions that enable the timely identification and mitigation of risks. The Board of Directors provides overall oversight of the Company's risk management framework and is responsible for approving the Risk Management Policy and governance structure. The Board periodically reviews key enterprise risks and evaluates the effectiveness of mitigation measures. Supporting the Board in this responsibility, the Investment and Risk Management Committee oversees the implementation of the Risk Management Policy, reviews the adequacy and effectiveness of risk identification, assessment and mitigation processes, and provides

recommendations on risk appetite, control measures and compliance oversight. Together, the Board and the Committee ensure a robust and effective risk governance framework across the organisation.

At an operational level, risk Champions support business and function heads together with our Enterprise Risk Management Team ('ERM') form the first line of defence across our businesses. The team is responsible for proactive identification of risks, implementation of mitigation measures, and assessment of residual risk. The ERM team works closely with key functions to identify function-specific risks and implement appropriate mitigation strategies. This cross-functional engagement provides comprehensive risk visibility, strengthens internal controls and promotes a culture of risk awareness.

As a second line of operational oversight, our senior management including the Management Council, Business Heads, and Function Heads are accountable for the ownership and effective management of strategic, operational, and business risks. Business and Function Heads report to the Management Council, which is accountable to the Board, creating a robust multi-tiered governance structure that enhances oversight, transparency, and accountability across the organization. Their responsibilities include overseeing the implementation of risk mitigation plans and internal controls, ensuring effective risk management within their areas of responsibility, and integrating risk considerations into business planning and decision-making processes.

Our strategic and operational risk management structure is reviewed by an independent audit function. Our ERM function and framework undergo an annual Entity Level Controls Audit as part of the Internal Financial Controls (IFC) framework. This annual audit is undertaken to ensure that our risk management framework is appropriately designed to include an established process to identify and consider the implications of relevant risks.

Risk Management Processes (DJSI 1.4.2)

Risk Review

We employ a comprehensive risk identification methodology to assess risks across all businesses and functions. This methodology evaluates the impact, likelihood, and velocity at which risks may materialise, taking into account our existing controls and prevailing external conditions. To determine the impact level of each risk, we have established a risk prioritisation framework encompassing financial, reputational, regulatory, and health & safety dimensions, supported by clearly defined materiality thresholds.

We periodically assess and recalibrate the level of risk we are willing to accept in pursuit of our strategic objectives. Risk appetite levels inform decision-making across business operations, compliance, sustainability, and stakeholder engagement. We maintain a low-risk appetite for regulatory compliance, cybersecurity, and environmental/social impact, given the potential

reputational and legal consequences. Supply chain and manufacturing risks are accepted at a low to moderate level, supported by robust controls. We also recognise geopolitical risks – including political instability and trade restrictions—with a low to moderate appetite, mitigated through market diversification, strategic partnerships, and proactive scenario planning. This balanced approach ensures organisational resilience, regulatory compliance, and long-term value creation. This process is overseen by our Management Council, each of whom have specific risk management related responsibilities.

Furthermore, our Enterprise Risk Management team collaborates with businesses and functions to monitor the external and internal environment, identify emerging risks based on their potential to materially affect our operations over the medium to long term, and develop appropriate mitigation measures.

Based on management's review and deliberations during IRMC meetings, we have identified our key risks, along with their potential impact and corresponding mitigation measures. Detailed information is available on page 49 of our [Integrated Annual Report FY 2025-26](#)

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 Management Process Audit

The Enterprise Risk Management (ERM) function undergoes an annual Entity Level Controls Audit as part of the Internal Financial Controls (IFC) framework. This audit, conducted by an independent external firm under the internal audit programme, includes a comprehensive review of the risk management framework to ensure its effectiveness, compliance and alignment with organisational objectives.

Risk Culture

Our approach ensures that fundamental risk management practices—early identification, prompt escalation, and robust mitigation—are woven into everyday business processes. Businesses and functions translate their critical de-risking actions and mitigation plans into measurable performance targets on associate scorecards, which are then monitored through periodic business reviews and annual appraisals. Leaders across business and support teams carry strategically vital objectives in their annual scorecards, the fulfilment of which demands adherence to our risk management framework and is rewarded accordingly.

Insights gained from both internal and external risk events are disseminated to relevant stakeholders and systematically incorporated into our policies, procedures, and workflows. To

cultivate a vigilant and resilient workforce, we conduct targeted training programmes covering areas such as internal controls, information security threats, logistics and plant risk management, and business continuity planning. Our Board of Directors also participates in regular knowledge sessions spanning risk management, ESG, corporate governance, and evolving industry, business, and regulatory landscapes.

Risk considerations are equally central to how we develop, approve, and manufacture products, factoring in portfolio composition, market conditions, and potential health hazards at every stage.

Emerging Risks (DJSI 1.4.3)

In addition to assessing current and potential risks, we evaluate emerging risks at least once every three years to enable timely remediation and prevent adverse consequences. Consistent with our risk management framework, emerging risks are identified and prioritised based on their likelihood of occurrence and potential business impact. This assessment draws on internal and external data, industry trends, market analysis, regulatory developments, and expert insights, ensuring a holistic and systematic approach to anticipating risks that could evolve into significant threats and implementing mitigation strategies proactively.

1. Trade Protectionism

Risk Description and Impact	Mitigation	Risk Category
In some of our major markets we are witnessing regulatory measures aimed at increasing local manufacturing as well as reducing drug prices through the implementation of trade tariffs and imposition of regulatory ceiling on drug prices. While these policies aim to improve affordability and access for local populations, they significantly limit pricing flexibility and can compress margins, particularly in markets where cost competitiveness is a key differentiator. Such measures have potential to impact profitability	- Establishing local partnerships for manufacturing in key markets to meet local sourcing requirements - Investing in API backward integration and supply chain efficiency to sustain margins under price pressure - Rationalising the portfolio of these markets by discontinuing low margin, unsustainable products impacted by price ceiling and focusing on complex generic products and niche therapies.	Economic

and growth significantly in these regions.		
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2. Impact of anti-obesity medications

Risk Description and Impact	Mitigation	Risk Category
The increasing adoption of GLP-1 presents significant growth opportunities but simultaneously also has potential to restrict growth in certain traditional therapies, particularly in the cardiovascular and metabolic areas. GLP-1 drugs not only provide effective glycemic control but also demonstrate significant cardiovascular and renal protective effectiveness. As a result, this may reduce demand for medications such as statins, ACE inhibitors, beta blockers and antiplatelet agents. Additionally, the weight loss benefits of GLP-1 would reduce the burden of obesity related complications and thus, has potential to impact corresponding segments in the pharmaceutical sector.	- Portfolio diversification by shifting focus in therapies where GLP-1 has shown limitations like Chronic Kidney Disease, Diabetic Retinopathy, etc. - Realigning pipeline by shifting focus from therapies vulnerable after adoption of GLP-1 - Continued focus on HCPs engagement in relation to existing therapies that remain complementary to GLP-1	Economic

1.5 Business Ethics

Anti-Corruption and Anti-Bribery Policy (1.5.3)

We maintain a zero-tolerance stance towards bribery and corruption in any form, as outlined in our [Anti-Bribery and Anti-Corruption \(ABAC\) Policy](#), which has been approved by our Board of Directors. All forms of bribery and corruption are strictly prohibited—whether involving government officials, private sector individuals, or companies, and whether conducted directly or through intermediaries.

Under our policy, no gifts may be accepted from or offered to government representatives, politicians, or political parties without prior consultation with the Chief Compliance Officer. We did not make any political contributions in FY 2025-26.

We may make charitable donations that are legal and ethical under local laws and practices. In FY 2025-26, we spent INR 103.75 Crores on Corporate Social Responsibility activities at a group level. Associates may, in their personal capacity, make donations that are legal and ethical under local laws and practices.

All our employees are provided with annual training on our Code of Conduct including our ABAC policies and procedures. Furthermore, as part of our Enterprise Risk Management activities, we conduct risk assessments regarding compliance with anti-corruption and anti-bribery laws, as required, and implement appropriate mitigation measures.

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 and incidents can be reported to our Chief Internal Auditor via post or email. We have also established a dedicated ethics email address through which employees can raise concerns in a secure and confidential manner. As set out in our Code of Conduct, we adopt a zero-tolerance approach to non-compliance. Any violation is thoroughly investigated, and appropriate disciplinary and remedial action is taken.

Whistleblowing Mechanism (DJSI 1.5.4)

All breaches of our Code of Conduct and other policies can be reported under the ambit of our detailed [Whistle Blower Policy](#). All matters in this regard are governed and overseen by our Ethics Committee, which is chaired by the Global Chief People's Officer to ensure impartiality. Concerns can be reported through a dedicated email address, and in certain operations, we also provide a third-party whistleblower channel. All complaints received are treated with strict confidentiality, and reports are subsequently submitted to the Ethics Committee for review and action.

To ensure awareness on channels to raise concern, training is provided to all employees under the learning module of 'My Global Code of Conduct'. Our employees are encouraged to report any concerns without fear of retaliation, and they may choose to disclose their identity while making a complaint. All complaints are thoroughly investigated as per the guidelines laid down in our [Whistle Blower Policy](#). The Ethics Committee is also responsible for ensuring that strict confidentiality is maintained throughout all proceedings.

Reporting on Breaches (DJSI 1.5.5)

Reporting areas	Number of breaches
Corruption and Bribery	0
Discrimination or Harassment	19
Customer Privacy Data	0
Conflicts of Interest	0
Money laundering or Insider Trading	0
Total	19

There have been no convictions and/or fines related to corruption or bribery in FY 2025-26.

1.6 Policy Influence

Contributions and Other Spending (DJSI 1.6.1)

Currency (INR)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns / organizations / candidates	24,20,00,000	39,20,00,000	0	0
Trade associations or tax-exempt groups (e.g. think tanks)	1,12,35,033.25	1,11,86,400	1,09,35,760	1,11,96,312

Other (e.g. spending related to ballot measures or referendums)	0	0	0	0
Total	25,32,35,033.25	40,31,86,400	1,09,35,760	1,11,96,312

Largest Contributions and Expenditures (DJSI 1.6.1)

Issues and Topics

Issue or Topic	Corporate Position	Description of Position	Total Spend in FY 2025-26 in INR
Access and Affordability	Support	At Cipla, policy advocacy is guided by our commitment to transparency, integrity, patient-centricity, and sustainable development. We believe that responsible policy engagement plays a vital role in advancing equitable healthcare access, fostering innovation, strengthening regulatory systems, and supporting long-term societal progress. Our engagement with policymakers, regulators, industry associations, healthcare experts, civil society organizations, and other stakeholders is grounded in evidence-based insights, constructive dialogue, and ethical conduct. By sharing practical perspectives drawn from our experience in healthcare, innovation, quality, and sustainable operations, we contribute to the development of policies and regulatory frameworks that enhance patient safety, improve healthcare access, and encourage innovation.	0

		Our policy engagement is guided by a long-term perspective that seeks to balance public health priorities, economic development, and environmental stewardship. Through responsible advocacy, we support initiatives that advance innovation, digital transformation, sustainable manufacturing, and ecosystem conservation, contributing to a more inclusive, resilient, and future-ready healthcare landscape. Across all engagements, Cipla upholds the highest standards of ethics, compliance, and governance. Our approach reflects the belief that sustainable business success is intrinsically linked to improving patient outcomes, strengthening communities, and preserving the natural ecosystems on which society depends.	
Climate Change and ESG	Support	At Cipla, biodiversity and ecosystem services are recognized as critical components of sustainable business operations and responsible growth. We believe that healthy ecosystems underpin environmental resilience, resource security, and long-term value creation. As such, biodiversity considerations are integrated into our sustainability approach and business decision-making processes. Through active participation in collaborative sustainability platforms and stakeholder engagements, Cipla contributes to the advancement of nature-positive and environmentally responsible practices. These engagements facilitate knowledge	0

		sharing, cross-sector learning, and the adoption of best practices that strengthen biodiversity conservation and ecosystem stewardship. Our commitment extends beyond compliance, focusing on fostering environmental resilience, promoting responsible resource management, and creating sustainable outcomes for communities and the environment. By embedding biodiversity considerations within our broader ESG framework, Cipla strives to drive meaningful impact while supporting a more sustainable and resilient future for all stakeholders.	
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Other Large Expenditures

Name of Organisation, Candidate or Topic	Type of Organization and Description of Engagement	Total Spend in FY 2025-26 in INR
Indian Pharmaceutical Association (IPA)	Trade Association/Industry Chambers: 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	1,06,20,000
International Generic and Biosimilar Medicines Association ('IGBA')		43,62,324
Confederation of Indian Industry (CII)		3,89,400

Indian Drug Manufacturers Association ('IDMA')	constructive dialogue on policy interventions to develop a conducive healthcare ecosystem.	1,86,912
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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 defines sustainability parameters covering social and environmental practices that all vendors are required to follow and work towards. These include responsibilities such as minimising environmental impact, effective waste management, upholding collective bargaining rights, prohibiting child and forced labour, ensuring health and safety, maintaining fair working conditions, and operating with transparency.

We integrate Environmental, Social, and Governance (ESG) clauses into our supplier purchase orders, requiring vendors to adhere to responsible practices across all three dimensions. These clauses mandate that suppliers implement appropriate environmental management systems covering waste handling, emissions monitoring, wastewater treatment, energy conservation, and water efficiency. From a social standpoint, suppliers are required to maintain safe and healthy workplaces, uphold human rights, and ensure environments free from harassment and discrimination of any kind. On governance, suppliers must comply with all applicable laws and regulations, prohibit child labour and forced labour, maintain mechanisms to identify and report unethical or illegal activity, and are encouraged to source locally from vulnerable and marginalized communities where possible. 100% of our supplier contracts include the above requirements.

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

Our Supplier ESG Program is underpinned by a robust governance framework spanning both strategic and operational levels. At the highest level, the Board of Directors maintains oversight of all ESG initiatives, supported by the Investment Risk and Management Committee (IRMC), which conducts periodic reviews of program effectiveness, emerging risks, and corresponding mitigation measures. To drive individual accountability, ESG targets are formally embedded into the performance scorecards of the Managing Director and Global Chief Executive Officer,

with approval from the Board and the Nomination and Remuneration Committee (NRC). Progress is monitored at defined intervals to ensure alignment with long-term sustainability goals.

On the operational front, the Sustainability Council—chaired by the Global Chief Manufacturing Officer (GCMO) and composed of senior leaders across critical functions including supply chain—meets every quarter to assess sustainability performance and guide program execution. The Council reports its findings to the IRMC on a regular basis, creating an integrated governance loop that connects day-to-day implementation with board-level decision-making.

Our Supplier Code of Conduct, Supply Chain Sustainable Management Policy and [Responsible Sourcing Policy](#) form an integral part of our responsible supply chain management framework. They provide a framework for assessing purchasing practices, enhancing ESG (Environmental, Social, and Governance) performance, and fostering sustainable growth across the value chain. All suppliers are required to confirm their adherence to the Code at the time of onboarding and reaffirm compliance on a periodic basis—at minimum once every three years, or at such intervals as determined by company management.

Suppliers are required to adhere to applicable industry standards, secure all necessary permits, and operate within the boundaries and conditions stipulated by those permits. Additionally, we encourage suppliers to align their practices with globally recognized frameworks such as the United Nations Global Compact (UNGC) and the International Labour Organisation (ILO), and to pursue relevant certifications including ISO 14001, ISO 45001, and ISO 27001 from the International Organisation for Standardisation (ISO).

In FY 2025-26, 1,881 vendors (203 critical suppliers) confirmed alignment to SCoC in comparison to audits of 1,761 vendors (205 critical suppliers) in FY 2024-25. We have set a target of 1,900 vendors confirming compliance in FY 2026-27. As of 31st March 2026, 25% suppliers have confirmed compliance with our SCoC.

In accordance with our Responsible Sourcing Policy, we conduct both internal and external audits of suppliers following the Pharmaceutical Supply Chain Initiative (PSCI) protocol and BRSR Value Chain requirements. Suppliers whose sustainability scores fall below the prescribed threshold are classified as 'Critical Suppliers' and supported through corrective and preventive action plans (CAPAs). If a supplier remains unable to meet our standards after three successive CAPAs, we reserve the right to terminate the business relationship.

We also provide training to 100% of our employees and internal stakeholders who play a role in our Supplier ESG Program. These trainings cover a range of sustainability issues including, but not limited to, climate change, use of renewable energy, occupational health and safety, and Human Rights.

Supplier Screening

Our supplier management approach involves segmenting and ranking vendors to identify performance risks early and weave risk mitigation into every layer of the value chain, bolstering our ability to withstand future disruptions. Suppliers classified as 'Critical' are those whose contributions are central to our operations and competitive positioning—often linked to high-value contracts or substantial spend. The loss of such a supplier would demand significant time and resources to recover from, making them indispensable to uninterrupted operations.

We are building a dedicated ESG evaluation framework within our supplier engagement programme to assess prospective vendors on their environmental, social, and governance maturity. Insights from this assessment inform tailored capacity-building efforts aimed at bringing suppliers closer to the standards outlined in our Code of Conduct. Concurrently, we are embedding ESG commitments directly into our Purchase Order terms to formalize supplier accountability. Country-level risks are evaluated as part of our supplier risk management framework to support resilient sourcing.

We are currently undertaking activities to align its procurement framework with the principles of ISO 20400 on Sustainable Procurement and assess readiness against its requirements. We work with more than 8,400 tier 1 upstream and downstream suppliers (more than 8,250 for FY 2024-25) of which 789 (566 for FY 2024-25) are critical suppliers, accounting for 80% of the total spend on tier 1 suppliers.

Supplier Assessment

To ensure compliance and continuous improvement 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 to assess supplier ESG performance and maturity. In FY 2025-26, we assessed 185 vendors through a desk-based assessment, with 17 critical suppliers providing satisfactory EcoVadis scores in place of questionnaire responses. We also undertook on site audits of 75 suppliers. Audited suppliers accounted for 21.61% of our total procurement expenditure.

Suppliers are assessed on key criteria, including legal and ethical standards, product quality and safety, human rights, labour practices, workplace conditions, human rights, environmental sustainability and transparency.

Out of the vendors assessed in FY 2025-26, four were identified as high-risk and guided through well-planned CAPA plans. To ensure accountability and continuous improvement, we carry out yearly assessments of CAPA implementation for all high-risk suppliers. This systematic review process allows us to track progress, reinforce compliance expectations, and assist suppliers in meeting our ESG standards throughout the supply chain. All CAPAs are executed within a defined completion timeline of 24 to 36 months.

Quality Assessments of Suppliers

We conduct vendor audits of API, excipient, and packaging material suppliers once every three years to verify compliance with Good Manufacturing Practices (GMP). Contract Manufacturing Organisation (CMO) sites, both domestic and international, undergo thorough audits to ensure adherence to regulatory requirements, market standards, current GMP guidelines, and our internal SOPs. InVitro diagnostics and medical device manufacturing sites are evaluated for conformity with Indian MDR 2017 and ISO 13485:2016, ensuring quality, safety, and regulatory compliance across our operations. During FY 2025-26, we performed 65 periodic audits and 43 due diligence audits for loan licence and principal-to-principal CMOs, recording a total of 1,449 observations. All audit findings were promptly addressed and monitored through Corrective Action Preventive Action (CAPA) plans.

Supplier Development

We organise ESG workshops for both our value chain partners and internal teams to raise awareness and define ESG responsibilities. Looking ahead, we aim to advance supply chain sustainability by focusing on ESG practices that reduce Scope 3 emissions. This will involve categorising suppliers by their ESG maturity, criticality and risk level, enabling focused engagement in effective sustainability initiatives.

During the year, we conducted two awareness sessions on ESG matters, engaging 105 key vendors against a target of 100+ suppliers. Leveraging our Pharmaceutical Supply Chain Initiative (PSCI) membership, we trained nine key vendors representing 6.75% of our total procurement spend. Additionally, two sustainable procurement training sessions were held alongside ISO 20400 training for select Supply Chain Management team members. For FY 2026-27, we aim to extend our reach to over 110 suppliers, including 30 critical suppliers.

