Cipla Limited

Stock exchange: XNSE • Ticker: CIPLA • HQ: Mumbai, India • Number of employees: 23,043 • Signatory to Davos Decl.: Yes • Signatory to Industry Roadmap: Yes

PERFORMANCE

Cipla is a prominent producer of antibiotics globally by sales volume. As a generic medicine manufacturer, Cipla was evaluated in Manufacturing & Production and Appropriate Access & Stewardship only. The company is among the top performing generic medicine manufacturers. It performs strongly in Manufacturing & Production and Appropriate Access & Stewardship but falls behind in Manufacturing & Production. Cipla has no environmental risk-management strategy; however, it reports having mechanisms in place for maintaining a high quality of antibiotic production at its own manufacturing sites. The company reports that it has not filed its five newest antibiotics for registration in countries in scope.* It reports equitable pricing strategies for its five highest-volume antimicrobial medicines. Cipla’s performance in stewardship is driven by its engagement in a number of stewardship activities including AMR surveillance programmes.

SALES AND OPERATIONS

Cipla is an Indian-based generic medicine manufacturer founded in 1935. Its pharmaceuticals segment develops, manufactures and markets generic medicines, as well as active pharmaceutical ingredients (APIs). Cipla (including associates) is present in over 80 countries, has 43 manufacturing facilities worldwide and markets over 1,500 products across various therapeutic areas, with a major focus on respiratory health, API development and Global Access. Its business areas are: respiratory health, APIs and Cipla Global Access. Cipla Global Access is an international tender-based institutional business that concentrates on five key therapy areas: HIV/AIDS, malaria, multidrug-resistant tuberculosis, hepatitis C and reproductive health. In 2016, Cipla completed the acquisition of US-based Exelan Pharma and InvaGen Pharmaceuticals, which expanded the company’s portfolio in the USA, along with its manufacturing and R&D capabilities. In early 2017, it divested its animal health business (operated by subsidiaries Cipla Agrimed SA and Cipla Vet SA, primarily in sub-Saharan Africa (SSA)) to Ascendis Pharma. Cipla sells antimicrobial medicines in Australia, India, South Africa and the USA, as well as in low- and middle-income countries* such as Sri Lanka, Nepal, Myanmar, and in some regions of the Middle East, Latin America and SSA.

ANTIMICROBIAL PORTFOLIO

Cipla markets at least 25** antimicrobial medicines, 23 of which are listed on the WHO EML (Section 6). The remaining two medicines are the antivirals lamivudine and efavirenz/lamivudine/tenofovir (listed on the EML with different doses than those marketed by Cipla). All ten of the company’s antibiotics appear on the WHO EML (Section 6), including two antibiotics in the EML’s Reserve group (colistin and linezolid). The remainder of the company’s portfolio comprises 13 antivirals (indicated for HIV/AIDS, hepatitis B or hepatitis C) and two antiprotozoals indicated for the treatment of malaria.

* Countries in scope are 106 low- and middle-income countries where access to medicine is likely limited
** Cipla provided only a sample of its global antimicrobial portfolio
† EML Section 6: Anti-Infective Medicines
‡ Revenue from operations; FYE 31 March 2017; regional breakdown by business unit provided by company

Due to the variation between companies in scope, not all indicators are applicable to every company. See Appendix for full overview.
OPPORTUNITIES

Develop an environmental risk-management strategy. Cipla has stated a commitment to develop and implement an environmental risk-management strategy. It can ensure its strategy includes discharge limits and auditing processes, which apply to the company’s own manufacturing sites, to the sites of third-party suppliers and to external waste-treatment sites.

Increase engagement in antimicrobial stewardship. Cipla can engage in appropriate promotion activities. It can ensure that current AMR educational activities for HCPs include conflict of interest mitigations. Cipla has conducted several AMR surveys, and can engage in the development of long-term AMR surveillance programmes.

Improve access through the registration of antibiotics in more countries. Cipla can file its new and existing antimicrobials for registration in more low- and middle-income countries. Cipla has reported that it has not filed its newest antibiotics for registration in countries in scope.*

Increase engagement in R&D innovation. Cipla is currently engaged in adapting generic antimicrobial medicines. For example, the company is currently engaged in developing new formulations for HIV/AIDS and for malaria in collaboration, respectively, with the Drugs for Neglected Diseases Initiative (DNDi) and the Medicines for Malaria Venture (MMV). It can continue to engage in incremental R&D, and ensure access and stewardship provisions are in place for these projects.

PERFORMANCE BY RESEARCH AREA

A RESEARCH & DEVELOPMENT

As a generic medicine manufacturer, Cipla was not eligible for this Research Area. However, the company is active in antimicrobial R&D.

Three R&D projects, most being developed with public partners.

