

**ALKEM LABORATORIES LTD.**

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07th November, 2024

To,

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. <i>Scrip Symbol: ALKEM</i>
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Sub: Sustainability Report for financial year 2023-2024

Dear Sir(s) / Madam,

Please find enclosed herewith the Sustainability Report for financial year 2023- 2024.

The same is also being made available on the website of the Company at www.alkemlabs.com

Kindly take the same on record.

Thanking you

Sincerely,

For **Alkem Laboratories Limited**

Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl: a/a



ALKEM

Inspiring Healthier Lives



Balancing People, Planet & Progress

ALKEM LABORATORIES LIMITED
Sustainability Report 2023-24

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Introduction



About the Report

We are delighted to introduce our Sustainability Report (hereafter 'the Report') which outlines our commitment to developing an organization that is sustainable and resilient. This Report provides a comprehensive view of our performance on Environmental, Social, and Governance (ESG) parameters for FY 2023-24. Through this Report, we intend to demonstrate our dedication and communicate our progress towards purpose-driven, future-ready and sustainable operations.



Balancing People, Planet & Progress

This year's theme "**Balancing People, Planet & Progress**" encapsulates our commitment to fostering a harmonious relationship between our business ambitions and our responsibilities towards society and the environment. This theme reflects our dedication to advancing healthcare and innovation while ensuring the well-being of our communities and the preservation of our natural resources, supporting the United Nations Sustainable Development Goals (UN SDGs).

People: At the heart of our mission lies a deep-seated dedication to improving human health and enhancing the quality of life. We strive to create life-saving medications and treatments that are accessible and affordable, ensuring that the benefits of our scientific breakthroughs reach as many people as possible. Our commitment extends beyond our products to our workforce and the communities we serve, where we invest in equitable opportunities, diversity, and a culture of inclusion and respect.

Planet: Recognizing the critical state of our global ecosystem, we pledge to minimize our environmental footprint through sustainable practices. Our operations are continually optimized for energy efficiency, waste reduction, and responsible sourcing.

We are actively engaged in efforts to combat climate change and promote the sustainable use of resources. Our environmental stewardship is an integral part of our business strategy, reflecting our belief that a healthy planet is essential for a healthy population.

Progress: Innovation drives us forward. Our pursuit of progress is driven by a responsibility to deliver innovative therapies that address unmet medical needs. We invest in cutting-edge technology and foster a culture of continuous improvement, ensuring that our growth aligns with societal advancement. As we push the boundaries of medicine, we remain accountable to our stakeholders, upholding the highest ethical standards and transparency in all our endeavors.

Reporting Principles

This Report has been prepared in reference to the Global Reporting Initiatives (GRI) Universal Standards, 2021 and complies with its requirements for reporting on disclosure from (GRI) 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021. It also emphasizes our dedication to supporting the United Nations Sustainable Development Goals (UN SDGs).

Requirement 1	Publish a GRI content index
Requirement 2	Provide a statement of use
Requirement 3	Notify GRI

Scope and Reporting Boundary

The reporting period for this Report is FY 2023-24, i.e., from 1 April 2023 to 31 March 2024. The Report includes all the activities and operations of Alkem Laboratories Limited, India on a

standalone basis. The Report covers the sustainability performance disclosures of: (i) manufacturing plants spread across six locations, namely, Ankleshwar, Baddi, Daman, Indore, Mandva, Sikkim, (ii) two Research and Development (R&D) units at Taloja and Mandva,

(iii) three corporate offices and (iv) seventy-six depots (seven owned). The scope and boundary of the Report are defined within these business units. The Report is published on our website which can be accessed at <https://www.alkemlabs.com/sustainability/esg>.

Materiality

The contents of the Report are centered around material topics that have been chosen after extensive stakeholder engagement and are crucial for our Company's long-term growth. We are committed to conducting business ethically and responsibly, prioritizing the core economic, environmental, and social aspects that play a vital role in supporting and fostering our sustainable growth.

Management responsibility statement

Alkem Laboratories' Management has internally reviewed the contents of this Report and undertaken the responsibility for the integrity of the information presented in it.

Restatements

We present an updated account of some of our sustainability metrics in the FY 2023-24 Sustainability Report. To ensure accuracy and transparency in our reporting, we have refined previously reported data from FY 2022-23 and FY 2021-22, ensuring that stakeholders receive the most precise information available. The revised data points are distinctly marked within the report to maintain clarity and accountability.