KPIs for Supplier Assessment and Development (DJSI 1.7.5)

The data below pertains to our Tier 1 upstream and downstream suppliers.

Supplier Assessment KPIs	FY 2025-26
Total number of unique suppliers	8,400
Number of unique significant suppliers	789
Number of unique significant suppliers supported with development measures	105 (13% of our critical suppliers)
Number of unique significant suppliers assessed via desk assessments/on-site assessments	260 (40% of our critical suppliers)

Number of unique significant suppliers assessed with substantial actual/potential negative impacts	4 (0.5% of our critical suppliers)
Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	4 (100% of our critical suppliers assessed with identified negative impacts)
Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated	0

1.8 Tax Strategy

Tax Strategy and Governance and Tax Reporting (DJSI 1.8.1 and DJSI 1.8.2)

Our commitment to responsible tax management is set out in our [UK Tax Strategy](#), which is approved by our Board of Directors. We comply with both the letter and the spirit of the tax laws and regulations in the countries in which we operate.

We do not seek to transfer value created by our business to low-tax jurisdictions, use tax structures that lack genuine commercial substance, or use secrecy jurisdictions or tax havens for tax avoidance. Our tax planning is aligned with our commercial activities and business objectives.

For transactions between companies within our Group, we apply the arm's length principle and undertake transfer pricing in accordance with applicable laws and internationally accepted standards. We also maintain appropriate processes for identifying, managing, and reviewing tax risks and for ensuring compliance with our tax obligations.

We also published a dedicated Annual Tax Transparency Report. Our Report for FY 2025-26 is available at: [Cipla-Tax-Transparency-Report-FY-2025-26_0.pdf](#)

1.9 Information Security/ Cybersecurity and System Availability

Information Security Governance (DJSI 1.9.1)

At the Board level, our Investment and Risk Management Committee oversees all matters related to information security and cybersecurity.

Two of our Independent Directors, Ms. Maya Hari and Ms. Sharmila Paranjpe, have significant expertise in information security and technology governance. Through their leadership and board-level roles in large technology-driven organizations, both directors have developed extensive experience in overseeing technology strategy, operational risk management,

cybersecurity, and information security matters. Their expertise strengthens the Board's ability to provide effective oversight of information security risks and emerging digital challenges.

At the operational level, we have also appointed a Chief Information Officer, Ms. Sneha Hirandandani, who is responsible for assessing and managing information security related matters.

Information Security Policy (DJSI 1.9.2)

Cipla's Cyber Security Compliance Management is governed by a robust Information Security Management System ("ISMS") comprising specialised policies, including data privacy and risk management, aiming to protect against AI-enabled threats.

The Company has a comprehensive Information Security Policy that emphasizes continuous improvement, maintaining data integrity, proactive threat monitoring, and establishing responsibilities across the workforce. The information security management programme includes business continuity planning, vulnerability analysis, internal audits, and an annual external audit aligned with ISO 27001 and NIST standards. Measures also include structured incident reporting, escalation protocols, employee awareness training, and strong controls to protect third-party data from unauthorised access.

In line with our [Data Privacy Management Policy](#), we embed information security and data privacy considerations in all our processes by design. We are committed to continuous improvement of all our systems and processes. We also strictly enforce robust control measures and frameworks to ensure data protection and privacy. Adequate security measures have been implemented to protect against loss of data, breaches, damage and destruction. We also ensure that all personal data that is no longer required is securely deleted to prevent any unauthorized access.

Every employee is personally accountable for adhering to all data privacy and protection protocols established by the Company. Employees in managerial roles carry the additional duty of ensuring their team members understand and follow the required processes and procedures. In alignment with our Code of Conduct, the use of Company internet and email services must remain ethical and limited strictly to business-related activities. Adherence to this requirement is measured as a Key Reporting Area for applicable roles.

To safeguard against potential data breaches, our Third Party and External Enterprise Security Policy, accessible via the Company intranet, sets forth the standards that external parties must meet to remain in compliance with our information security expectations.

Information Security Management Programs (DJSI 1.9.3)

We adhere to globally recognized security standards and best practices, holding certifications aligned with the National Institute of Standards and Technology (NIST), ISO 27001, the Open Web

Application Security Project (OWASP), and Enterprise Digital Risk Management frameworks. To ensure the continued security, availability, and integrity of our data, we maintain a robust Business Continuity and Disaster Recovery Plan that undergoes internal testing on an annual basis.

In FY 2025-26, we conducted quarterly internal vulnerability assessments and half-yearly external penetration tests, supported by a dedicated vulnerability management platform for timely issue resolution, thereby strengthening our information security and cybersecurity framework. Our IT infrastructure also undergoes an annual internal audit led by our Internal Audit Team. Furthermore, a third-party audit is undertaken by our Statutory Auditor. We are also in process of assessing the feasibility of the ISO 27001 certification for critical functions.

Responsible information management is upheld through continuous employee cybersecurity training and regular awareness communication. External partners undergo security due diligence before being granted access to corporate systems.

Any data privacy related query can be addressed to a dedicated email ID – globalprivacy@cipla.com. Any grievances or breaches can be reported to our Grievance Officer at grievance.officer@cipla.com. All reported incidents are investigated as per our internal guidelines and protocols. Additionally, as provided for in our [Data Privacy Management Policy](#), whistleblower mechanisms are available to all stakeholders to report any concerns or breaches.

Our Security Operations Centre operates an Extended Detection and Response platform, ensuring 24/7 monitoring and incident reporting. During FY 2025-26, the Company recorded no substantiated complaints related to breaches of data privacy, no complaints from regulatory bodies, and no identified leaks, thefts or losses of customer data.

1.10 Responsible Artificial Intelligence

Responsible Artificial intelligence Policy (DJSI 1.10.1)

Cipla's [Responsible AI Policy](#), endorsed by our Executive Management, demonstrates substantial alignment with the assessed responsible AI principles. The policy establishes enterprise-wide requirements for the ethical, secure and accountable development, procurement, deployment and use of AI systems. It incorporates commitments relating to data privacy, cybersecurity, fairness, transparency, human oversight, accountability and responsible governance of AI technologies.

Specifically, the policy requires AI systems to protect personal and confidential information through appropriate data governance, privacy and security safeguards, and mandates compliance with applicable data protection regulations. It further requires AI solutions to incorporate cybersecurity and resilience controls to mitigate unauthorized access, data

leakage, adversarial misuse and other cyber risks. The policy also promotes fairness and non-discrimination by requiring AI systems to be designed, tested and monitored to reduce unfair bias and inequitable outcomes.

The policy emphasizes that AI should augment, rather than replace, human judgment and accountability. Decisions affecting patients, product quality, regulatory compliance and other critical outcomes remain subject to appropriate human oversight, while stakeholders are provided with channels for escalation and human review of significant AI-influenced outcomes. The policy further promotes transparency by requiring AI-generated outputs and recommendations to be explainable, traceable and appropriately disclosed or labelled where feasible and legally required.

Clear accountability mechanisms are established through the requirement that each material AI use case has an identified owner and that final responsibility for business decisions remains with designated human decision-makers. The policy also defines operational boundaries for AI by specifying prohibited and restricted uses, including social scoring, manipulative AI systems, exploitation of vulnerabilities, and certain biometric surveillance applications that require enhanced governance and approval.

In relation to environmental considerations, the policy recognizes the environmental impacts associated with AI infrastructure and requires environmental factors to be considered during the evaluation, design, procurement and operation of significant AI deployments. It promotes efficient use of computing resources and engagement with technology partners that demonstrate responsible environmental practices. However, the policy does not explicitly require internal or third-party AI data centres or models to meet defined low-carbon or low ecological footprint criteria.

Responsible Artificial Intelligence Programs (DJSI 1.10.2)

We have adopted a controlled and human-centric approach to the use of artificial intelligence. Enterprise AI capabilities are primarily procured as a service from Microsoft, with our current activities focused on solution architecture, integration, governance, responsible adoption and training of foundational AI topics.

We deploy AI tools primarily to support employees with information synthesis, content development, knowledge management, meeting effectiveness, workflow simplification, and task execution. AI-generated outputs serve as recommendations or decision-support inputs. Responsibility for reviewing, validating, and approving these outputs remains with authorized employees. We do not use AI as an autonomous decision-maker for material business processes.

Access to advanced AI capabilities is granted through a controlled approval process. During the reporting period, we provided approximately 1,000 employees with premium Microsoft 365 Copilot licenses following management approval. This phased deployment supports responsible access management and helps ensure that advanced capabilities are provided to employees with relevant business requirements and appropriate training.

Responsible AI adoption is further enhanced through 'Formula AI', our organization-wide AI learning program delivered through Cipla University and reinforced through internal communication from our Managing Director and Global Chief Executive Officer. The program includes foundational AI learning and targeted, hands-on workshops for premium Copilot licensee holders. The training covers the appropriate use of Microsoft 365 Copilot, built-in agents, agentic workflows and governance. Employees are also sensitized to the importance of human review, information security and responsible sharing.

We retain responsibility for the governance, risk assessment, integration, access, and responsible use of AI within our operations. Where externally hosted AI services are used, the technology providers manage the underlying models and infrastructure. We consider providers responsible AI, information-security, and environmental practices through our technology procurement and supplier-management processes. Relevant supplier certifications, including ISO/IEC 42001, provide additional assurance.

As the scale and complexity of our AI adoption increases, we intend to progressively strengthen our AI governance framework. This includes formalizing controls for AI-generated content, periodically assessing the risks and impacts of AI use cases, monitoring AI-enabled solutions, and developing mechanisms to measure business and sustainability-related outcomes.

1.11 Product Quality and Recall Management

Product Quality Programs (DJSI 1.11.1)

At Cipla, quality is maintained through rigorous testing of raw materials, in-process substances, and finished products in accordance with pharmacopeial and regulatory requirements. Techniques including assay, impurity profiling, performance testing, and Nitrosamine assessments for both formulations and APIs facilitate early detection of defects and help mitigate the risk of product recalls. Our Corporate Sterility Assurance Program, introduced in January 2023, is dedicated to developing and enforcing corporate standards across all sterile manufacturing sites. This team evaluates site-level procedures for compliance and quality and carries out Sterility Assurance Quality Management Reviews.

Although our primary business model operates through Business to Business ('B2B') partnerships, we receive case reports directly from healthcare professionals, patients, and

caregivers through multiple channels. Every complaint, whether submitted via phone or email, is acknowledged, investigated, and resolved in accordance with established procedures.

Guidance on adverse event reporting is available on our website at <https://www.cipla.com/sites/default/files/Guidance-on-adverse-event-reporting.pdf>. Our pharmacovigilance processes comply with local regulatory requirements and follow stringent Standard Operating Procedures ('SOPs') for adverse events, product complaints, and medical information activities.

Our Corporate Quality Assurance ('CQA') team records and investigates all product complaints. In FY 2025-26, we received 5,732 product complaints and resolved 4,756, with the remainder in progress within defined timelines.

Our Corporate Quality Assurance team oversees an internal audit program that evaluates manufacturing sites and corporate functions to verify the effective implementation of quality systems and adherence to established procedures. These audits are conducted at predetermined intervals, determined by risk and compliance ratings, to identify opportunities for improvement. Furthermore, we also provide focused training to our internal stakeholders on quality management in line with our internal SOPs.

We have also established a comprehensive QMS for drug-device combination products, incorporating SOPs for risk management and design control in compliance with statutory requirements. Additionally, Jay Precision Pharmaceuticals Private Limited, our medical device manufacturing site, has undergone compliance assessments with ISO 13485:2016 by TUV Rheinland, ensuring adherence to quality management standards for medical devices through periodic surveillance audits.

Product Recalls (Health Care) (DJSI 1.11.2)

Class I Recalls	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of Class I recalls (or equivalent)	2	2	0	0
Total value of recalled products in USD million	0.0000003	0.014	0	0

Class II Recalls	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
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Number of Class II recalls (or equivalent)	7	5	6	14
Total value of recalled products in USD million	0.24	0.387	0.031	0.023

Compliance to Regulatory Standards (DJSI 1.11.3)

Regulatory Agency Inspections

Regulatory agency inspections	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of Regulatory agency inspections	30	52	40	49

Form 483 Observations

Form 483 Observations (or equivalent)	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of Form 483 Observations (or equivalent)	16	5	23	3
Annual revenues generated from the affected facilities in USD million	0	0	0	0
Annual revenues impacted by production	0	0	0	0

stoppages in USD million				
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FDA Warning letters

FDA Warning Letters	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Number of FDA Warning Letters (or equivalent)	0	1	0	0
Annual revenues generated from the affected facilities in USD million	0	0	0	0
Annual revenues impacted by production stoppages in USD million	0	0	0	0

Environmental Dimension

2.1 Environmental Policy and Management Systems

Environmental Policy (DJSI 2.1.1)

Our commitment to managing our environmental footprint and preventing adverse environmental impacts remains a critical aspect of our operational strategy. During FY 2025–26, this commitment was governed by the then in effect. The Policy was subsequently reviewed and revised, with the updated [Environment, Health, Safety & Sustainability \(EHS&S\) policy](#) becoming effective on 1 May 2026. The revised Policy maintains continuity with Cipla's established environmental, health, safety and sustainability commitments and serves as the foundation for our environmental stewardship, outlining our priorities, guiding our actions, and establishing clear accountability for implementation across the organisation.

In alignment with ISO system requirements, we maintain clearly defined roles and responsibilities to manage our EHS performance effectively and engage and consult our workforce and other stakeholders on all EHS matters. Our EHS and Sustainability objectives remain integral to the organization's goals, with oversight provided directly by the Managing Director & Global Chief Executive Officer (MD & Global CEO) and the Board of Directors. These responsibilities are systematically disseminated to individuals across all functions, and EHS & Sustainability efforts are reviewed quarterly at the board level by the Investment and Risk Management Committee.

The Central EHS Team oversees API, Formulation, Occupational Health and Hygiene Function (OHH), and Sustainability, reporting to the Vice President EHS & ESG. This team falls under the guidance of the Global Chief Manufacturing Officer (GCMO). At the manufacturing sites, the Site Head, supported by Site EHS Managers, monitors EHS performance and leads the effective implementation of systems. The Site Head is tasked with governance and responsible for the effective application of our EHS policies, procedures, and programs. The Company remains fully compliant with all applicable environmental laws and regulations, and we continue to focus on the continuous improvement of our environmental performance by setting clear targets and objectives to reduce our environmental impacts.

We persist in our efforts to provide targeted training to all employees and workers on environmental management to promote environmentally positive behaviors and to ensure they understand the impacts of the Company on the environment. In FY 2025–26, we provided 540 environment-related training sessions and delivering a total of 5,557 man-hours of learning to our employees. Our EHS&S Policy extends to all subsidiaries and joint ventures, as applicable, and encourages suppliers, vendors, customers and business partners to adopt safe, healthy, environmentally responsible and sustainable practices. In accordance with the

Policy, we engage and consult our workforce and other stakeholders on all EHS&S matters to support its effective implementation and continual improvement.

Verification of Environmental Programs (DJSI 2.1.2)

Certification	Coverage
EMS is verified through international standards (e.g., ISO 14001, JIS Q 14001, EMAS certification). ²	79%
Third party certification /audit / verification by specialized companies.	-
Internal certification /audit / verification by company's own specialists from headquarters.	21%
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 2025–26, our facilities underwent 76 internal audits and 15 external audits, covering 48 manufacturing units.

Environmental Violations (DJSI 2.1.3)

There are no open show cause notices, legal notices, or penalties imposed on the Company by regulatory agencies in relation to safety or environmental violations. Cipla continues to remain fully compliant with all applicable environmental laws and regulations.

2.2 Energy

Energy Management Programs (DJSI 2.2.1)

At Cipla, we focus on decarbonization by enhancing energy efficiency and increasing the use of renewable energy. We are expanding our renewable energy sources by installing rooftop solar panels, tapping into solar and wind power through open access, and procuring International Renewable Energy Certificates (I-RECs) under a long-term arrangement since September 2024. We also use alternative energy, such as briquette, to cut down on fossil fuel reliance. We conduct regular energy audits across our Indian manufacturing locations to

² In FY 2025–26, two new sites were added to the reporting scope. As these sites were still in the commissioning phase, their certification assessments had not yet been conducted, resulting in a decline in the overall percentage of certified sites.

assess energy use, identify inefficiencies, and unlock opportunities for energy optimisation, with 56% of our India manufacturing operations certified to ISO 50001:2018 on Energy Management Systems (EnMS) during the year. To further enhance conservation, we have set site-level energy savings targets across our manufacturing footprint and a long-term goal of achieving 80% renewable electricity for India manufacturing operations by FY 2029-30, covering existing operations, expansions, and new projects, reinforcing our pathway to Net Zero by 2050.

In the reporting year, our global renewable energy consumption reached 10,96,819 GJ, making up 52% of our total energy usage up from 41% in FY 2024-25. For our India manufacturing operations, renewable energy stood at 61%, a significant leap from 48% in FY 2024-25. Further, we secured 9,53,324 GJ of renewable electricity during the year, meeting 84% of the renewable electricity requirement for our India manufacturing operations, advancing from 64% in FY 2024-25 and well exceeding our internal target. By March 31, 2026, we had a total operational capacity of 59 MWp of captive solar power via open access, 2.7 MVA of captive wind power via open access, and 11.8 MWp of solar rooftop installations across various sites in India. Our 46 MWp captive solar plant in Tuljapur, Maharashtra, continues to meet 55% of the electricity requirements of our manufacturing units at Kurkumbh and Patalganga, as well as our R&D center at Vikhroli, Mumbai. In Karnataka, our captive 9 MWp solar and 2.7 MVA wind projects, complemented by third-party solar and wind power sourcing, collectively powered 96% of the electricity requirements of our manufacturing units at Virgonagar and Bommasandra, bringing these locations close to fully renewable operations. During the year, we also commenced sourcing renewable energy from a 4 MWp captive solar plant for our subsidiary Jay Precision Pharmaceuticals Private Limited (JPPL) and expanded our rooftop solar capacity at Vikhroli from 85 kWp to 130 kWp. Additionally, in April 2025, our Goa-I facility installed a 53 KWp rooftop solar system at an investment of INR 24 lacs, displacing grid electricity with renewable power and contributing to lower Scope 2 emissions.

As part of our green energy commitment, we have continued our long-term strategic alliance with Juniper Green Cosmic Private Limited, securing access to 112 MWp of solar capacity in Bikaner, Rajasthan, connected to India's Central Grid. This agreement enables us to receive 1,85,000 International Renewable Energy Certificates (I-RECs) annually, translating to an estimated reduction of 1,31,350 tCO₂e per year as per the CEA grid emission factor of 0.71 tCO₂e/MWh. In FY 2025-26, we procured 1,68,056 MWh of renewable power through this initiative for our India manufacturing operations, resulting in a reduction of 1,19,320 tCO₂e in Scope 2 emissions, building on the 95,005 MWh and 69,068 tCO₂e reduction achieved in FY 2024-25.

We further demonstrate our commitment to reducing our climate impact through targeted energy-efficiency projects. As part of our annual energy-management planning process, we identify site-level projects and establish quantified energy-saving targets based on their expected impact. The implementation status and actual impact of these projects are periodically reviewed internally by our Energy team to evaluate progress in reducing energy

consumption and identify further opportunities for improvement. In FY 2025-26, we invested ₹5.54 crore in energy-conservation equipment and achieved aggregate energy savings of approximately 19,911 GJ, representing a 45% increase over the 13,704 GJ of savings achieved in FY 2024-25. .