The company reports that it has three antimicrobial R&D projects, targeting HIV, P. falciparum (malaria) and M. tuberculosis. Regarding R&D collaborations with public partners, Cipla is developing taste-masked granules of an abacavir/lamivudine/lopinavir/ritonavir combination for paediatric patients with HIV/AIDS in collaboration with DNDi. This project is currently in preclinical stage. The company has developed its Rectal Artesunate Suppositories (RAS) together with MMV. The Global Fund’s Expert Review Panel (ERP) authorized procurement of RAS for pre-referral management of severe malaria in 2016 and the medicine is moving through its final stages in WHO prequalification. Cipla aims to make RAS available to rural areas in Africa and to national community health programmes, with the support of international donors that have already pledged to procure it. Cipla is also the first generic medicine manufacturer to develop a combination of isoniazid/pyridoxine hydrochloride/sulfamethoxazole/trimethoprim, which received WHO prequalification in 2016 for preventing tuberculosis in HIV/AIDS patients.

Pipeline targeting priority pathogens

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<th>Discovery</th>
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<td>• abacavir/lamivudine/lopinavir/ritonavir (LPV/r/ABC/3TC) – HIV – Adaptation (4-in-1 taste-masked granules) – Paediatrics</td>
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<td>• Rectal Artesunate Suppositories (RAS) – P. falciparum – Adaptation (new formulation) – Paediatrics – ERP reviewed 2016</td>
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<td>• Isoniazid/pyridoxine hydrochloride/sulfamethoxazole/trimethoprim – M. tuberculosis – Adaptation (new FDC) – Opportunistic infections in HIV-infected patients – WHO prequalification 2016</td>
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C.1 Newest antibiotics not filed for registration.
Cipla reports that it has not filed its five newest antibiotics for registration in countries in scope.*

C.2 Inter-country equitable pricing for antimicrobials.
Cipla discloses inter-country equitable pricing approaches, taking gross national income (GNI) into account, for its five highest-volume antimicrobial medicines. These pricing approaches reportedly apply in all countries in scope where Cipla markets these products. This covers Latin America, sub-Saharan Africa and a subset of other countries.

C.3 General commitment to ensuring supply chain efficiency.
Cipla has made a general commitment to improve supply chain efficiency. During the period of analysis, the Benchmark identified no information on how Cipla works with stakeholders (e.g., governments, procurers) to align supply and demand for antimicrobial medicines, specifically to prevent or minimise stock-outs in countries in scope. The company also did not then report on whether it has processes in place to respond to stock-outs in countries in scope.* After the period of analysis, Cipla reported to the Benchmark that it does have a mechanism in place for responding to stock-outs: namely it has a standard operating procedure in place that results in a safety stock being held in India.

C.4 Some involvement in AMR-related education.
Cipla is the only generic medicine manufacturer that reports different approaches to educate HCPs on AMR. These activities are focussed on raising awareness of the rational use of antibiotics. The company provides limited information on conflict of interest (COI) mitigation and content development. After the period of analysis, Cipla stated that its speaker contracts do not obligate HCPs to purchase, use, recommend or arrange for the use of company products.

C.5 Adopts some appropriate promotion practices.
The Benchmark measures how companies address stewardship through appropriate promotion practices. Cipla is one of two generic medicine manufacturers that reports taking action in this regard by reflecting AMR trends in its marketing materials, including information about resistance trends. However, the company’s appropriate promotion practices do not include the decoupling of its sales force’s incentives from volume of antibiotic sales.

C.6 Provides information on treatment duration.
The company adapts its packaging to facilitate appropriate use of antibiotics by patients, by providing information on treatment duration. This can help to improve patient adherence to treatment.

C.7 Conducted several AMR surveys.
Cipla has stated that it has conducted some AMR-related prevalence studies. The company delivers the results of these studies via conferences and peer-reviewed journals.

B.1 Commits to developing environmental risk-management strategy.
Cipla currently has no environmental risk-management strategy in place to minimise the impact of antibiotic manufacturing discharge. Notably, however, it has committed to developing one in 2018 in an effort to be in line with the commitments in the Industry Roadmap.

B.2 No transparency on environmental risk management.
Cipla does not publish any element looked for by the Benchmark, namely: antibiotic discharge levels, audit results, and the identities of its third-party suppliers of antibiotic APIs and drug products, or of its external waste-treatment plants. It has, however, committed to develop an environmental risk-management strategy in 2018 in line with its commitments as a signatory to the Industry Roadmap.

B.3 Commits to following GMP.
Cipla reports that it has mechanisms for maintaining a high quality of antibiotic production — namely following GMP standards. This commitment applies to its own manufacturing sites but the company does not report any commitment relating to how GMP standards apply to its third-party suppliers of antibiotic drug products.