These investments included energy-efficient and innovative technologies such as the installation of an Automatic Condenser Cleaning System at the Indore plant, which delivered approximately 923 MWh of energy savings; Variable Frequency Drives for Air Handling Units and ventilation systems at Kurkumbh and Bommasandra; Electronically Commutated blowers; chiller operation optimisation at Goa-I; and energy-efficient IE3-rated pumps and motors at Sikkim. The migration of the Sikkim-II site to a more reliable State Electricity Board substation also reduced diesel consumption by approximately 52,000 litres, equivalent to 1,987 GJ, and delivered annual cost savings of ₹47 lakh. We have also adopted a policy to develop all new infrastructure projects in alignment with IGBC guidelines and ratings, incorporating energy-efficient systems and environmentally responsible design to minimise our environmental footprint while enhancing occupant wellbeing and productivity. In line with our transition towards low-carbon mobility, our electric vehicle fleet collectively covered 2,55,262 kilometers in FY 2025-26, an increase of 49% over FY 2024-25. Further details on our site-level energy-efficiency projects, investments and outcomes are provided in Annexure III of the [Integrated Annual Report FY 2025-26](#).

We systematically monitor and evaluate our energy performance year-on-year. In FY 2025-26, our global energy consumption stood at 21,00,034 GJ, while our energy intensity remained at 0.75 GJ per INR lac of revenue. Underlying energy consumption (excluding the impact of ongoing greenfield and brownfield project activities) increased marginally by 0.8% versus the previous year at the global level, while it decreased by 1% for our India manufacturing operations. Our energy data is independently assured by DNV Business Assurance India Private Limited. In the year, we made a capital investment of INR 5.54 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 delivering 2.46 man-hours of energy training per employee during the year, focused on energy conservation, climate action, and GHG emissions reduction to further inculcate a culture of energy conservation across the organisation.

Energy Consumption (DJSI 2.2.2)

Energy Consumption in MWh	FY 2022-23	FY 2023-24 ³	FY 2024-25	FY 2025-26
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³ We had increased our reporting boundary to include an additional 15 subsidiaries in FY 2023-24 as compared to FY 2022-23. The additional locations account for an estimated increase of 4.4% of our total energy consumption in FY 2023-24.

Total non-renewable energy consumption	3,80,108	3,98,621	3,34,812	2,78,671
Total renewable energy consumption	1,42,405	1,61,937	2,36,165	3,04,672

Our annual target for non-renewable energy consumption for FY 2025-26 was 3,01,330.8 MWh, a 10% reduction as compared to FY 2024-25.

2.3 Waste and Pollutants

Waste Management Programs (DJSI 2.3.1)

Our operations produce various types of waste, including hazardous, non-hazardous, e-waste, and biomedical waste. We carefully track and record all waste generated across our facilities, which is sent to certified recycling and disposal partners in strict accordance with applicable rules. We have also embedded a waste stream mapping framework to improve processes and ensure each stream reaches its most sustainable end-of-life pathway, supporting circularity.

In FY 2025-26, building on the comprehensive internal audit of waste classification conducted at our manufacturing sites, we continued to identify and act on opportunities to reduce waste at source and ensure accurate waste classification. Waste generated at our locations is managed through authorized recyclers, Treatment, Storage and Disposal Facilities (TSDF), and co-processing facilities. Co-processed waste is converted into Alternative Fuels and Raw Materials (AFR) for the cement industry, thereby turning waste into value and reducing landfill use. We prioritize waste reuse wherever possible, and in FY 2025-26 a total of 36,827 MT of waste was generated from our global operations. Of the total waste managed during the year, approximately 98% was diverted from disposal through recycling, reuse and other recovery operations, compared with 90% in FY 2024-25. Of this, 26,517 MT of waste was sent for recycling globally, while 8,972 MT was diverted through other recovery operations, building on the 23,859 MT recycled and re-used and 4,774 MT recovered in FY 2024-25. Total waste directed to disposal from our global operations dropped sharply to 896 MT in FY 2025-26, continuing the strong downward trend from 3,267 MT in FY 2024-25.

To improve waste management, we continue to invest in technologies such as volute presses and Effluent Treatment Plant (ETP) sludge dryers to enhance waste reuse efforts. At our Patalganga site, the Dry Sol sludge dryer system was modified in 2025 to reduce the moisture content of ETP sludge from about 70-80% to nearly 10% before disposal, significantly cutting the quantity of waste sent to Common Hazardous Waste TSDFs and lowering disposal costs.

We provide employees and workers with training and awareness sessions on waste reduction at source, waste segregation and classification, safe handling of hazardous waste, recycling and reuse, and responsible disposal practices. These programmes strengthen workforce capabilities and support the effective implementation of waste-reduction, recycling and landfill-diversion measures across our operations.

As of March 31, 2026, all our Indian manufacturing operations have been re-certified as Zero Waste to Landfill (ZWTL) by an independent third-party certification body, with all units achieving Platinum certification as a minimum and 24 units advancing to Platinum+ certification. Two of our warehouses, one in India and one in the SAGA region also received Zero Waste to Landfill certification during the year, further extending this best practice beyond manufacturing. Our long-term goal of sustaining ZWTL for India manufacturing operations through FY 2029-30 reaffirms our commitment to sustainable and environmentally responsible practices, and we are now exploring opportunities to extend this benchmark across our global operations. Independent assurance on our waste data has been carried out by DNV Business Assurance India Private Limited.

Waste Disposal (DJSI 2.3.2)

Waste in MT	FY 2022-23	FY 2023-24 ⁴	FY 2024-25	FY 2025-26
Total waste recycled/reused	24,668	28,202	28,633	35,489*
Total waste disposed	2,354	4,025	3,267	896
-Waste landfilled	1,012	1,522	584	373
-Waste incinerated with energy recovery	0	0	0	0
-Waste incinerated without energy recovery	1,342	2,503	2,683	523

⁴ We had increased our reporting boundary in FY 2023-24 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 YY 2023-24, 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 FY 2022-23.

-Waste otherwise disposed	0	0	0	0
-Waste with unknown disposal method	0	0	0	0

*The total recycled/reused waste in FY 2025-26 increased due two major events – increase in production and ongoing green and brownfield projects. Excluding the waste sent for recycle/reuse from projects the total recycled/reused waste is 31,735 MT.

Our annual target for total waste disposed for FY 2025-26 was 3,267 MT.

Hazardous waste (DJSI 2.3.3)

Hazardous Waste in MT	FY 2022-23	FY 2023-24 ⁵	FY 2024-25	FY 2025-26
Total hazardous waste recycled/reused	15,660	17,074	15,826	17,294
Total hazardous waste disposed	2,314	3,316	3,088	896
-Hazardous waste landfilled	972	834	501	373
-Hazardous waste incinerated with energy recovery	0	0	0	0
-Hazardous waste incinerated without energy recovery	1,342	2,482	2,587	523

⁵ We had increased our reporting boundary in FY 2023-24 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 YY 2023-24, 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 FY 2022-23.

-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 2024-25 was 3,088 MT.

2.4 Water

Water Efficiency Management Programs (DJSI 2.4.1)

Our approach to water conservation and efficient usage is based on three critical aspects: reduction in blue water usage, increased use of rainwater, and supporting communities through water conservation initiatives in water-stressed areas.

1. Increased use of rainwater: Rainwater harvesting (RWH) systems have been installed in our manufacturing units at Kurkumbh, Indore, Baddi, Bommasandra, Sikkim, Goa, Patalganga, Satara and Kundaim in the form of underground tanks, recharge pits and shafts. In FY 2025-26, a total of 29,734 KL of rainwater was conserved, comprising 3,946 KL of rainwater harvested and utilised and 25,788 KL recharged through borewells, an increase from 23,612 KL conserved in FY 2024-25. During the year, a new RWH system was also installed at our Medispray Satara site, filtered rainwater is supplied as make-up water to the cooling tower, thereby reducing freshwater withdrawal and enhancing total water harvesting capacity at the site.

2. Reduction in the use of blue water through wastewater management: We actively seek to reduce our dependence on freshwater by increasing the use of treated wastewater from our Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs), as well as by recovering and reusing reject water from raw-water Reverse Osmosis (RO) systems. Our wastewater treatment systems incorporate primary, secondary and tertiary treatment processes, as applicable, to improve wastewater quality and ensure that treated water complies with applicable regulatory standards before reuse or discharge.

Case Studies: Water Recycling

- **Sikkim:** During FY 2025-26, we implemented two Sewage Treatment Plants with capacities of 20 KLD and 35 KLD to enhance wastewater treatment efficiency, support regulatory compliance and increase on-site water reuse. Treated sewage water is reused for gardening and toilet flushing, thereby reducing freshwater withdrawal.

- **Bommasandra:** We installed a secondary RO system to recover reject water from the existing primary RO plant. The recovered permeate is reused in utilities, including cooling towers and boiler-feed systems, improving overall RO recovery and reducing water procurement and treatment costs.

We have also implemented Zero Liquid Discharge (ZLD) systems at several manufacturing locations, including Sikkim, Kurkumbh, Virgonagar, Indore, Goa and Bommasandra. These systems use primary, secondary and tertiary treatment processes, as applicable, to treat wastewater to the quality required under applicable standards and facilitate its recovery and reuse within operations. As of March 31, 2026, ZLD systems had been implemented at 54% of our global manufacturing units, covering 67% of our India manufacturing operations.

3. Supporting communities through water conservation initiatives: Adopting a "ridge to valley" approach, we continue to advance towards water neutrality through strategic interventions in partnership with MYRADA and BAIF across Karnataka, Tamil Nadu, Maharashtra and Madhya Pradesh, including new projects initiated this year in Himachal Pradesh. Our interventions include watershed development structures such as farm bunds and check dams, alongside Water User Groups (WUGs) and rooftop rainwater harvesting in schools to embed long-term ownership and sustainability. Cumulatively from FY 2022-23 to FY 2025-26, our community-based water stewardship initiatives have delivered 272 water structures and harvested 37,76,648 KL of water, benefitting 3,878 people across watershed regions.

In FY 2025-26, our global water withdrawal stood at 17,36,490 KL, with water consumption at 16,06,140 KL and water discharge at 1,30,350 KL. We recycled and reused 7,28,700 KL of water during the year, representing 42% of our global water withdrawal. We also sustained our water positive status for India manufacturing operations, achieving 2.6 times water positivity against our Water Neutrality target and harvesting approximately 3.8 million KL of rainwater — an achievement externally certified by an independent assurance provider. Our Bommasandra site also initiated AWS (Alliance for Water Stewardship) pilot certification during the year, reinforcing our commitment to internationally recognised water stewardship standards. Underlying water withdrawal at our India manufacturing operations decreased by 1% year-on-year, excluding the impact of ongoing greenfield and brownfield project activities. We have also set a long-term goal of achieving water neutrality year-on-year for India manufacturing operations through FY 2029-30.

Water-use assessments are conducted at sites withdrawing groundwater, in accordance with applicable regulatory requirements, to evaluate water-use patterns and identify opportunities for improving water efficiency. These assessments examine key water-consuming activities, water withdrawal and utilisation, wastewater generation, treatment processes, and the potential for increasing water recycling and reuse. The resulting water-audit reports identify site-specific opportunities to reduce freshwater dependency, enhance treated-water recovery and reuse, and improve the quality and efficiency of water-management systems. The

findings are used to prioritise and implement appropriate water-efficiency measures at the relevant sites.

External auditors also perform thorough reviews of water usage and activities with high-water footprints to identify opportunities for improved efficiency and reduced consumption. We have undertaken site-specific water risk assessments using the WRI Aqueduct tool to identify water-stressed locations (Baddi, Bommasandra, Virgonagar, Indore and Satara), prioritise mitigation actions and build long-term resilience across our water-dependent operations, with details disclosed in our [TCFD Report](#).

Our workforce receives ongoing water efficiency training to encourage conservation-minded practices, and our water performance is independently assured by DNV Business Assurance India Private Limited.

Water Consumption (DJSI 2.4.2)

Water in Million m ³	FY 2022-23	FY 2023-24 ⁶	FY 2024-25	FY 2025-26
Water withdrawal (excluding saltwater)	1.576	1.614	1.632	1.736
Water discharge (excluding saltwater)	0.031	0.115	0.138	0.130
Total net freshwater consumption (A-B)	1.545	1.499	1.494	1.606*

*The freshwater withdrawal in FY 2025-26 increased due two major events – increase in production and increase in consumption of water in green and brownfield projects. Excluding the water consumption in project activity the total water consumption stood at 1.54 Million M³

Our annual target for total net freshwater consumption for FY 2025-26 was 1.606 Million M³.

2.5 Climate Strategy

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

Scope 1 in tCO ₂ e	FY 2022-23	FY 2023-24 ⁷	FY 2024-25	FY 2025-26
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⁶We had increased our reporting boundary in FY 2023-24 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 in FY 2023-24 compared to FY 2022-23.

⁷ We had increased our reporting boundary in FY 2023-24 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 in FY 2023-24.

Total direct GHG emissions (Scope 1) – energy based	35,831	37,398	38,283	38,426
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Our annual target for total direct GHG emissions – Scope 1 was 38,426 tCO₂e.

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

Scope 2 in tCO ₂ e	FY 2022–23	FY 2023–24 ⁸	FY 2024–25	FY 2025–26
Total indirect GHG emissions (Scope 2) – Market Based	1,95,777	2,07,238	1,29,087	85,906

Our annual target for total indirect GHG emissions – Scope 2 was 85,906 tCO₂e.

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

In line with the GHG Protocol Corporate Value Chain (Scope 3) Standard, we have assessed all 15 categories of Scope 3 emissions for relevance to our business. Category 14 (Franchises) has been deemed not applicable, as Cipla does not operate under a franchise model. For Category 9 (Downstream Transportation and Distribution), only emissions where financial responsibility lies with the Company are included; emissions from distribution beyond distributors to end consumers are excluded due to lack of data granularity. Accordingly, our inventory covers 14 relevant categories, with Category 1 (Purchased Goods and Services) and Category 11 (Use of Sold Products) together accounting for over 87% of total Scope 3 emissions.

In FY 2025–26, we automated Scope 3 accounting through a dedicated digital platform, enhancing data accuracy, traceability and efficiency. Calculation methodologies, emission factors and reporting boundaries were also updated; accordingly, FY 2024–25 emissions have been restated for consistency. Emission factors are referenced from region-specific IEA, IPCC AR6, India GHG Program, Defra, USEEIO, US EPA and ecoinvent sources, while API emission factors are derived from molar mass and number of synthesis steps per published research methodology. A hybrid activity- and spend-based approach is applied to Category 1, while direct use-phase emissions from sold inhalation devices containing HFA propellants are quantified under Category 11. Our Scope 3 emissions intensity stood at 1.55 tCO₂e per INR lac of revenue, with independent assurance carried out by DNV Business Assurance India Private Limited.

⁸ We had increased our reporting boundary in FY 2023–24 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 in FY 2023–24.

Scope 3 in tCO ₂ e	FY 2024-25	FY 2025-26 ⁹
Purchased Goods and Services	9,91,001	9,59,802
Capital Goods	54,201	96,247
Fuel and Energy Related Activities	77,518	80,843
Upstream Transportation and Distribution	21,091	1,85,619
Waste Generated in Operations	18,729	16,190
Business Travel	23,852	23,320
Employee Commute	25,524	49,209
Upstream Leased Assets	8,143	8,250
Downstream transportation and distribution	74,483	94,818
Processing Sold Products	3,199	3,312
Use of Sold Products	26,75,598	28,41,061
End of Life Treatment of Sold Products	18,759	17,101
Downstream Leased Assets	1,419	400
Investments	354	361
Total	39,93,872	43,76,533

Climate Governance (DJSI 2.5.4)

At the highest level, the Investment and Risk Management Committee (IRMC) of the Board of Directors is tasked with overseeing and implementing our ESG and climate initiatives, alongside identifying key risks and developing strategies to address them. Climate-related issues, including progress on our 2030 ESG goals (30% absolute reduction (Scope - 1 energy based and Scope 2) from baseline of FY 2023-24 for Global Operations baseline, 80% renewable electricity for India manufacturing operations, Water Neutrality, Zero Waste to Landfill, and Net Zero by 2050) The IRMC also reviews TCFD-aligned physical and transition climate-risk assessments and the corresponding mitigation measures. Further details on our ESG goals, progress and governance framework are provided in the **“Advancing our Sustainability Vision”** chapter on pages 32-33 of our [Integrated Annual Report FY 2025-26](#). At the

⁹ In FY 2025-26, we updated our calculation methodologies, emission factors, and expanded the Scope 3 reporting boundaries. Accordingly, the emissions for FY 2024-25 have been restated using the current year's methodology, scope, and factors to ensure consistency and comparability in reporting.

management tier, the Sustainability Council, led by our Global Chief Manufacturing Officer (GCMO), is charged with overseeing sustainability and climate performance. This council convenes every quarter to report progress to the Board of Directors and was established to capitalise on sustainability and innovation opportunities within our operations, focusing on tracking advancements in our predetermined goals and targets. The Council is supported by the Vice President, EHS & ESG, and the Central EHS Team (covering API, Formulations, Occupational Health & Hygiene, and Sustainability), with Site Heads and Site EHS Managers responsible for on-the-ground implementation. Climate performance, including Scope 1, 2 and 3 emissions, is independently assured by DNV Business Assurance India Private Limited.

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 from extreme weather and climatic events, and the impacts associated with a shift to a low carbon economy. Cipla has assessed the climate risks to the organisation based on the 4 pillars as recommended by the TCFD, namely governance, strategy, risk management, and metrics and targets. Our TCFD Summary Report can be accessed here: [TCFD Report](#)

Climate Related Management Incentives (DJSI 2.5.6)

In FY 2025-26, the Company has set clear targets to reduce GHG emissions, increase the share of renewable energy, advance water stewardship, sustain Zero Waste to Landfill, and strengthen employee wellbeing while achieving zero fatalities. These ESG goals are embedded into key leadership roles and carry substantial weight in performance evaluation. At year-end, the Nomination and Remuneration Committee (NRC) and the Board review the Company's performance against these targets, with performance evaluations also carried out at the functional level directly influencing the variable pay of leadership. Positive performance on these environmental KPIs against targets is incentivised through variable pay for the relevant business leaders.

The performance of the MD&GCEO was periodically evaluated by the Board and the NRC against the annual scorecard duly approved by the Board based on the recommendation of the NRC. The scorecard included long term as well as short term strategic priorities and the financial as well as non-financial matrix. The financial matrix included targets on revenue and EBITDA. The non-financial matrix covered operational performance and strategic priorities including innovation, new business building, new market development, compliance, ESG, succession planning and development, improvements in inclusion and diversity, etc. The ESG matrices specifically include the achievement of our 2030 climate-related targets, including GHG emissions reduction (30% absolute reduction (Scope - 1 energy based and Scope 2) from

baseline of FY 2023-24 for Global Operations), 80% renewable electricity for India manufacturing operations, water neutrality, and sustained Zero Waste to Landfill across all India manufacturing operations, alongside our long-term Net Zero 2050 ambition. The Board and NRC regularly track the MD & Global CEO's progress against the set scorecard, ensuring alignment with company goals and commitment to sustainable practices.

Climate Risk Management (DJSI 2.5.7)

We have undertaken a detailed climate risk assessment to identify our exposure to both physical and transition climate-related risks across our global operations and value chain. Our climate risk management process is integrated into our multi-disciplinary, company-wide Enterprise Risk Management (ERM) framework, which provides a structured top-down approach to risk identification, assessment, prioritisation and mitigation. Climate Action (Energy and Emissions) and Resource Management (Water, Waste, Land) are recognised as Critical material issues under our Double Materiality Assessment. Climate-related risks are reviewed quarterly by the Investment and Risk Management Committee (IRMC) of the Board of Directors, and the ERM function is independently audited annually under the Internal Financial Controls (IFC) framework.

Our climate risk management process is aligned with the TCFD framework and leverages multiple climate scenarios. Our physical risk assessment uses three RCP (Representative Concentration Pathways) Scenarios- RCP 4.5, RCP 6.0 and RCP 8.5, covering all major Cipla sites, offices and depots, while our transition risk analysis is grounded in scenarios from the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS), including 2°C-aligned and below-2°C trajectories.

Site-specific water risk assessments are also conducted using the WRI Aqueduct tool to identify water-stressed locations (Baddi, Bommasandra, Virgonagar, Indore and Satara) and prioritise mitigation actions. The TCFD risk assessment confirms that Cipla is not exposed to high physical or transition risks in the immediate future; however, we continuously review these assessments and develop proactive action plans to address any emerging risks. Our TCFD Summary Report can be accessed here: [TCFD Report](#)

Financial Risks of Climate Change (DJSI 2.5.8)

Risks driven by Regulation	
Description of Risk and Mitigation Measures	Carbon pricing has been notably used in the European Union through the EU ETS (Emission Trading Scheme) and in parts of the USA with ETS and RGGI (Regional Greenhouse Gas Initiative). India has introduced the Carbon Credit Trading Scheme (CCTS) as of FY 2025-26,

	initially targeting energy-intensive sectors under the existing Perform, Achieve and Trade (PAT) scheme. Industries within these sectors are assigned annual greenhouse gas (GHG) reduction targets and are legally required to meet them. To achieve the country's Nationally Determined Contributions (NDCs), it is anticipated that the scope of the CCTS will broaden over the next decade to encompass additional sectors, potentially including pharmaceutical manufacturing. We are engaging with relevant authorities for further guidance. The financial impact of this transition is expected to range from INR 20,00,00,000 to INR 75,00,00,000. To tackle energy efficiency, we are pursuing initiatives such as Automatic Condenser Cleaning System (ACCS), Variable Frequency Drives (VFDs), Electronically Commutated (EC) blowers, chiller optimisation, IE3 motors, and grid migration, achieving approximately 19,911 GJ of energy savings across our India manufacturing sites in FY 2025-26. Our commitment to renewable energy is strong, with 52% of our energy mix derived from renewable sources in FY 2025-26, up from 41% globally in FY 2024-25, and 84% renewable electricity for India manufacturing operations. We are also working on developing an internal carbon pricing strategy. We anticipate investing around INR 320,000,000 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	Changes in weather patterns, rising temperatures, altered rainfall, and other factors contribute to water stress in certain regions. This leads to higher water costs, stricter groundwater withdrawal rules, and operational and maintenance challenges. Cipla has assessed the risk of water stress at its manufacturing sites, offices, and depots, predicting impacts for 2030, 2040, and 2050 using the "Aqueduct Water Risk Atlas." The financial impact is estimated to be between INR 6,70,00,000 and INR

	15,00,00,000. Our water conservation efforts focus on three main areas: increased rainwater usage, reduced consumption of blue water, and community-focused water stewardship initiatives. Currently, 54% of our global manufacturing sites have implemented Zero Liquid Discharge systems (with 67% coverage across India manufacturing operations). In FY 2025-26, we conserved a total of 29,734 KL of rainwater, comprising 3,946 KL harvested for use and 25,788 KL recharged through borewells where allowed, and sustained our water positive status for India manufacturing operations at 2.6 times water positivity, externally certified by an independent assurance provider. We estimate that a further investment of around INR 35,000,000 will be needed to address risks associated with water stress.
Estimated Time Frame	22 years

Climate related Scenario Analysis (DJSI 2.5.9)

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: [TCFD Report](#)

Physical Climate Risk Adaptation (DJSI 2.5.10)

Our risk assessment and adaptation plan encompasses 100% of our current and future operations. For our manufacturing operations in India, we have set time-bound targets aligned with our 2030 ESG goals, including a 30% absolute reduction in Scope 1 (energy-based) and Scope 2 emissions from the FY 2023-24 baseline, 80% renewable electricity for India manufacturing operations, Water Neutrality, and sustained Zero Waste to Landfill, all to be achieved by FY 2029-30, with a long-term ambition of Net Zero by 2050.

We are proud to share that we have continued to advance and sustain our progress on these commitments. In FY 2025-26, we achieved a 39% absolute reduction in Scope 1 (energy-based) and Scope 2 emissions for global operations from the FY 2023-24 baseline, sourced 84% renewable electricity for India manufacturing operations (well exceeding our previous 50% target), maintained Water Positive status at 2.6 times for India manufacturing operations (externally certified by an independent assurance provider), and re-certified all India

manufacturing operations as Zero Waste to Landfill, with 24 units advancing to Platinum+ certification. Our Bommasandra site has also initiated Alliance for Water Stewardship (AWS) pilot certification during the year. ([TCFD Report](#))

Emission Reduction Targets (DJSI 2.5.11)

In line with our long-term ambition of achieving Net Zero emissions by 2050, Cipla has established successive absolute emission-reduction targets. Under our previous sustainability goals, we targeted an 80% absolute reduction in Scope 1 energy-based and Scope 2 emissions for India manufacturing operations by December 2025, from the FY 2019-20 baseline. We surpassed this target, achieving an 82% absolute reduction in FY 2025-26. Building on this progress, Cipla has set a new target to achieve a 30% absolute reduction in Scope 1 energy-based and Scope 2 emissions for global operations by FY 2029-30, from an FY 2023-24 baseline.

As of FY 2025-26, our global Scope 1 energy-based and Scope 2 emissions stood at 1,24,332 tCO₂e, reflecting significant progress towards the FY 2029-30 target. Renewable electricity accounted for 84% of the electricity consumed by our India manufacturing operations in FY 2025-26, up from 64% in FY 2024-25 and exceeding our FY 2029-30 target of 80% ahead of schedule. Cipla (EU) Limited has also published a UK NHS-aligned Carbon Reduction Plan, committing to Net Zero by 2050 and covering Scope 1, Scope 2 and a defined subset of Scope 3 emissions from an FY 2024-25 baseline.

Type of Target	Scope Covered by Target	Time Frame	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year
Absolute	Scope 1 (energy-based) + Scope 2 combined	Base year: 2019	Base-year emissions: 2,63,266 tCO ₂ e	80%
		Target year: December 2025	Percentage of total base-year emissions: 100%	
Absolute	Scope 1 (energy based) + 2 combined	Base year: FY 2023-24	Base year emissions: 244,636 tCO ₂ e	30%
		Target year: FY 2029-30	Percentage of total base year emissions: 100%	

Net-Zero Commitment (DJSI 2.5.13)

Cipla has publicly committed to achieving Net-Zero emissions by 2050 across its value chain, supported by a credible decarbonisation pathway. This is reinforced through our 2030 ESG

goals, including a 30% absolute reduction (Scope - 1 energy based and Scope 2) from baseline of FY 2023-24 for Global Operations, 80% renewable electricity for India manufacturing operations, sustained Water Neutrality, and Zero Waste to Landfill. Our climate transition plan is governed by the Investment and Risk Management Committee (IRMC) of the Board, with quarterly reviews, and metrics are independently assured by DNV Business Assurance India Private Limited. Cipla (EU) Limited has additionally published a UK NHS-aligned Carbon Reduction Plan committing to Net Zero by 2050 from an FY 2024-25 baseline, aligned with a 1.5°C trajectory.

We are progressing significantly ahead of trajectory: in FY 2025-26, we achieved a 39% absolute reduction in Scope - 1 energy based and Scope 2 emissions for global operations (against the 30% target by FY 2029-30) and 84% renewable electricity for India manufacturing operations (effectively achieving the 80% target ahead of timeline). Our delivery levers include scaling renewable energy capacity (59 MWp captive solar, 2.7 MVA captive wind, 11.8 MWp rooftop solar, and 1,68,056 MWh of renewable power under our I-REC alliance with Juniper Green Cosmic), energy efficiency projects (19,911 GJ savings in FY 2025-26), investments in low-GWP green propellants (Indore Greenfield MDI unit and Fall River US Brownfield MDI pilot under construction), and EV fleet expansion (2,55,262 km covered, +49% YoY).

Net-Zero Transition Plan (DJSI 2.5.14)

Cipla's Net-Zero Transition Plan is anchored in our commitment to achieving Net Zero emissions by 2050, supported by a credible interim decarbonization pathway through our short term 2030 ESG goals. Our 30% absolute reduction (Scope - 1 energy based and Scope 2) from baseline of FY 2023-24 for Global Operations, while Cipla (EU) Limited has published a UK NHS-aligned Carbon Reduction Plan explicitly aligned 2024 CRP guidelines, committing to Net Zero by 2045 from an FY 2024-25 baseline. The plan is governed by the Investment and Risk Management Committee (IRMC) of the Board with quarterly reviews, supported by the Sustainability Council chaired by the Global Chief Manufacturing Officer (GCMO), and all climate metrics are independently assured by DNV Business Assurance India Private Limited.

To reduce scope-1 (energy based) emissions, Cipla deployed INR 5.54 crores in capital expenditure on energy conservation equipment in FY 2025-26, alongside dedicated investments in low-carbon manufacturing infrastructure including a Greenfield MDI Green Propellant unit at Indore (30 million units' annual capacity) and a Brownfield MDI Green Propellant pilot plant at Fall River, US, both currently under construction. Further investments span renewable energy procurement under our long-term I-REC alliance with Juniper Green Cosmic Private Limited (112 MWp solar capacity in Bikaner, Rajasthan), rooftop solar expansion across Vikhroli, Goa-I and JPPL, and water/waste circularity infrastructure.

Our decarbonisation levers currently covers scope-1 (energy based) and scope-2 emissions. For Scope 1, we are transitioning to low-GWP green propellants, expanding alternative fuels

such as briquette/biomass (9% of our energy mix), electrifying our fleet (covering 2,55,262 km in FY 2025-26, +49% YoY), migrating Sikkim-II to grid power (saving 52,000 litres of diesel annually), and adopting IGBC-aligned design for new infrastructure. For Scope 2, we have scaled renewable electricity to 84% of India manufacturing operations through 59 MWp captive solar, 2.7 MVA captive wind, 11.8 MWp rooftop solar, and 1,68,056 MWh procured under the I-REC alliance, avoiding 1,19,320 tCO₂e, alongside energy efficiency projects delivering 19,911 GJ of savings. For Scope 3, we have digitised Scope 3 accounting through a dedicated platform in FY 2025-26, advanced green chemistry in API manufacturing, strengthened EPR compliance (collecting 24,930 MT of plastic waste, recycling 11,884 MT and co-processing 13,046 MT, avoiding 36,814 tCO₂e), embedded product-level LCAs (ISO 14067 / ISO 14040/44), and continued the Inhaler Recycling Project in South Africa. As part of our broader environmental stewardship, we have also strengthened controls and monitoring systems across our India manufacturing operations to mitigate antimicrobial resistance (AMR). All antibiotic manufacturing sites follow AMRIA and WHO guidelines, supported by comprehensive mass-balance assessments and analytical testing to ensure responsible management of antibiotics in waste. Extensive Zero Liquid Discharge infrastructure at most sites eliminates the risk of environmental contamination from treated effluent discharge, while the remaining sites maintain safer Predicted Environmental Concentration levels through AMRIA-recommended controls. Our FY 2029-30 goal is to secure AMR manufacturing-standard certification for one antibiotic product from each Cipla India site. Goa-2, Sikkim-1 and Indore have already received BSI AMR certification for Azithromycin, Ofloxacin and Levofloxacin, respectively, and we are working to replicate this effort across sites and related products.

Stakeholder engagement underpins the credibility of our transition. Across the value chain, we engage suppliers through ESG assessments (185 desk-based and 75 on-site evaluations in FY 2025-26, covering 21.61% of procurement spend), the Supplier Code of Conduct, the Responsible Sourcing Policy, and active membership of the Pharmaceutical Supply Chain Initiative (PSCI). With industry peers and associations, Cipla is a signatory to the India Business and Biodiversity Initiative (IBBI) and participates in CDP, DJSI, ESG assessments. With government, public sector and civil society, we engage regulators including the Central Pollution Control Board (CPCB) on EPR and plastic circularity, alongside civil-society partnerships with MYRADA and BAIF on watershed and biodiversity programmes and Bombay Natural History Society (BNHS) on Project Sanjivani.

Our transition plan is also designed to deliver a transition that recognises the social implications of decarbonisation. Workforce reskilling is supported through structured EHS, sustainability and energy-management training (2.46 man-hours of energy training per employee in FY 2025-26), while community resilience is built through inclusive water and biodiversity programmes that have cumulatively delivered 272 water structures, 37,76,648 KL of water harvested, and benefitted 3,878 people, complemented during FY 2025-26 by 54 community meetings and 93 awareness sessions reaching 600+ households and 3,400+

community members. Smaller suppliers are supported through ESG capacity-building rather than abrupt disengagement, ensuring social inclusion remains central to the transition.

2.6 Biodiversity

Biodiversity Risk Assessment (DJSI 2.6.1)

Our commitment to biodiversity goes beyond compliance, it is a reflection of our belief that thriving ecosystems are fundamental to thriving communities. Since becoming a signatory to the India Business and Biodiversity Initiative (IBBI) in FY 2022-23, we have taken decisive steps to embed biodiversity considerations into our operational framework. This commitment is formalised through our [Biodiversity Policy](#), supported by a dedicated Technical Standard on the mitigation hierarchy and a detailed group-level Biodiversity Action Plan that guide our approach to environmental preservation and protection across our India manufacturing operations.

In FY 2023-24, in a pioneering move within the pharmaceutical sector, we evaluated our Indian operations to pinpoint nature-related gaps and understand how our activities impact and depend on the environment. The analysis was based on the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP approach (Locate, Evaluate, Assess, Prepare) and was conducted in two phases. Phase 1 comprised a gap assessment using site-provided biodiversity mapping, Environmental Impact Assessment (EIA) reports, past biodiversity studies and secondary data drawn from government websites, online tools and research articles. Phase 2 involved the development of a group-level Biodiversity Action Plan based on the IUCN mitigation hierarchy of avoid, minimise, restore, rehabilitate and offset. The study covered 37 manufacturing units of Cipla Limited in India along with their adjacent areas within a 10 km radius around each site, to gauge our operations' effects and dependencies on nearby biodiversity and ecosystem services. Each location was scored against risk criteria using a location-specific approach, ensuring that local ecosystem characteristics, proximity to sensitive habitats and site-specific dependencies were considered. . The biodiversity-related risks identified through this assessment are integrated into Cipla's Enterprise Risk Management framework to support their systematic evaluation, prioritisation, monitoring and mitigation alongside other material business risks. The assessment referenced national and international standards including IUCN Rare, Endangered or Threatened (RET) species classifications, IFC Performance Standard 6, the EIA Notification 2016, the Wildlife Protection Act 2022, and the TNFD Framework, and is complemented by the WRI Aqueduct tool used for water-related ecosystem dependencies in water-stressed areas.

The risk types identified through the assessment span three categories. Regulatory Risk relates to operations located within 10 km of protected areas (national parks, wildlife sanctuaries, Ramsar wetlands) or areas reporting high conservation-value species. Physical Risk arises from increased incidents of water stress, flooding, cyclones and drought, and Transition Risk

reflects high impacts and high dependencies on biodiversity and ecosystem services. Dependency-related biodiversity risks were evaluated in terms of our reliance on natural ecosystem services such as freshwater availability, watershed health, soil quality and pollination services, particularly for sites located in water-stressed regions including Baddi, Bommasandra, Virgonagar, Indore and Satara. Impact-related biodiversity risks were assessed in terms of our potential impacts on local biodiversity through land use, effluent discharge, air emissions and proximity to ecologically sensitive areas across all 37 sites. For instance, the Bommasandra site, which lies within a notified Industrial Area approximately 10 km from Bannerghatta National Park, was specifically evaluated through an Environmental Impact Assessment, confirming no significant impact on biodiversity.

Biodiversity and broader nature-related risks are integrated into Cipla's Enterprise Risk Management (ERM) framework, which is governed at the highest level by the Board of Directors through the Investment and Risk Management Committee (IRMC), with quarterly reviews. The TNFD-based assessment supports the integration of nature into strategic decision-making and resource allocation by providing site-level data that enables efficient allocation of resources towards mitigation strategies and aligns site-level actions with the Company's broader Biodiversity Policy. Resource Management (covering Waste, Water and Land) is identified as a Critical material issue under our Double Materiality Assessment (DMA), and our ESG and sustainability risks, including biodiversity, water and land-related risks are explicitly recognised within the ERM register, with mitigation measures linked to our 2030 ESG goals (Water Neutrality, Zero Waste to Landfill, and Net Zero by 2050). The ERM function is also subject to an annual Entity Level Controls (ELC) audit under the Internal Financial Controls (IFC) framework, evaluated by an independent external firm, ensuring that biodiversity-related risks are managed with the same rigour as other material business risks.

The scope of our biodiversity risk assessment extends across our own operations (covering all 37 manufacturing sites in India), adjacent areas to our operations (a 10 km radius around each site, including ecologically sensitive areas in proximity such as the buffer around Bommasandra near Bannerghatta National Park), upstream activities (where suppliers are evaluated through both desk-based and on-site ESG evaluations using a comprehensive questionnaire covering environmental performance and impacts on natural resources, with ESG-audited suppliers accounting for 21.61% of our total procurement expenditure in FY 2025-26 through 185 desk-based assessments and 75 on-site evaluations, and where critical suppliers are assessed for compliance with our Supplier Code of Conduct every three years under the Responsible Sourcing Policy), and downstream activities (where our distributors, wholesalers, hospitals, pharmacies and global marketing partners are covered under our Supplier Code of Conduct and Responsible Sourcing Policy, with downstream environmental impacts including end-of-life treatment of sold products tracked through our Scope 3 emissions inventory and value-chain ESG assessments).

Results from the TNFD-based assessment showed that none of our operations fall into the "very high" risk category, 81% of sites are at low or very low risk, 14% are at medium risk, and two sites (5%) are deemed high risk due to their location within a 10 km radius of a National Park. For these sites, mitigation actions including continuous Environmental Impact Assessments, biodiversity monitoring and habitat conservation programmes have been put in place. The assessment also identified opportunities to adopt nature-based solutions to reduce costs and nature-related risks, and established monitoring indicators to measure progress over time.

Building on our biodiversity risk assessment, we have advanced several on-ground initiatives during FY 2025-26. The Cipla Foundation launched Project Sanjivani at the Ujjani Dam wetland in Maharashtra in partnership with Bombay Natural History Society (BNHS) to restore ecological health by controlling invasive species, reviving native biodiversity and strengthening community livelihoods. Wetland restoration was completed across 8 sites in the Bengaluru region (Kamasandra Agrahara, Rachamanahalli, Muthagatti, Submangala, Thattanahalli, Silagowdrukere Lakes, Patnagere Gollahalli and Muthuru) in partnership with MYRADA, with post-restoration biodiversity assessments confirming the re-emergence of native aquatic vegetation, growth in bird populations (pond herons, egrets, lapwings) and rise in pollinator and amphibian activity, while 100 native species were catalogued across watershed sites. We also created a 1,000-sapling Miyawaki miniforest over 434 sq. m between June 2025 and January 2026, restoring native biodiversity, improving microclimate and enhancing carbon sequestration. During FY 2025-26, 54 community meetings and 93 awareness sessions were organised on wetland conservation, sustainable fishing, waste management and climate resilience, reaching over 600 households and 3,400 community members, with Biodiversity Management Plans (BMPs) embedded for ongoing monitoring. The Bommasandra site also initiated Alliance for Water Stewardship (AWS) pilot certification during the year, reinforcing our commitment to internationally recognised stewardship of water-dependent ecosystems. Looking ahead, we are committed to reviewing and adjusting our risk exposure assessments as needed to ensure responsible environmental stewardship and to scale our biodiversity initiatives across new regions in partnership with NGOs, local authorities and communities.

Our detailed Biodiversity Risk Assessment Summary report can be found [here](#).

Biodiversity Commitment (DJSI 2.6.2)

As a committed corporate entity, we understand that safeguarding biodiversity is crucial for both the sustainability of our operations and the well-being of society as a whole. In alignment with the UN Convention on Biological Diversity's Kunming-Montreal Global Biodiversity Framework, and as a signatory to the India Business and Biodiversity Initiative (IBBI) since FY 2022-23, we have crafted a comprehensive [Biodiversity Policy](#) to guide our conservation efforts and foster engagement with our stakeholders. The Policy is supported by a dedicated Technical Standard on the mitigation hierarchy and a detailed group-level Biodiversity Action

Plan and is endorsed at the highest level by our Managing Director & Global CEO, with oversight provided by the Board of Directors through the Investment and Risk Management Committee (IRMC) on a quarterly basis.

Through our [Biodiversity Policy](#), we have made several specific commitments. We commit to complying with all relevant legal and statutory requirements regarding biodiversity, including national legislation on protected areas, wildlife and ecologically sensitive zones. We commit to conducting biodiversity risk assessments and developing site-level Biodiversity Management Plans (BMPs) for operations that pose biodiversity risks, building on our pioneering TNFD LEAP-based assessment of all 37 manufacturing units in India and their adjacent areas within a 10 km radius. We commit to applying the mitigation hierarchy of avoid, minimise, restore, rehabilitate and, where necessary, offset residual impacts on biodiversity, in line with the IUCN mitigation hierarchy framework. We commit to working towards no net loss of biodiversity in priority areas and to progressively pursuing a net positive impact (NPI) on biodiversity, with biodiversity-related targets defined for our priority sites and on-ground initiatives such as Project Sanjivani at the Ujjani Dam wetland (in partnership with Bombay Natural History Society), wetland restoration across 8 sites in the Bengaluru region (in partnership with MYRADA), and our Miyawaki Afforestation Initiative aimed at restoring native biodiversity, improving microclimate and enhancing carbon sequestration. We commit to adopting nature-based solutions, conserving ecologically sensitive areas and wildlife, complying with statutory requirements for afforestation and green cover, and actively discouraging deforestation across our operations. We commit to engaging with stakeholders on biodiversity through collaboration with experts, local communities, regulators, NGOs and industry associations, and through inclusive, participatory decision-making with our workforce. During FY 2025-26, this engagement extended to 54 community meetings and 93 awareness sessions covering wetland conservation, sustainable fishing, waste management and climate resilience, reaching over 600 households and 3,400 community members. We also commit to driving education and awareness through training programmes designed to foster a culture of conservation, monitoring and reporting on our progress toward biodiversity goals in line with national legislation, and providing the necessary resources to implement, monitor and continuously improve the Policy.

The Policy extends to all our subsidiaries and joint ventures as applicable, and encourages our suppliers, vendors, customers and business partners to adopt practices that will protect biodiversity. We engage stakeholders across the value chain to raise awareness, strengthen biodiversity-related capabilities, and encourage compliance with applicable biodiversity regulations. This engagement is operationalised through our broader Supplier Code of Conduct (SCoC) and Responsible Sourcing Policy, which require suppliers to operate responsibly with respect to environmental performance. Compliance with these expectations is monitored through ESG supplier assessments, with critical suppliers assessed every three years against the SCoC. In FY 2025-26, ESG-audited suppliers accounted for 21.61% of our total

procurement expenditure, comprising 185 desk-based assessments and 75 on-site evaluations. The scope of the Biodiversity Policy thereby covers our own operations and all subsidiaries and joint ventures (as applicable), with encouragement and engagement extending across our value chain.

Looking ahead, we remain committed to scaling our biodiversity initiatives across new geographies, deepening stakeholder partnerships, and continuously reviewing our biodiversity targets and risk exposure to ensure responsible environmental stewardship.

No Deforestation Commitment (DJSI 2.6.3)

We are dedicated to actively working towards the 2030 goals of the Kunming-Montreal Global Biodiversity Framework. To support this, we are concentrating on nature-based solutions, such as conserving ecologically sensitive areas and wildlife. Additionally, we adhere to statutory requirements related to green cover by engaging in afforestation efforts and maintaining a commitment to discourage deforestation, as may be applicable, to address our reliance on biodiversity and promote positive outcomes, as articulated in our Biodiversity Policy. The Policy also commits to biodiversity risk assessments and Biodiversity Management Plans for operations that pose biodiversity risks, integrating the mitigation hierarchy of avoid, minimise, restore and, where necessary, offset residual impacts. We also encourage suppliers, vendors, customers and business partners to adopt practices that will protect biodiversity. Our Biodiversity Policy can be found here: [Biodiversity Policy](#)

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. To rigorously evaluate the environmental footprint of our products, we have conducted a Product Carbon Footprint (PCF) assessment along with a Life Cycle Assessment (LCA), in accordance with ISO 14067 and ISO 14040/44 standards, for four anaesthetic inhaler products (Sereflo Ciphaler DPI 500mcg, Sereflo pMDI 125/25mcg, Kelhale pMDI 100mcg and Becloformo pMDI 100mcg) manufactured at our Indore and Goa facilities. The cradle-to-grave assessment, supported by an independent third party using Sphera's LCA FE (GABi) Software, identified hotspots across the production, distribution, use and end-of-life phases, and the outcomes continue to guide our low-carbon product strategy.

Aspect	FY 2025-26
Choice of raw materials or components that have a	Our innovation strategy is closely aligned with sustainability, supported by targeted green chemistry initiatives that reduce

lower environmental footprint	environmental impact, improve operational efficiency and maintain compliance while delivering high-quality medicines. During FY 2025-26, we implemented an enzyme-catalysed (biocatalysis) chiral resolution to replace conventional chemical methods, delivering higher stereoselectivity and a more sustainable route. We are also transitioning from conventional propellants to low-Global Warming Potential (GWP) propellants in our inhaler portfolio to reduce the environmental footprint of our products. We replaced Methyl Tert-Butyl Ether (MTBE) with Ethyl Acetate for product isolation to enhance safety and compliance, and transitioned to a safer reaction system that significantly reduces the use of dioxane, using aqueous hydrochloric acid in a methanol-water medium. A greener ester-hydrolysis method was also introduced, improving overall safety and reducing waste, while an improved amide bond reduction methodology was developed for complex API synthesis. Building on our prior work – eliminating Class 2 organic solvents through alternative aqueous coating, replacing two-stage seal-and-film coating with single-stage coating, and substituting Toluene and Dichloromethane through reverse-phased chromatography – these initiatives have collectively lowered the use of hazardous solvents, enhanced process safety and strengthened overall process robustness in line with green chemistry principles. We also maintain full compliance with REACH regulations and conduct stringent quality checks for any substances on the SVHC list to ensure environmental and user safety, supported by a validated digital Chemwatch (CW) database for chemical information and REACH-compliant Safety Data Sheets.
Direct operations, production & manufacturing	While our top priority remains improving outcomes for patients with the most effective devices, we are increasingly aware of the importance of environmental sustainability. Building on our respiratory legacy of over four decades, our pioneering efforts in our lung leadership journey today also include investments in sustainable solutions such as inhalers with low-GWP (Global Warming Potential) green propellants for a healthier future for both our patients and the planet – supported by manufacturing capabilities being built across

	India and the US, including a greenfield Metered Dose Inhaler (MDI) Green Propellant unit at Indore (30 million units annual capacity) and a brownfield MDI Green Propellant pilot plant at Fall River, US (1+ million units), both currently under construction. The transition from conventional to low-GWP propellants is intended to reduce Scope 1 fugitive emissions associated with propellant handling and release during manufacturing, as well as Scope 3 emissions arising from the release of propellants during the use phase of sold inhalers. As detailed in the “Strengthening Process Safety and Sustainability” case study in the Integrated Annual Report FY 2025-26, we also implemented process improvements during the year, including replacing Methyl Tert-Butyl Ether (MTBE) with Ethyl Acetate for product isolation to enhance safety and compliance, transitioning to a safer reaction system that significantly reduces the use of dioxane through the use of aqueous hydrochloric acid in a methanol-water medium; and introducing a greener ester-hydrolysis method to improve safety and reduce waste. In FY 2025-26, we delivered aggregate energy savings of approximately 19,911 GJ through targeted efficiency projects (Automatic Condenser Cleaning System at Indore, VFDs and EC blowers at Kurkumbh and Bommasandra, chiller optimisation at Goa, IE3 motors at Sikkim, and grid migration at Sikkim-II saving 52,000 litres of diesel), while sourcing 52% renewable energy globally and 84% renewable electricity for India manufacturing operations, achieving a 39% absolute reduction in Scope 1 (energy-based) and Scope 2 emissions from the FY 2023-24 baseline for global operations. We have also adopted a policy to build all new infrastructure projects in alignment with IGBC guidelines, embedding energy-efficient and environmentally responsible design at the core of our manufacturing footprint.
Distribution, storage and transportation	To reduce the environmental impacts associated with the distribution, storage and transportation of our products, we incorporate product and packaging design features that support product integrity, safe handling and efficient storage and distribution. In FY 2025-26, we launched 9 PM PF (Latanoprost ophthalmic solution 0.005%), India’s first

	preservative-free technology for glaucoma, featuring a novel two-piece preservative-free packaging system that enhances long-term safety and tolerability. We also launched Nepcinac Pro (Nepafenac Ophthalmic Suspension 0.1%), formulated with an ionic buffer system that eliminates the use of harsh preservatives for the management of post-operative ocular pain and inflammation, thereby improving patient comfort. In addition, Moxicip (Moxifloxacin Eye Ointment 0.5%) was relaunched in an upgraded three-piece tube packaging with an extended plastic applicator nozzle designed to reduce contamination risk and improve ease and safety of application. Cipla (EU) Limited has also published its UK NHS-aligned Carbon Reduction Plan, which identifies transportation and distribution as its largest source of emissions and outlines targeted interventions, including optimising logistics towards lower-emission freight modes and transitioning to renewable energy, in support of its Net Zero by 2050 commitment from an FY 2024-25 baseline.
Use phase – operation and servicing/maintenance	During FY 2025-26, we introduced product features designed to enhance patient convenience and improve the user experience during the use phase. Saslic Hydra Foaming Face Wash, a fragrance-free and barrier-supporting cleanser, enhances skin smoothness, while its hydrating cream-to-foam formulation helps retain moisture and minimise dryness. We also launched Pirfenidone Tablets 801 mg, Cipla's first product featuring easy-to-swallow technology for the treatment of idiopathic pulmonary fibrosis (IPF), designed to enhance patient convenience, particularly among geriatric populations. We are also actively developing a suite of products using low-GWP propellants, alongside innovative drug-device combinations across dry powder inhalers (DPIs) and pressurised metered dose inhalers (pMDIs), including upcoming launches such as gVentolin (approved in April 2026 for Asthma and COPD), gAdvair and gSymbicort. We have also launched Malaysia's first Salbutamol pMDI with a dose indicator to improve treatment adherence and reduce wasted doses, further minimising adverse environmental impact from the use of our products.

End of life management	In South Africa, we continue to implement our Inhaler Recycling Project for proper and sustainable disposal of used asthma inhalers. Through inhaler recycler bins present at pharmacies, patients are encouraged to return their used inhalers at the time of collecting a new script. These inhalers are collected by an authorised agency for appropriate disposal and recycling, with recycled plastic used to create community-beneficial products such as park benches, while metal canisters are disposed of responsibly to prevent environmental harm from greenhouse gases. The initiative covers inhalers manufactured by Cipla and other companies, further enhancing our commitment to holistic sustainability. We also continue to follow Extended Producer Responsibility (EPR) guidelines laid down by the Central Pollution Control Board (CPCB) under the Plastic Waste Management Rules, 2016 and related amendments, with annual EPR returns filed across all three categories – Rigid, Flexible and Multi-layer – within prescribed timelines. In FY 2025-26, we collected 100% of the equivalent quantity of pre- and post-consumer plastic waste, amounting to 24,930 MT, of which 11,884 MT was recycled and 13,046 MT was sent for co-processing, all through authorised waste management agencies. The plastic waste channelised during the year delivered estimated savings of 26,660 MWh of energy, 3,56,520 KL of water, and 36,814 tCO₂e of avoided emissions. Cipla recognises plastic stewardship as a material ESG priority and remains committed to achieving 100% EPR compliance for both pre- and post-consumer plastic waste in FY 2026-27, reinforcing our focus on circularity and responsible material management. We also ensure the responsible and compliant destruction of pharmaceutical waste through a structured and environmentally conscious process. During FY 2025-26, approximately 580 tonnes of expired materials were returned for verification and safe incineration. The process is supported by end-to-end digital traceability in SAP, providing visibility and accountability throughout the destruction process. All disposal activities are undertaken with the required Pollution Control Board permissions and in accordance with the applicable compliance framework. Separately, 1,248 MT of expired or
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	unused products collected from the market were safely disposed of through incineration in compliance with applicable regulatory and safety requirements. Further details on this initiative can be found at: https://za.cipla.africa/asthma/breathing-new-life-into-recycled-asthma-inhalers/ and https://cipla.africa/about-cipla/sustainability/inhaler-recycling-project/
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Life Cycle Assessment (DJSI 2.7.2)

In FY 2025–26, we continued to leverage the Product Carbon Footprint (PCF) assessment along with a Full Life Cycle Assessment (LCA) previously conducted for four of our anaesthetic inhaler products: Sereflo Ciphaler DPI 500mcg inhaler, Sereflo pMDI 125/25mcg inhaler, Kelhale pMDI 100mcg inhaler, and Becloformo pMDI 100mcg inhaler. These inhalers are manufactured at our facilities in Indore and Goa, and together represent approximately 0.892% of our total product revenue (Sereflo Ciphaler DPI 500mcg: 0.002%; Sereflo pMDI 125/25mcg: 0.14%; Kelhale pMDI 100mcg: 0.02%; Becloformo pMDI 100mcg: 0.73%). The assessment was conducted by an independent external agency in accordance with ISO 14067 and ISO 14040/44 standards, covering all four phases of goal and scope definition, life cycle inventory analysis, life cycle impact assessment, and life cycle interpretation. The cradle-to-grave system boundary included the production phase, distribution phase, use phase and end-of-life phase, with the functional unit defined as one dose of inhaled medicine (API). The assessment was supported by a credible third party using Sphera's LCA FE (GABi) Software and Managed Life Cycle Databases, and the results have been publicly disclosed.

The purpose of this assessment was to quantify the life cycle greenhouse gas emissions across the entire lifecycle of the four products, from production to disposal, identify key hotspots and mitigative actions, and communicate these findings transparently to external stakeholders. The selected inhalers were chosen for their specific characteristics, including the fact that three of them are pMDIs that use aerosol propellants, which we have identified as major contributors to our Scope 1 and Scope 3 emissions, while the DPI distributes APIs as a dry powder. These products are also intended for the UK market – where regulations regarding environmental impact are stringent and continuously evolving – as well as a Global market scenario covering Australia, South Africa, the United Kingdom, and the United States. Assessing these inhalers is therefore essential to meeting both current and future regulatory requirements. The findings revealed that for pMDI inhalers, the majority of life cycle emissions arise from the use phase due to the propellant's global warming potential when released into the atmosphere, followed

by impacts from the cradle-to-gate phase predominantly driven by the manufacturing process. For DPI inhalers, the majority of emissions arise from the cradle-to-gate phase due to electricity consumption, followed by emissions from downstream transportation of the product to the market. These insights continue to guide our low-carbon product strategy and our investments in low-GWP green propellants, supported by manufacturing capabilities being built across India and the US (Greenfield MDI Green Propellant unit at Indore and Brownfield MDI Green Propellant pilot at Fall River, US).

The assessment covered a comprehensive set of impact categories. As per CML – August 2016 guidelines, the categories included Abiotic Depletion (elements and fossils), Acidification Potential, Eutrophication Potential, Global Warming Potential (GWP 100 years), Global Warming Potential (GWP 100 years excluding biogenic carbon), Human Toxicity Potential, Ozone Layer Depletion Potential, Photochemical Ozone Creation Potential, Primary Energy Demand from renewable and non-renewable sources, and Blue Water Consumption. As per ISO 14067 (based on IPCC AR6), the categories included Aircraft Emissions, Biogenic GHG Emissions, Biogenic GHG Removal, Emissions due to Land Use Change, and Fossil GHG Emissions. Additionally, we have conducted Life Cycle Assessment (LCA) and Product Carbon Footprint (PCF) assessments for four additional pharmaceutical inhaler products, namely Sereflo Ciphaler DPI 250mcg inhaler, Sereflo MDI 250mcg inhaler, Kelhale MDI 50mcg inhaler, and Bibecfo MDI 200mcg inhaler, manufactured across two manufacturing units in India, namely Indore and Goa.

Exposure to Hazardous Substances (DJSI 2.7.3)

Cipla Limited is in the business of manufacturing pharmaceutical preparations, accounting for more than 95% of our revenue from operations. To ensure mitigation of any potential risks arising from the handling of chemicals, raw materials, intermediates and finished products, we have established a robust, science-driven Industrial Hygiene (IH) framework designed to proactively mitigate risks across R&D, API manufacturing and formulation operations. Our approach aligns with the guidance provided by the International Council for Chemical Arbitration (ICCA) on chemical risk management for pharmaceutical manufacturers, ensuring that every chemical, intermediate and raw material is evaluated through both qualitative and quantitative lenses to monitor exposure to human life and the environment.

Our risk assessment includes characterising the inherent hazards of substances and determining the exposure potential based on quantity, duration of operations, properties of the material and the Occupational Exposure Band (OEB) / Occupational Exposure Limit (OEL) of the material. Cipla ensures a safe transition from R&D to production by integrating global

toxicological standards with a rigorous OEB/OEL governance model. Following the Hierarchy of Controls, our data-driven monitoring programme covering exposure assessments and physical risk mapping, continuously validates these safeguards to maintain a proactive culture of prevention. We follow the philosophy of keeping exposure as low as possible by investing in effective engineering and administrative controls. The required controls at different manufacturing stages are identified at the stage of the introduction of a new product through a documented risk review of product exposure and handling, conducted by our toxicology and industrial hygiene functions. These controls are then implemented at site after review by the site EHS team.

Cipla maintains full compliance with Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations for products shipped to REACH-regulated countries. Under clause 2.2.3.2 of the REACH Registration Guidelines, our products do not require registration. Stringent quality checks and testing are conducted before market release for any substances on the SVHC (Substances of Very High Concern) list to ensure environmental and user safety. A validated digital Chemwatch (CW) database is used as the authoritative source for chemical information, safe handling practices, and REACH-compliant Safety Data Sheets (SDS). By fostering a culture of prevention through specialised training and real-time monitoring, we continue to advance our IH maturity. Our goal remains steadfast: achieving Zero Harm by protecting our people and the environment.

Social Dimension

3.1 Labor Practices

Labor Practices Commitment (DJSI 3.1.1)

As detailed in our [Human Rights Policy](#), we are committed to respecting and promoting Human Rights in line with our purpose 'Caring for Life'. This policy is applicable to our entire operations, suppliers and partners. This is further supported by the provisions laid down in our [Code of Conduct](#) and [Supplier Code of Conduct](#).

In India, we comply with all minimum wage laws and provide additional benefits including bonus pay, social security and other statutory entitlements. We are committed to fair remuneration and ensure compliance with all applicable laws pertaining to wages, working hours and overtime compensation.

All employees are expected to work a total of 48 hours on a weekly basis, in legal compliance with the Factories Act, 1948. We do not encourage overtime work or excessive working hours. Equal remuneration practices are also ensured through compliance with the Equal Remuneration Act, 1976. We are also committed to ensuring that all employees are paid for their annual leave.

Labor Practices Programs (DJSI 3.1.2)

At Cipla, we ensure that our wage and remuneration practices are in line with industry standards and regional practices. We ensure that our entire workforce is paid wages that meet basic living standards. Furthermore, we regularly monitor the gender pay gap, further supporting our efforts for equal remuneration.

Strict monitoring of working hours is undertaken to ensure limited overtime work. We ensure that employees work 48 hours on a weekly basis, as required by applicable laws and regulations.

Employee wellbeing is a crucial component of our human capital management approach. We provide all our employees with targeted benefits for physical, mental and financial wellbeing. In addition to legally mandated benefits, we also provide our employees with additional benefits including extended leave, medical and accident insurance, transport and canteen facilities.

We make focused efforts to ensure that our employees avail their paid annual entitlements. Our robust Leave Policy provides all employees with a maximum of 28 days of paid leave in the calendar year. All employees are expected to avail 50% of their leave days in the calendar year

to avoid a leave lapse. This targeted approach ensures that our workforce takes their allocated leave and provides them with an opportunity to recuperate and focus on their personal needs.

We also provide training for our employees to mitigate negative effects of industrial or climate change transition. Our investment in advanced Gen-AI technologies and Industry 4.0 has optimized processes like inventory and energy efficiency, leading to significant savings of NR 1.75 crores at API plants and INR 0.41 crores at formulation plants in FY 2024-25. This digital transformation, coupled with regular training for operators, prepares the workforce to adapt to technological shifts, ensuring they can effectively manage new systems. Key features included process optimisation, a user-friendly interface, robust analytics, documentation assistance, inventory optimisation, root cause analysis and pump energy efficiency, etc. This approach not only drives operational excellence but also positions us to successfully navigate industrial transitions. We also provide focused training on environmental aspects, providing our workforce with crucial skills and awareness on eco-friendly practices.

Discrimination and Harassment (DJSI 3.1.3)

Cipla has a group-wide policy framework on non-discrimination and anti-harassment that is applicable across its operations and value chain and is publicly disclosed through its Corporate Responsibility Policy, Whistleblower Policy, POSH Policy and Annual Report. Cipla explicitly prohibits both sexual and non-sexual harassment and maintains a zero-tolerance approach to workplace discrimination, bullying, harassment and physical assault, with a commitment to ensure employees and workers are treated with dignity, respect and fairness and are not subjected to harassment, discrimination, forced labour or inhumane treatment on grounds including gender, sex, sexual orientation, race, religion, caste, ethnicity, nationality, age, disability, HIV status and family status. Sexual harassment prevention and redressal are specifically addressed under Cipla's POSH Policy, which sets consistent practices in accordance with applicable laws to prevent sexual harassment and outlines procedures for complaint handling. Cipla also conducts mandatory training for employees on key policies, including Prevention of Sexual Harassment, Code of Conduct and Human Rights, to reinforce an ethical, compliant and safe work environment. All employees are expected to complete this training annually and also submit an undertaking on their compliance. A defined escalation and reporting process is available via the whistleblowing/grievance channel aligned with the UN Guiding Principles on Business and Human Rights, allowing concerns to be reported to the Chairperson of the Ethics Committee or the Chief Internal Auditor through ethics@cipla.com, with escalation to the Chairperson of the Audit Committee where required. Reported matters are investigated by the Ethics Committee, and the policy provides for corrective/disciplinary action for violations and for any interference with investigations, up to and including termination of employment/association.

Workforce Breakdown: Gender (DJSI 3.1.4)

Diversity Indicator	Percentage (0-100%)
Share of women in total workforce (as % of total workforce)	16.85
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	16.42
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	17.18
Share of women in top management positions (as % of total top management positions)	15.94
Share of women in management positions in revenue-generating functions (as % of all such managers)	10.34
Share of women in STEM-related positions (as % of total STEM positions)	19.21

We have also set a target to achieve representation of women in Cipla Leadership Group at 20% or above by 2030, from a baseline year of FY 2024-25.

Workforce Breakdown: Race/ Ethnicity & Nationality (DJSI 3.1.5)

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	92.41	93.57
USA	2.83	1.60
South Africa	2.52	2.51
Sri Lanka	0.38	0.42
Morocco	0.31	0.34
Others*	1.54	1.56

*Details of countries under 'Others' are covered in our [Integrated Annual Report FY 2025-26](#)

Workforce Trade Union and Collective Bargaining Coverage (DJSI 3.1.7)

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').

	FY 2025 - 26			FY 2024 - 25		
Category	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	241	241	100	260	260	100
Female	102	102	100	106	106	100
Total Permanent Workers	343	343	100	366	366	100

	FY 2023 - 24			FY 2022 - 23		
Category	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 Commitment (3.2.1)

Cipla is committed to respecting and protecting fundamental human rights across its operations and value chain in line with its purpose of "Caring for Life." Our Human Rights Policy is aligned with internationally recognised standards, including the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the fundamental conventions of the International Labour Organization (ILO), and the National Guidelines on Responsible Business Conduct (NGRBC).

The policy includes commitments to prohibit and prevent child labour, forced labour, bonded labour, human trafficking and other forms of compulsory labour. It promotes diversity, equal opportunity and non-discrimination and maintains a zero-tolerance approach towards discrimination, harassment and sexual harassment. Cipla respects freedom of association and the right to collective bargaining and supports employees' rights to join labour unions without retaliation. The policy also covers employee health and safety, fair wages and working conditions, data privacy, community engagement, workplace security, drug safety and pharmacovigilance, access to affordable medicines, grievance redressal and human rights due diligence.

Scope of Commitment

The Human Rights Policy applies across Cipla's operations globally and covers all employees and workers (permanent and non-permanent), consultants and trainees of Cipla and its subsidiaries. The policy extends beyond Cipla's own operations to include business partners such as suppliers, contractors, healthcare partners, joint venture partners and channel partners, who are expected to uphold and adhere to the principles outlined in the policy. In addition, Cipla's Supplier Code of Conduct establishes human rights expectations for suppliers across the value chain.

Human Rights Due Diligence Process (DJSI 3.2.2)

We have established multiple, robust layers of preventive and detective controls to drive adherence to our internal procedures and all applicable regulatory requirements. Using risk analytics, we have enabled automated monitoring to flag potential non-compliance, fraud, and process inefficiencies, not only within Cipla's own operations but also across our value chain and relevant business partners. In addition, every new business-related engagement is subjected to a stringent due diligence process that includes screening for potential human rights risks or violations. Our standard business contracts also contain specific clauses requiring compliance with all relevant laws, conventions, and internal policies, including explicit human rights obligations.

In FY 2025–26, we carried out a detailed review of our human rights policies, with coverage spanning child labour, forced labour, freedom of association, the right to collective bargaining, equal remuneration, employee health and safety, and non-discrimination. To ensure full operational coverage, we conduct independent assessments of all locations on a rolling three-year cycle. Over the last three years, we have also commissioned independent audits of our manufacturing facilities. During the year, we completed human rights assessments for major sites in India, select international locations, and depots in India, aligned with the SA 8000 standard. These assessments covered the complete workforce, including employees, permanent staff, and contractual workers, with particular attention to human rights risks impacting minors/children and women.

Overall, the review concluded that our human rights safeguards are satisfactory, with no major observations noted. We continue to take a proactive approach to identifying and mitigating human rights risks through structured site audit programmes, and any findings are addressed promptly through corrective and preventive actions implemented across our facilities.

Human Rights Assessment (DJSI 3.2.3)

Category	% of total assessed in last three years	% of total assessed (column A) where risks have been identified	% of risk (column B) with mitigation actions taken
Own operations (including joint ventures where the company has management control) (as a % of sites)	17.33%	0	0
Contractors and Tier I suppliers (as a % of contractors or Tier I suppliers)	9%	0	0
Joint ventures (including stakes above 10%) (as a % of joint ventures)	25%	0	0

Human Rights Mitigation and Remediation (DJSI 3.2.4)

Processes implemented to mitigate human rights risks

Cipla remains strongly committed to respecting and advancing human rights across all geographies in which we operate. We maintain clear policies that prohibit discrimination and harassment in all forms, reinforcing a workplace culture that is safe, inclusive, and respectful for everyone. Our Human Rights Policy is publicly available [here](#). Human rights expectations are also embedded into our contracting framework: our standard business agreements include clauses requiring adherence to applicable laws, relevant international conventions, and Cipla's internal policies, with explicit reference to human rights obligations.

To enable early identification and effective management of risk, we have put in place strong preventive and detective controls, supported by risk analytics that help detect potential non-compliance, fraud, and operational inefficiencies across our operations. We also provide a dedicated and confidential reporting channel through our Whistleblower Policy, allowing stakeholders to raise concerns directly with the Chairperson of the Ethics Committee or the Chief Internal Auditor via ethics@cipla.com.

Assurance is further strengthened through independent assessments. Over the last three years, Cipla has undertaken independent human rights audits across manufacturing sites and corporate offices in India. In FY 2025–26, we completed a detailed human rights assessment covering major Indian locations, select international sites, and depots in India, aligned with the SA 8000 standard. These assessments covered our entire workforce, employees, permanent staff, and contractual workers, with specific attention to risks affecting minors/children and women. The results confirmed that our human rights safeguards are operating effectively, with no major issues identified.

Our approach is reinforced by accessible grievance redressal mechanisms, transparent investigation processes, and ongoing training and awareness initiatives. Accordingly, 100% of Cipla sites, facilities, and offices are covered under established mitigation and remediation frameworks designed to address potential human rights issues promptly.

All employees have also undergone annual mandatory training on our Code of Conduct and Human Rights Policy, including prohibition of child labor, forced labor and human trafficking.

The type of remediation actions taken

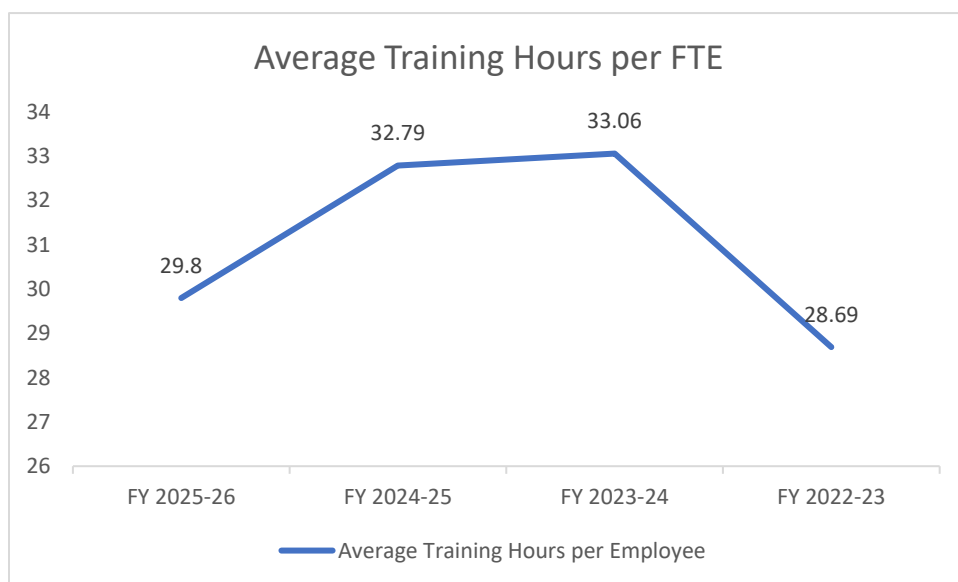
Cipla follows a zero-tolerance approach to retaliation against complainants and whistleblowers and ensures protection during and after the investigation process. We apply standard protocols to ensure investigations are prompt, fair, and consistent for all suspected or actual incidents reported through our channels. Where assessments identify human rights risks, we implement corrective and preventive action (CAPA) measures across Cipla facilities and,

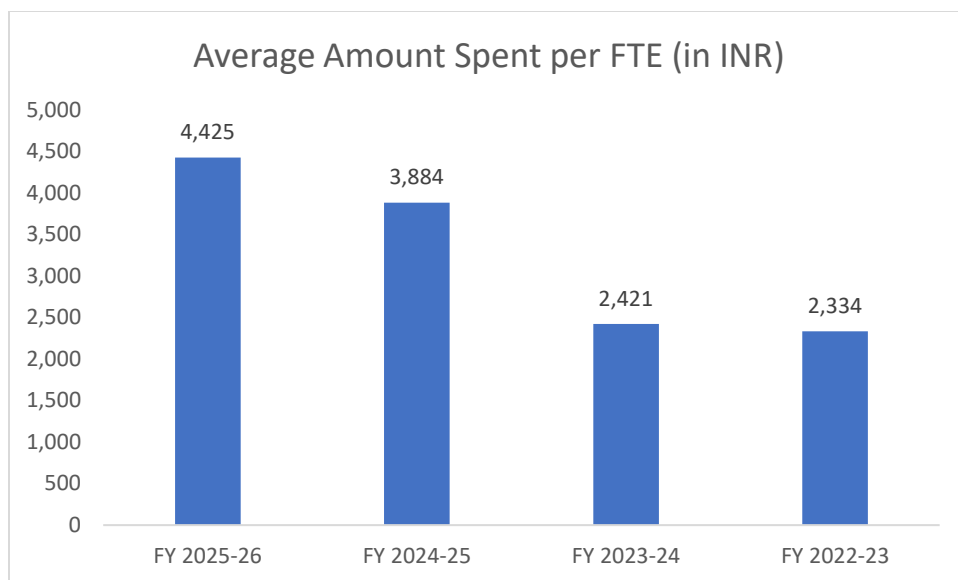
where relevant, support identified value chain partners requiring CAPA. In FY 2025–26, there were no reported complaints related to workplace discrimination, child labour, forced/involuntary labour, or non-payment of proper wages.

3.3 Human Capital Management

Training and Development Inputs (DJSI 3.3.1)

	FY 2025–26	FY 2024–25	FY 2023–2024	FY 2022–23
Average hours per FTE of training and development	29.80	32.79	33.06	28.69
Average amount spent per FTE on training and development (in INR)	4,425	3,884	2,421	2,334





Data breakdown by category:

Particulars	Average training hours in FY 2025-26		
	Male	Female	Total Average
Permanent employees			
a. Top Management	16.17	16.00	16.13
b. Senior Management	26.07	12.01	23.57
c. Middle Management	33.73	19.49	31.83
d. Junior Management	32.59	27.94	31.82
e. Associate / Non-Management	0.51	0.71	0.57
f. Indian Subsidiaries	18.09	17.43	17.98
Permanent workers	4.41	3.26	4.08

Non-Permanent employees	8.52	9.11	8.67
Non-Permanent workers	1.50	1.63	1.53
Total	23.33	17.40	22.25

Employee Development Programs (DJSI 3.3.2)

Cipla is deeply committed to nurturing talent and building future-ready leaders through a wide range of development programmes, supported by targeted and strategic mentorship and coaching efforts and Employee Resource Groups. We also cater to our contractual workforce through these programmes. During FY 2025–26, our learning and development initiatives delivered over 15.85 lakh total training hours, averaging 29.8 training hours per employee, with an average learning and development investment of ₹4,425 per employee.

We offer targeted leadership development programmes to ensure our workforce is equipped with the necessary skills and abilities to achieve their leadership potential. These include:

- **CLAP – Cipla Leadership Ascent Programme:** The Cipla Leadership Ascent Programme is an executive education initiative designed in partnership with Cornell University to empower our leaders and foster organisational growth, addressing critical aspects of leadership and business excellence. In FY 2025–26, 34 leaders from across departments were selected to participate in the programme.
- **LeadX:** LeadX is a transformative programme that cultivates brand ambassadors for Cipla Leadership Essentials. It enables managers to inspire teams and achieve superior results through self-discovery, comprehensive assessments, orientation, and an intensive workshop. For many managers, the programme also marks their first experience with external professional coaching. During FY 2025–26, 157 employees participated in this programme.
- **Leaders as Coaches:** The objective of this programme is to empower participants to cultivate their unique coaching style using new practices and techniques from the workshop, build awareness of their current mindset and attitude towards coaching, and focus on the needs of others. In FY 2025–26, 44 participants benefited from this programme.

Technical Academy

Cipla has embedded digital transformation at the core of its manufacturing strategy through the launch of the Technical Academy—an enterprise-wide platform integrating VR enabled

execution, role-based certification, and governed deployment across multiple formulations and manufacturing sites.

Over 90 immersive VR modules covering 90+ high risk workflows have been digitised across sites in India and the US, enabling standardised, SOP aligned execution across diverse formulations. These immersive trainings have proven to be highly effective, significantly enhancing operator proficiency by enabling hands-on, risk-free practice and faster skill acquisition. To date, the initiative has upskilled 300+ operators (~20% of the OSD workforce), driving faster certification, reduced SOP deviations, improved Right First Time (RFT) performance, and stronger inspection readiness.

In addition, our leadership pipeline was further strengthened through flagship and targeted interventions such as **igrow** (2,027 participants), **ACE** (in partnership with INSEAD and ISB), the **Leadership Academy** (which expanded coverage by 15%, engaging 599 employees), and **Leap** (288 first-time managers), collectively building future-ready leadership across levels.

Human Capital Return on Investment (DJSI 3.3.3)

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total Revenue	227,531,200,000	257,740,900,000	275,476,200,000	281,625,900,000
Total Operating Expense	154,111,300,000	161,650,500,000	168,966,600,000	180,59,73,00,000
Total Employee-related expenses (salaries + benefits)	38,300,800,000	43,100,400,000	48,328,300,000	53,663,300,000
Total Employees	26,615	27,764	30,313	31,369
Resulting HC ROI	2.91693	3.22945	3.20388	2.88264

Hiring (DJSI 3.3.4)

All candidates undergo mandatory identity verification (KYC) prior to hiring, ensuring age validation and compliance with minimum legal employment age requirements.

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total number of new employee hires	6,465	6,560	7,979	6,885
Internal hire %	19.8	18	17.7	25.90
Average hiring cost/FTE in INR	26,414	25,142	25,662	24,678

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	-	-	-	-	1	-	1
Senior Management	-	-	7	1	5	1	14
Middle Management	155	53	715	104	16	3	1,046
Junior Management	3,342	858	860	113	7	10	5,190
Associates/ Non management	19	12	24	10	11	1	77
Indian Subsidiaries	273	78	192	12	2	-	557

Total	3,789	1,001	1,798	240	42	15	6,885
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Employee Turnover Rate (DJSI 3.3.5)

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Total employee turnover rate	21.7%	18.6%	18.65%	18.82%
Voluntary employee turnover rate	19.1%	17.1%	17.39%	17.42%

Type of Performance Appraisal (DJSI 3.3.6)

At Cipla, we follow a structured, continuous, and systematic performance review and appraisal process that connects individual performance with broader organisational objectives. Our approach is anchored in Management by Objectives (MBO) and is delivered through our digital platform, MiDNA (Develop, Nurture, Achieve).

MiDNA allows employees to define clear goals, while enabling managers to track progress on an ongoing basis and provide timely, constructive feedback. This ensures that employees remain aligned to strategic priorities and receive the support and direction required for development and performance improvement.

Our performance management philosophy moves away from the traditional bell curve and instead adopts a performance curve approach that is designed to reflect actual business impact and changing performance patterns. The assessment process incorporates 360-degree feedback from multiple stakeholders, including managers, peers, skip-level managers, and functional heads, to support a balanced and comprehensive evaluation. These inputs are subsequently considered in performance ratings and compensation decisions, helping maintain a transparent and merit-driven system.

Frequent check-ins between managers and employees form an important part of this process. Conducted at various points during the year, these conversations are intended to review progress, share feedback, and recalibrate goals where needed. To further embed a culture of

continuous feedback, we also organise training programmes that equip managers to conduct meaningful and effective performance discussions.

In addition, our internal podcast series, Cipla Unplugged, helps build awareness among employees on the value of qualitative and purposeful conversations around performance and development.

Our structured 360-degree feedback framework also supports the identification of high-potential talent. Based on these insights, we develop customised development plans to strengthen capabilities and build a robust leadership pipeline. This process is reinforced through our three-tiered talent review boards, which involve leaders across levels in identifying, developing, and nurturing Cipla's future leaders.

Long-Term Incentives for Employees (DJSI 3.3.7)

Cipla provides performance-linked incentive arrangements that extend beyond executive/senior management for roles with accountability for multi-year ESG and business outcomes. ESG goals, including reduction of GHG emissions, water withdrawal and waste generation, alongside employee wellbeing and a zero-fatality objective, are set at the organisational level and then cascaded to relevant leadership positions with meaningful weightage. Performance against these targets is reviewed at year-end and approved by the NRC and the Board, assessed at a functional level, and positive performance against environmental KPI targets is rewarded through variable pay for relevant business leaders. In addition, Cipla has implemented a Performance Based Retention Bonus (PBRB) for select roles, payable over a period and linked to achievement of annual performance targets assigned by the Board and continued employment. These incentives are performance-based and can apply to employees below senior management level (i.e., more than two management levels below the CEO) where they are included in the eligible population, while executive/senior management incentives are not relied upon for this disclosure.

Please describe the following aspects (both): 1) the type of long-term incentive program (e.g. stock options, restricted stock units, cash incentives, etc.);	Company's long-term incentives for employees below the senior management level are on average paid out after:	Please report the percentage of company's workforce below senior management level (max. two levels from the CEO) that this program applies to:	Do the long-term incentives include targets associated with sustainability performance?
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2) the type of employees below the senior management level the program applies to:			
Cipla pays variable bonus to all employees of the Company on an annual basis which is based on their performance.	2 years	59% (refer note)	The long-term incentive scheme based on performance applies to all employees. However, for some critical functions such as the Engineering team, Sustainability team, EHS team, Supply Chain team and manufacturing plant heads, the long-term incentives are also linked to sustainability KPIs and success in those metrics and targets. Some of our organization-level sustainability targets include an 80% reduction in Scope 1(energy based) and Scope 2 emissions from baseline year FY 2019-20; water-neutrality and achieving zero-waste-to-landfill status for India manufacturing operations by December 2025.

Long-term incentive programmes are available to employees two level below the CEO. As of FY2025-26, approximately 59% of employees within the eligible category were covered under the Company's long-term incentive framework.

Employee Support Programs (DJSI 3.3.8)

At Cipla, our benefits and policies are more than just frameworks—they reflect our cultural ethos and our commitment to building an environment where our people can truly thrive. Anchored in our core philosophy of Caring for Life, these thoughtfully designed policies and benefits are intended to support Ciplaites in flourishing both personally and professionally.

Embracing the Pause | Time Away from Work

We are committed to providing a wide range of opportunities that help employees manage work-life balance effectively, while fostering a culture of resilience and wellbeing. We encourage periodic “pauses” through the year, giving employees the opportunity to step away from routine, recharge, reflect, and invest in personal growth. In this spirit, we strongly encourage colleagues to utilise 14 days of their annual leave entitlement for meaningful breaks. In addition, we offer several initiatives that support wellbeing and personal development:

Time away from work	Inclusive ecosystem	Flexibility	Family support
Different types of leave • Maternity • Paternity • Gender neutral adoption • Transfer • Sabbatical • Medical • Accidental • Compassionate	• 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	• Flexi working guidelines for corporate offices • Employee financial wellbeing • Employee volunteering policy	• Financial assistance programme in the event of death of employees/ workers • Education merit awards for children of employees

Our parental leave policy supports male employees by providing up to 2 weeks (14 calendar days) of paternity leave, which can be availed within 270 days of the birth of their child, helping them balance family responsibilities alongside work. Female employees are eligible for up to six months of paid maternity leave, covering both the pre-natal and post-natal period. They may avail up to three months before the expected date of delivery or the full six months after childbirth, including the date of delivery.

In addition, our Gender-Neutral Adoption Leave Policy is designed to support a smooth and positive adoption journey for all employees, irrespective of gender. The policy provides up to 6 months of adoption leave, subject to internal policy conditions. It also includes provisions for intended parents entering into surrogacy arrangements that are compliant with applicable law. Eligible employees may avail this leave multiple times during their tenure at Cipla.

Support Spectrum and workplace flexibility:

- We have expanded medical insurance coverage to include employees with live-in or same-sex partners, in addition to spouses, children, parents, and parents-in-law.
- In line with legal requirements, we treat accessibility as a core element of our infrastructure. Our offices and site locations meet accessibility standards, helping create an inclusive workplace for differently abled colleagues. Our Equal Opportunity Policy, aligned with The Rights of Persons with Disabilities Act, 2016, protects their rights and promotes equal opportunities for growth and success.
- We provide daycare facilities for parents and reimbursement options for women colleagues in certain roles.
- Our onsite crèches and corporate offices are equipped with breastfeeding/lactation facilities.
- Employees in our corporate office can benefit from a hybrid work model.
- To support women employees in sales roles in balancing personal commitments and work responsibilities, we have introduced the #flexiFieldPolicy, which allows them to work from home for up to two days each month.

The Larger Cipla Family | Investing in supportive practices:

The families of our employees are an integral part of their lives and of the larger Cipla family. We support them through initiatives such as the MiCareFund, which provides employees with an additional avenue to manage medical expenses. Under the iPharmacy programme, employees can avail discounts of up to 25% on select Cipla medicines. We also recognise and reward the children of employees who demonstrate outstanding academic performance across levels. In addition, we celebrate employee loyalty and long-term commitment through our Long Service Awards and Superannuation Awards.

Trend of Employee Wellbeing (DJSI 3.3.9)

Core focus	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Employee engagement (% of employees with top level of engagement, satisfaction)	87	91	91	92
Data coverage (% of FTEs)	73	84	70	83

We promote a culture of open communication and collaboration across our workforce through a range of employee engagement initiatives. As part of this approach, we conduct an annual global employee survey to better understand employee perspectives on key areas such as job satisfaction, sense of purpose, overall happiness, stress levels, and general wellbeing.

3.4 Occupational Health and Safety

OHS Policy (DJSI 3.4.1)

Our commitment to health and safety is rooted in our robust [EHS&S Policy](#), which applies across all our operations. It covers our employees, contractors, visitors, business partners, and other individuals under our supervision or present at our facilities. This policy is publicly available on our corporate website and has been endorsed and approved by our Board of Directors.

We are committed to complying with all applicable environmental, occupational health and safety laws, regulations, and other relevant requirements. We also support the adoption of applicable occupational health and safety standards and good practices.

We consult with and encourage the participation of our workers in EHS matters. We promote employee involvement, awareness, communication, and engagement in identifying and managing environmental, health and safety risks. Where applicable, we include workers' representatives through our consultation and participation mechanisms.

We are committed to continually improving our EHS performance and the effectiveness of our EHS management system. We support this commitment by monitoring our performance, reviewing our EHS objectives, and implementing measures to drive ongoing improvement.

We identify and prioritize significant EHS risks and opportunities, establish objectives and targets, and implement appropriate programs and action plans to address them. Through these measures, we prioritize key EHS issues and take corrective and preventive action to manage and reduce associated risks.

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

At Cipla, safety, health, and environmental stewardship are embedded in our operations through a comprehensive Environment, Health and Safety (EHS) Policy and management processes aligned with applicable Factory Rules and ISO 14001/45001 standards. These principles are applied across our manufacturing sites, R&D, supply chain, and business operations. To ensure effective implementation, qualified and competent EHS professionals are

deployed across manufacturing, business, R&D, and the broader value chain so that EHS considerations are integrated into decision-making at all levels.

We systematically identify and address material environmental, health, and safety risks through rigorous risk assessments designed to reduce risks to ALARP (As Low As Reasonably Practicable) levels. Our mitigation framework follows the hierarchy of controls, prioritising Elimination, Substitution, Engineering Controls, and Administrative Controls.

To strengthen workplace safety, we use multiple risk assessment tools covering areas such as new product introduction, hazard studies, and containment control strategy assessments. These processes are aimed at minimising personnel exposure. We also deploy targeted engineering controls, operational procedures, and personal protective equipment (PPE) to manage health risks effectively. In addition, periodic risk-based medical surveillance is carried out to monitor and evaluate health outcomes associated with occupational exposure.

In FY 2025-26, we achieved zero fatalities across our manufacturing operations. Building on this performance, we remain committed to maintaining zero fatalities through strong safety management systems, risk controls, and a culture of safety excellence.

We have established a target to maintain a Total Injury Rate (TIR) below 5 incidents per one million hours worked and achieved a TIR of 1.7 during the year.

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 key high-risk activities across our sites, including work at height, confined space entry, hot work, and excavation. Our revised Permit to Work Procedure incorporates detailed safety requirements, clearly assigned responsibilities, communication protocols, energy isolation measures, and readiness requirements for hot work and confined space operations. We have also developed scaffold safety standards aligned with Indian as well as international norms. To support implementation, we conducted extensive internal and external training programmes on scaffold safety, lifting, and rigging practices.

All manufacturing facilities maintain onsite emergency plans covering identified credible emergency scenarios. These plans are reviewed annually and tested through periodic mock drills and full-site evacuation exercises, including scenarios such as fires and chemical spills.

We conduct regular, professionally designed training programmes to build safety awareness and strengthen safe work practices. Employees receive training on hazard identification, safe operating procedures, self-protection practices, and emergency response requirements. These programmes include safety training sessions, process education, awareness campaigns, deployment of safety signage, and emergency drills. In FY 2025-26, we conducted

16,459 health and safety training sessions. Employees are encouraged to report unsafe conditions and are empowered to stop unsafe work whenever necessary. Our internal training teams work in partnership with external experts to deliver high-quality capability building across the workforce.

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

To strengthen continuous improvement, we run a 'Learning from Incidents' forum through which learnings from all incidents are reviewed and shared. This ensures that lessons identified at one site are communicated across locations and applied more broadly. A global Corrective and Preventive Action (CAPA) process is implemented at each site to ensure that these learnings are translated into action, reducing the likelihood of recurrence of similar incidents.

Internal inspections

Internal monitoring remains a critical element of our OHS framework. Site EHS teams conduct daily Gemba walks to observe conditions and reinforce safe practices. Monthly EHS inspections are led by the Leadership Team along with the site head. In addition, line managers and senior leadership carry out behavioural observations and inspections every month. We also continue to undertake cross-site audits, whereby EHS heads from other sites perform detailed annual reviews.

Site Assessments and EHS Audits in FY 2025–26

In FY 2025–26, 76 internal audits were conducted, held at a six-monthly frequency. Additionally, 15 external audits were also undertaken, conducted on an annual basis. Furthermore, there were 7 working conditions audits and 11 focused audits (including Statutory laws, Process Safety Management, Risk Evaluation & Electrical safety) done in the reporting period.

Independent external verification of health, safety and well-being

We have implemented a robust Occupational Health and Safety management system aligned with ISO 45001:2018 across all our manufacturing facilities in India. This system covers all people and processes at Cipla's India manufacturing operations without exception or exclusion.

We also maintain detailed road safety guidelines for both drivers and passengers, applicable to hired vehicles, personal vehicles, and motorcycles. All drivers undergo road safety training, and driving behaviour in company-owned cars and buses is actively monitored, particularly on high-risk routes. While our EHS systems are standardised across manufacturing sites, they are supported by site-specific procedures tailored for depots and other lower-risk operations.

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

Work-related injuries, cases of ill health, occupational diseases, near misses and incidents are investigated through established procedures, including root-cause analysis. Corrective and

preventive actions are identified and tracked to closure, while relevant learnings are shared across sites through the 'Learning from Incidents' forum and the global Corrective and Preventive Action process.

We encourage all employees and workers to report incidents and unsafe conditions, irrespective of severity. During FY 2025–26 and FY 2024–25, the Company did not receive any complaints from employees or workers relating to working conditions, health, or safety.

Active Employee Involvement: Employees play a central role in our safety management systems. They participate in the preparation and review of risk assessments, safety committee meetings, accident investigations, and the collection of information on workplace hazards and corresponding mitigation measures.

Open Communication: We actively encourage workers to engage in preparing and reviewing risk assessments, participating in safety committee meetings, and contributing to accident investigations. Employees can share observations and concerns anonymously through Safety Suggestion boxes or via internal reporting software. Open platforms such as safety committee meetings and Toolbox Talks (TBTs) help foster a culture in which employees can raise unsafe conditions without fear of retaliation.

OHS criteria introduced in procurement and contractual requirements

At Cipla, Environment, Health and Safety (EHS) is a fundamental part of how we conduct business. To safeguard our workforce, OHS considerations are also embedded within our procurement and contractual processes. This includes the use of 'user requirement specifications' and other contractual provisions to ensure OHS compliance in engagements with suppliers and contractors.

We also ensure the health and safety of non-employee and contracted workers through mandatory safety inductions, HIRA-based risk assessments, permit-to-work systems, and continuous onsite supervision. Contract workers receive required PPE, participate in safety trainings and emergency drills, and are included in audits and incident-learning programs. These measures ensure that all contracted personnel receive the same level of safety protection as Cipla employees.

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

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.25	0.20
	Workers	0.12	0.22
Total recordable work-related injuries	Employees	18	19
	Workers	7	9
No. of fatalities	Employees	0	0
	Workers	0	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0
Rate of recordable work-related injuries (per one million person-hours worked)	Employees	0.55	0.64
	Workers	0.27	0.40

3.5 Contribution to Societal Healthcare

Access to Healthcare Programs (Products & Drugs) (DJSI 3.5.1) & Impact on Access to Healthcare (DJSI 3.5.3)

Global access and essential medicines

Cipla makes medicines available for 45% of diseases on the World Health Organization Essential Medicines List, including five of the seven antimicrobial-resistant pathogens prioritised by India's Antibacterial Surveillance Network. Cipla also reports products listed under the WHO Prequalification of Medicines Program, supporting procurement for resource-limited settings.

In FY 2025-26, Cipla Global Access served approximately 1.5 million patients across 72 countries. The Company continues to optimise its supply chain and reduce product lead times to strengthen access in underserved regions. Cipla is also progressing multilingual packaging artwork for its Tenofovir/Lamivudine/Dolutegravir formulation, intended to simplify inventory management and support timely supply in markets with urgent demand. The business focused

on access in low- and middle-income and least-developed countries while strengthening supply continuity through shorter lead times, multiple API suppliers and reduced dependence on single-source vendors.

During FY 2025–26, Cipla did not file any patents in low-income economies, as defined by the World Bank. Cipla adopts a flexible approach to the enforcement of patent rights for selected therapies and geographical regions to support medicine accessibility in underserved markets.

Community and patient assistance

Through Mobile Healthcare Units operated with HelpAge India, Cipla Foundation provided primary healthcare to more than 24,000 people across Himachal Pradesh, Karnataka, Madhya Pradesh and Maharashtra, with a focus on women and older persons. The programme delivered more than 108,000 free outpatient consultations and linked communities to referral services where required.

The Mobile Healthcare Units also distribute essential medicines free of cost and deliver targeted health-education sessions, with particular attention to women, older persons and children.

Cipla Foundation supported more than 65,900 patients and families through palliative care and training, including more than 5,000 children reached through pediatric palliative-care programmes. It also supported access to blood transfusions and medicines for 356 children with thalassemia, financial and medical support for 18 patients with thalassemia major, and dialysis support for 194 patients from economically disadvantaged backgrounds.

Provider capacity was strengthened through more than 10 specialised palliative-care training programmes and collaborations with public institutions across Rajasthan, Goa, Andhra Pradesh and Maharashtra, reaching more than 1,000 healthcare professionals. The programme also partnered with 20 nursing and allied-health institutions for student training.

India patient-support and awareness programmes

Hridayam supports people living with heart failure, hypertension and related lifestyle risks through edema screening, personalised counselling, dietary guidance, symptom awareness and lifestyle support. In FY 2025–26, the programme touched 448,472 patient lives and completed 772,036 edema screenings.

Mitra supports people living with diabetes and obesity through screening, counselling, nutritional support, insulin-use guidance and sustainable lifestyle education. In FY 2025–26, the programme touched 350,000 patient lives, including awareness activities.

Cipla supports tobacco-cessation efforts through Nicotex, its nicotine-replacement therapy portfolio designed to help adult tobacco users manage nicotine cravings as part of their quit journey. The initiative complements Cipla's broader preventive-health approach by improving

access to smoking-cessation support and raising awareness of the health risks associated with tobacco use.

Cipla also supplied INR 5.96 crore of medicines through the Government of India's Jan Aushadhi Kendra procurement system in FY 2025–26.

Breathefree provides respiratory disease education, screening, device-use training and adherence support. The programme uses a network of more than 1,500 educators, community outreach and digital educators. In FY 2025–26, Breathefree provided disease-management support, device-use training and treatment-adherence support through a network of more than 1,500 educators. Its outreach included large-scale respiratory screening, 24x7 AI-enabled Digital Educators supporting patients with the use of inhalers, nebulisers and nasal sprays, and two Breathefree Lung Wellness Centres in New Delhi and Mumbai. The Mumbai centre also established an independent sputum inflammatory laboratory.

Tuffies complements this work by addressing myths about childhood asthma, while campaigns such as Berok Zindagi, Inhale the Change, Win Over Weight, 1935 Se Desh Ki Sehat Ke Saath and Seek Edema, Seek Help extend public education across respiratory, metabolic and cardiovascular health topics. During FY 2025–26, Tuffies engaged more than four lakh children and parents across over 1,000 schools to address misconceptions surrounding childhood asthma.

Berok Zindagi, developed with Network18, promotes early attention to respiratory health and air-quality concerns. During FY 2025–26, the initiative engaged more than 500 doctors and reached approximately 23 million people.

Win Over Weight, developed in partnership with the India Today Group, promotes awareness, stigma reduction and informed medical conversations around obesity. During FY 2025–26, the campaign generated a media reach of 72 million, more than 6.5 lakh website visits and over 500 news stories.

The 1935 Se Desh Ki Sehat Ke Saath campaign combined Cipla's 90th-anniversary communication with disease education. During FY 2025–26, it reached more than 3.3 lakh doctors and engaged one lakh chemists, while its two campaign films generated more than 100 million views.

Inhale the Change promoted awareness of inhaled insulin as a patient-friendly insulin-delivery option. During the first 10 days of launch, the campaign generated more than 370 news stories and 80 million views.

Seek Edema, Seek Help, implemented with the Association of Physicians of India, supports awareness, screening, referral and follow-up for edema associated with heart failure and chronic kidney disease. During FY 2025–26, the initiative operated across 5,000 clinics,

screened more than 10 million individuals and reported digital outreach of 73 million impressions.

Cipla's patient-support programmes for rare diseases provide disease-specific education, treatment-adherence support and access assistance to eligible patients and caregivers. In South Africa, the Multiple Sclerosis patient-support programme supported more than 200 patients, while the Rheumatology and Idiopathic Pulmonary Fibrosis programmes each supported more than 10 patients during FY 2025–26.

In India, Cipla's Oncology and Immunology Patient Assistance Program supports eligible patients by reducing financial barriers and facilitating continuity and adherence to prescribed treatment. Structured support for relevant products includes free-vial provisions, with patient calls and deliveries managed through designated implementation partners.

Health Matters democratises access to credible, evidence-based health information through a podcast series and dedicated patient-education website in South Africa. During FY 2025–26, the podcast recorded 1.70 million views, and the website received 40,000 visitors.

One Africa access programmes

Dablap meds, part of South Africa's Central Chronic Medicine Dispensing and Distribution programme, supports stable chronic patients with easier access to medicines.

The table below shows a four-year trend of the number of patients with chronic ARV, respiratory and OSD medication through this programme:

Treatment category	FY 2022–23	FY 2023–24	FY 2024–25	FY 2025–26
Number of patients with low-cost access to the organization's products or services to address diseases/conditions	22,872,384	32,429,663	36,462,203	36,737,127

Sha'p Left registered 72,779 new patients during FY 2025–26, taking cumulative registrations to 345,252 patients.

Through Sha'p Left pickup points, the programme distributed 464,126 low-cost medicine parcels through 42 pickup points in FY 2025–26. Cipla targets 10% growth in the number of patients served in the next year.

Through Miles for Smiles, Cipla Foundation South Africa raised funding to support at least 184 corrective cleft surgeries in FY 2025–26 for children in South Africa, Kenya, Ghana and Morocco.

The Sha’p Left Nurse Surgeries programme delivered 52,310 nurse-led patient consultations in peri-urban and rural communities, with 62% of consultations provided to female patients. Four product-enrolment patient-support programmes in South Africa enrolled more than 900 patients during FY 2025–26.

Health Matters democratises access to credible, evidence-based health information through a podcast series and dedicated patient-education website in South Africa. During FY 2025–26, the podcast recorded 1.70 million views, and the website received 40,000 visitors. In South Africa, Cipla operates an inhaler take-back programme that enables patients to return used or empty inhalers through designated collection channels. The programme supports the responsible post-use management of inhalers while creating an additional engagement point for respiratory-health awareness and correct inhaler-use education.

In South Africa, Cipla also supports patients with submissions to funders and medical-aid schemes to obtain treatment authorisations for Cipla-marketed products.

Patient education in Emerging Markets

In Nepal and Sri Lanka, Breathefree screening and Digital Educator initiatives expanded respiratory awareness and access to diagnosis. FY 2025–26 inputs report more than 5,000 patients screened in Nepal and 12,000 in Sri Lanka, alongside digital educator engagement with patients and healthcare professionals. The Hari Husmak campaign in Sri Lanka reached approximately 4.5 million people and generated around 8,500 calls, 5,000 appointments and 3,000 confirmed visits.

The programme also expanded digital access to respiratory education through the launch of the Breathefree website in the UAE. In One Africa, Breathefree community health camps reached more than 1,200 beneficiaries, while the regional digital platform supported more than 5,000 active users and recorded over 1,200 patient-resource downloads.

Metabolic, diabetes, benign prostatic hyperplasia and COPD initiatives in Southeast Asia supported screening and diagnosis. FY 2025–26 inputs report approximately 15,000 patients screened through more than 1,000 doctor and chemist engagements, and approximately 16,000 patients benefiting from respiratory-specific screening programmes.

Patient assistance and community support in North America

In FY 2025–26, Cipla’s U.S. business dispensed more than 83 million prescriptions, including more than 13 million respiratory prescriptions. Patient-assistance programmes supported 4,150 patients, facilitated more than 8,000 co-pay-card transactions and provided more than USD

2 million in co-pay benefits. Cipla also provided cumulative sponsorship of USD 45,000 to awareness efforts led by the American Lung Association and COPD Foundation.

Community engagement included continued collaboration with the COPD Foundation's Lace Up for Lungs initiative and the American Lung Association's Lung Force Walk in New York City, with more than 100 Cipla employees participating in support of lung-health awareness.

Product innovation and partnerships that facilitate access

Cipla expanded access through product launches, licensing and distribution partnerships. In India, Cipla launched Afrezza, an inhaled insulin, in December 2025; secured rights from Lilly to distribute and promote Yurpeak, a tirzepatide brand; launched Ciplostem, a DCGI-approved allogeneic mesenchymal stromal cell therapy for Grade II–III knee osteoarthritis; and entered arrangements to market selected Pfizer brands across acute therapy areas. Cipla also acquired Inzpera to add a differentiated paediatrics and wellness portfolio.

Additional access-oriented collaborations include Vonoprazan for acid-related illnesses, clobetasol propionate ophthalmic suspension across 11 countries, cefepime-enmetazobactam with Orchid Pharma for difficult-to-treat infections, and a licence with ViiV Healthcare and the Medicines Patent Pool to develop, manufacture and supply long-acting injectable cabotegravir in 133 countries, with a focus on low- and middle-income countries.

Medicinal donations

During FY 2025–26, Cipla donated critical medicines for HIV/AIDS, cancer, respiratory illnesses and other health needs, valued at INR 11 lakh, to humanitarian organisations supporting distressed and vulnerable communities globally.

The donations were undertaken in accordance with the WHO Guidelines for Medicine Donations, including applicable requirements relating to recipient need, medicine quality, remaining shelf life, labelling, information sharing and appropriate delivery.

Antimicrobial resistance: Access, diagnostics and stewardship

Cipla's AMR approach combines responsible access, diagnostic support, provider education and surveillance. The 2026 Antimicrobial Resistance Benchmark recognised Cipla's support for diagnostic capacity as a best practice, including sensitivity discs and E-strips that guide appropriate use of CipCZA, Cipenmet and Zemdri. The Benchmark also identified opportunities to expand paediatric formulations and improve access to plazomicin beyond India.

Across South Africa, Cipla supports antimicrobial stewardship through hospital-based training and engagement with healthcare professionals. The training covers the principles of antimicrobial resistance and stewardship, appropriate use of antibiotics, infection prevention and control, medicine and patient safety, AMR surveillance, and the role of diagnostic capacity in optimising antibiotic use. From February to June 2025, the initiative covered more than 25

hospitals, conducted over 20 ward-level training sessions and supported more than 10 antimicrobial stewardship meetings involving healthcare professionals, specialists and microbiologists.

Across Kenya, Mauritius and Ghana, Cipla supported access to antibacterial, antifungal, antiviral and antimalarial medicines through public and private-sector channels, accompanied by stewardship activities during World AMR Awareness Week 2024. These activities included online and offline educational campaigns, webinars on appropriate antibiotic use, and digital engagement with healthcare professionals. Programme outcomes were monitored through webinar attendance records and digital-engagement indicators, with plans to expand outreach and diagnostic-support materials.

Azithromycin stewardship activities include responsible-use messaging on packaging and continued engagement with healthcare professionals through CMEs, webinars and expert collaborations. Between October 2023 and June 2025, more than 2.43 crore units were sold, with an estimated 50 lakh patients reached.

For ceftazidime-avibactam, Cipla used advisory-board input and promoted the medicine as targeted therapy for CRE due to OXA-48. Under OASIS-CRED in FY 2024–25, Cipla conducted 78 meetings, participated in four national conferences, provided 15,000 sensitivity discs to 142 hospitals, sold 170,000 units and reached approximately 8,100 patients between October 2023 and June 2025.

In India, Cipla's provider-education programme included 969 regional CMEs covering paediatric and adult infections, including acute otitis media, sinusitis and community-acquired pneumonia. Through the ABC of Antibiotics collaboration with the Indian Academy of Pediatrics, Cipla conducted one train-the-trainer programme, five zonal meetings and 20 regional meetings covering bacterial classification, antimicrobial mechanisms, pharmacokinetics and pharmacodynamics, the fundamentals of antimicrobial resistance, major antibiotic classes, adverse effects and drug-level monitoring. The programme also used clinical updates, conference sessions, patient-education materials and professional digital content to promote informed and appropriate antibiotic use.

Cipla also supported specialist education through paediatric scientific forums. The 18th ipaedia programme included paediatric infectious-disease rounds, while the February 2025 Pediatric Summit addressed challenges in managing infections in hospitalised paediatric patients and included case-based discussions on paediatric infectious diseases.

The Plazomicin SENTRY surveillance study assessed 9,624 Enterobacterales isolates from 39 U.S. medical centres over 2018–2022. The programme evaluated activity against resistant phenotypes using CLSI and/or FDA criteria and submitted five-year results to the USFDA in December 2023.

Local Capacity Building (DJSI 3.5.2)

Type of Activity	Description of Initiatives
R&D	In partnership with the Indian Institute of Science (IISc), Bengaluru, Cipla Foundation has partnered with the Tata IISc Medical School for the setting up of a state-of-the-art Pulmonary Medicine Centre, focused on strengthening India's respiratory health ecosystem through early diagnosis, advanced research, and skill development. The Centre aims to ensure that innovation translates into meaningful, lasting impact for communities, providing enhanced access to high-quality pulmonary care and treatment. The Centre of Excellence for Polymorphism continued to strengthen Cipla's scientific depth through active collaboration with experts from IIT Hyderabad and other leading academic institutions. Cipla Foundation also supported the establishment of a Centre of Excellence for Palliative Care at AIIMS Jodhpur, helping strengthen institutional capabilities in specialised healthcare training, development of clinical protocols and dissemination of best practices across public health systems.
Patient Education	Cipla implements patient education and disease-awareness programmes across India, South Asia, Africa and other access-focused markets to improve early diagnosis, treatment adherence, self-management and healthcare access. Through Breathefree, Cipla provides respiratory education, screening, device-use training and adherence support through physical and digital educators in India, Nepal, Sri Lanka and African markets. In FY 2025-26, more than 5,000 patients were screened for Obstructive Airway Diseases in Nepal and over 12,000 patients in Sri Lanka through Breathefree camps. The Nepal Digital Educator Lab further supported disease awareness, generating more than 5,000 patient leads and engaging 175 doctors in Nepal and Sri Lanka, along with an additional 200 doctors and 4,000 patient leads through related programmes. In Sri Lanka, the #HariHusmak ("The Right Breath") campaign reached approximately 4.5 million individuals, generating over 8,500 calls, 5,000 appointments and 3,000 confirmed clinic visits. In Southeast Asia, Cipla conducted metabolic disorder, diabetes, BPH and COPD screening initiatives, reaching over 15,000 patients through engagement with more than 1,000 doctors and chemists. Respiratory-focused screening programmes in the region benefited a further 16,000 patients. Patient support and education initiatives such as Hridayam and Mitra

	empower individuals with disease awareness, screening, counselling, nutritional guidance and lifestyle interventions. Hridayam, focused on heart failure, hypertension and associated risk factors, reached 448,472 patient lives and conducted 772,036 edema screenings in FY 2025-26. Mitra, focused on diabetes and obesity management, reached approximately 350,000 individuals through awareness and support activities. Both programmes conduct patient education sessions in healthcare practitioner clinics to improve long-term disease management and treatment adherence.
Provider Education	Cipla continues to strengthen healthcare-provider capacity through Continuing Medical Education (CME) programmes, scientific forums, stewardship activities, webinars, diagnostic support and train-the-trainer initiatives. In India, these efforts included 969 regional CMEs and the ABC of Antibiotics collaboration with the Indian Academy of Pediatrics comprising one train-the-trainer programme, five zonal meetings and 20 regional meetings. In South Africa, antimicrobial resistance initiatives covered more than 25 hospitals, with over 20 ward-level training sessions and more than 10 antimicrobial stewardship meetings. OASIS programmes and diagnostic support continue to promote surveillance-informed antimicrobial use. Across Europe, the Middle East and other international markets, Cipla engaged over 39,000 healthcare professionals through educational conferences, CMEs, regional webinars, advisory boards, medical surveys and scientific forums during FY 2025-26. Through Cipla Foundation's palliative care initiatives, healthcare capacity was further strengthened through more than 10 specialised training programmes across India and internationally covering pain management, neuro-palliative care, paediatric palliative care and counselling. Cipla Foundation also partnered with government institutions to support rollout of palliative-care training programmes across Rajasthan, Goa, Andhra Pradesh and Maharashtra, reaching more than 1,000 healthcare professionals. Further capacity-building efforts included establishment of a Centre of Excellence at AIIMS Jodhpur, development of SOPs within public hospitals across four states and partnerships with 20 nursing and allied health institutions for student training.
Financing	Cipla supports financing and reimbursement access through patient-assistance programmes, affordability initiatives and access partnerships. In India, the Oncology & Immunology Patient Assistance Programme supports treatment continuity through free-vial provisions, financial assistance mechanisms and partnerships with service providers for patient

	engagement and medicine delivery. The programme is designed to improve treatment duration, adherence and long-term outcomes for patients across multiple therapeutic areas. Cipla Foundation additionally supported more than 15,300 patients through patient-support programmes in FY 2024-25, with a particular focus on cancer care. In South Africa, Cipla supports patients through reimbursement facilitation and submissions to funders and medical-aid schemes to obtain treatment authorisations for Cipla therapies. Four patient-support programmes implemented in FY 2025-26 enrolled more than 900 patients to facilitate access to treatment. In the United States, patient-assistance programmes helped 4,150 patients gain access to medicines and facilitated over 8,000 co-pay card transactions, providing benefits exceeding USD 2 million during the reporting year. Cipla also improves affordability through access channels such as Jan Aushadhi Kendras in India, where medicines worth INR 5.96 crore were sold during FY 2025-26, supporting access to low-cost essential medicines.
Community Support	Cipla and Cipla Foundation work with local organisations, healthcare institutions and communities to improve access to healthcare services and promote disease awareness across India, Africa, North America and other regions. Mobile Healthcare Units operated with HelpAge India provided primary healthcare services to more than 24,000 people and delivered over 108,000 free consultations, particularly benefiting women and older persons. The Cipla Foundation South Africa continued to strengthen healthcare access through the CCMDD (Central Chronic Medicine Dispensing and Distribution) programme. Through the Sha'p Left network, 464,126 medicine parcels were distributed through 42 pickup points during FY 2025-26, improving access to chronic medication for stable patients. The Foundation aims to expand patient reach by 10% in the coming year. Through the Sha'p Left Nurse Surgeries Programme, Cipla delivered 52,310 patient consultations in peri-urban and rural communities in South Africa during FY 2025-26, of which 62% benefited women. The programme also supported women-led healthcare enterprises and community healthcare infrastructure development. The Miles for Smiles initiative continued supporting Operation Smile across

	South Africa, Kenya, Ghana and Morocco. In FY 2025-26, funds were raised to sponsor at least 184 corrective cleft lip and palate surgeries. In India, Cipla Foundation continued its palliative care and paediatric palliative care programmes. Through partnerships with Sukoon Nilaya, BJ Wadia Hospital, PRPCS Hyderabad, CanKids, Novi Survat Goa and LTMG Sion Hospital, the Foundation supported more than 400 unique palliative-care patients and over 5,000 paediatric patients during FY 2025-26. Community outreach programmes also created awareness of palliative care among over 430 community members and 745 ASHA workers. In the United States, Cipla contributed to respiratory-health awareness through sponsorships to the American Lung Association and COPD Foundation amounting to USD 45,000. Cipla USA also supported the Lace Up for Lungs initiative and the Lung Force Walk in New York, with participation from over 100 employees. Across global markets, Cipla's consumer-health campaigns further contributed to public health awareness. The "Cipla at 90" campaign reached more than 33,300 doctors and over 100,000 chemists. The inhaled insulin awareness campaign generated approximately 100 million views in 10 days, while the "Let's Clear the Air" campaign on air pollution and respiratory health reached over 500 doctors and generated more than 170 million views, further amplified through media outreach reaching over 40 million people.
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Accessibility and Transparency of Research (3.5.5)

At Cipla, findings from all clinical trials, including real-world studies, are shared through presentations at medical conferences and publications in peer-reviewed medical journals. Participant demographic information is consolidated and included in study reports, while anonymized individual-level data is submitted to regulatory authorities through detailed data listings. Any participant data is used solely for the specific purpose for which consent has been obtained. Where requests for such data are received, they are evaluated in accordance with the provisions of the DPDP Act, 2023.

3.6 Customer Relations

Ethical Marketing Commitment (3.6.1)

As outlined in our [Global Code of Conduct](#), Cipla is committed to maintaining the highest standards of business ethics across all operations. We uphold ethical, transparent, and responsible interactions with healthcare professionals globally, ensuring scientific integrity and an unbiased exchange of information. In line with applicable regulatory requirements in the jurisdictions where we operate, all Transfers of Value (ToV) involving healthcare professionals are reported accurately. Our interactions, where applicable, with patient organisations are also governed by clear ethical principles that preserve Cipla's independence throughout the engagement lifecycle.

We also maintain strict controls over external communications. All communications with the media, analysts, investors, and the general public are made only through authorised representatives, ensuring that facts relating to the Company are not manipulated or misrepresented and that no misleading or inaccurate information is shared regarding our operations.

In addition, we follow a robust internal review and approval process to ensure that all promotional and non-promotional materials comply with prescribed local regulatory requirements before they are used.

With regard to direct-to-consumer marketing, Cipla does not directly market its prescription products to consumers. In India, direct-to-consumer advertising of prescription medicines is governed by the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945. These regulations prohibit the advertisement of medicines classified under Schedule H, H1, and X. For products falling under certain permitted categories, such as OTC and FSSAI-regulated products, patient education, training, and knowledge dissemination activities may be undertaken in accordance with applicable regulations.

Ethical Marketing Performance (3.6.2)

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Incidents of non-compliance concerning product and service information and labelling	0	0	0	0
Incidents of non-compliance concerning marketing communications	0	0	0	0
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	0	0	0	0

3.7 Privacy Protection

Privacy Policy: Systems/Procedures (3.7.1)

Cipla is committed to data privacy and protection and has implemented robust controls across the organisation to safeguard information security. Our Data Privacy Management Policy sets out a comprehensive framework covering all privacy-related matters and applies across our operations, including all stakeholders who may receive personal data from us, provide personal data to us, or otherwise have access to such data. The policy is publicly available at: <https://www.cipla.com/privacy-policy>.

At Cipla, privacy-by-design is embedded into organisational processes. As set out in our policy, we follow stringent principles to ensure compliance with applicable privacy requirements and the protection of personal data. We regularly monitor privacy-related risks and exposures and, as a pharmaceutical company, recognise the significance of potential data breaches. To mitigate these risks, we have implemented targeted controls, including advanced monitoring and detection mechanisms, periodic red-teaming assessments, simulation exercises, and process optimisation through minimising unnecessary human touchpoints and leveraging technology for scalability. Compliance is further reinforced through regular internal and external audits.

Concerns or complaints relating to data privacy may be reported to the Grievance Officer through a dedicated email address: grievance.officer@cipla.com. Reported complaints or breaches, along with actions taken, are reviewed by the Audit Committee. In addition, Cipla has appointed Chief Information Security Officer as the nodal authority for all data privacy-related matters.

We maintain a zero-tolerance approach towards willful violations of mandatory privacy norms and regulations. Depending on the nature and severity of the breach, disciplinary action may range from warning letters to termination of employment.

Customer Privacy Information (3.7.2)

Yes, Cipla informs customers, website users and other individuals about privacy-protection matters through its publicly available Privacy Policy. The policy explains the categories of personal data Cipla may collect directly, automatically through cookies and similar technologies, or from permitted third-party sources; how and why such information is processed; the lawful bases for processing; the circumstances in which personal data may be shared; the applicable retention and security measures; and the rights available to individuals under relevant data-protection laws.

Depending on the nature of the interaction, the personal data collected may include names, contact details, professional and employment-related information, health-related information where relevant, product-usage information, IP addresses, browser and device information, approximate location, website activity, referring URLs and user preferences. This information may be used to provide and administer services and programmes, respond to enquiries and requests, manage recruitment and business interactions, improve website functionality and user experience, analyse website usage, monitor product safety, investigate product complaints and adverse events, and comply with applicable legal and regulatory obligations.

Cipla may share personal data with its subsidiaries, affiliates and group companies, as well as trusted service providers, business partners, legal advisers, health authorities and regulatory authorities, where necessary for legitimate business, contractual, legal or regulatory purposes. Third-party service providers are required to process personal data in accordance with documented instructions and maintain appropriate confidentiality and security measures. Personal data may also be disclosed in connection with business transfers or where required to comply with laws, court orders or governmental requests.

Cipla implements appropriate technical and organisational measures to protect personal data against unauthorised access, loss, misuse, alteration or disclosure. These measures include, where appropriate, access controls, authentication mechanisms, encryption, system and network monitoring, regular security assessments and audits, and employee training and awareness programmes. However, no method of transmission over the internet or electronic storage can guarantee absolute security.

Personal data is retained only for as long as necessary to fulfil the purposes for which it was collected and to meet applicable legal, regulatory or reporting requirements. In determining the appropriate retention period, Cipla considers the nature, sensitivity and purpose of the data, together with applicable legal obligations. Once personal data is no longer required, it is securely deleted, anonymised or, where appropriate, archived in accordance with applicable data-protection law.

Subject to applicable law, individuals may request access to, correction or deletion of their personal data; restrict or object to its processing; request the transfer of their data, where applicable; withdraw consent; opt out of the sale or sharing of personal data; and seek grievance redressal. Individuals may exercise these rights or raise privacy-related concerns by contacting globalprivacy@cipla.com. Cipla may request additional information to verify an individual's identity before processing a request.

Where processing is based on consent, individuals may withdraw that consent at any time. Where required under applicable law, Cipla obtains consent before placing non-essential cookies or undertaking other consent-based processing. Users may manage their cookie

preferences through the website's cookie banner, preference settings or browser controls, although disabling certain cookies may affect website functionality.