The restatements encompass the following areas:

- **Energy Management:** Light Diesel Oil (LDO), High Speed Diesel (HSD), Natural Gas, furnace oil, Steam, renewable energy, energy intensity per million INR of turnover
- **Climate Action:** Scope 1 and 2 emissions, hazardous air pollutant emissions and emission intensity per million INR of turnover
- **Water Management:** Total water consumption
- **Waste Management:** Total waste generated

Under our Decarbonization strategy, we acknowledge the criticality of energy conservation in GHG emission reduction. Upon conducting detailed site-assessments and technical feasibility analysis, we are restating our energy consumption reduction target as "Y-o-Y 1% reduction in energy consumption from projected energy requirement for each year till FY 33". This target is in alignment with our decarbonization roadmap, aiming to achieve 42% reduction in Scope 1 and Scope 2 by FY 33, from base year FY 23.

Forward-looking statements

The Report may include forward-looking statements pertaining to the company's business activities. These statements are not guarantees of future results and reflect the company's current expectations based on reasonable assumptions. However, actual results may differ significantly from the projections in these forward-looking statements due to various events, risks, uncertainties, and other factors.

External Assurance

The Report has been assured by DNV Business Assurance India Private Limited. Their assurance statement is annexed with the Report.



Contact us

We maintain open channels of communication with all our stakeholders and encourage them to reach out to us at investors@alkem.com with feedback and suggestions on our approach towards sustainability, performance, strategies, and aspirations.





Key Highlights

ESG Highlights

Environment	Social	Governance
Energy Management 5% reduction in energy consumption from FY 2022-23 14% of total energy consumption from Renewable resources Target to achieve Y-o-Y 1% reduction in energy consumption from projected energy requirement for each year till FY 33	Community Welfare ~ 2% of gross profit of FY 2023-24 spent on CSR	Supply Chain Sustainability Obtained Associate Membership with the Pharmaceutical Supply Chain Initiative (PSCI) 100% of new suppliers screened on ESG criteria
GHG Emissions 5% reduction in Scope 1 & 2 GHG emissions in FY 2023-24 from baseline year FY 2022-23 Developed Decarbonization strategy that aims to reduce Scope 1 and Scope 2 emissions by 42% by FY 33 from base year FY 23	Gender Diversity 2.6% Women Workforce 25% Female representation on Board	Research and Innovation 6 new product launches
Water Stewardship 11% of water savings over water withdrawal over FY 2022-23 Developed strategy to achieve Water Neutrality by FY 2029-30, that forecasts: <ul style="list-style-type: none"> Savings in water consumption through phase-wise implementation of demand-side levers, beginning with manufacturing and R&D sites in FY 2024-25 Around 50% of projected water withdrawal in FY 2029-30 to be offset through supply-side interventions 	Human Safety 0 LTIFR for Employees 0.10 LTIFR ¹ for Workers	Data Security 0 instances of data breach
Waste Stewardship 84% of total waste generated got recycled 75% of the operating sites achieved Zero Waste to Landfill		

¹ LTIFR: Lost Time Injury Frequency Rate (per million person-hours)

Certifications

ISO certifications:

Other certifications:



Memberships and Associations

Alkem is associated with several apex organizations and associations. This enables us to stay updated with the latest developments in the sector and share best practices across industry. A few such associations include Indian Drug Manufacturers Association, Indian Pharmaceutical Alliance, Bombay Chamber of Commerce and Industry, Pharmaceutical Export Promotion Council of India, and Federation of Pharma Entrepreneurs. Recently, we have also obtained Associate membership of PSCI.



Message from the Leadership



Dear Esteemed Stakeholders,

As we present our second sustainability report, we are filled with a sense of pride and responsibility. This year's theme, "Balancing People, Planet & Progress," encapsulates our holistic approach to a responsible growth. We understand that our long-term success is intricately tied to the health of our planet, the well-being of our people, and value creation for all our stakeholders. Our commitment to this triad has guided us through the year, marked by significant achievements and learnings.

Our journey over the last 50 years has been driven by our unwavering commitment to improving the well-being of our customers and patients through affordable, high-quality products across a wide range of therapeutic areas. This commitment is anchored in our purpose of "Enduring Quality, Care, and Innovation." It is this purpose that underpins our sustainable business strategy, structured around three strategic pillars: Environmental Stewardship, Care for All, and Trustworthy Stewardship.

We recognize the urgent need to address climate change and its impacts. Building on the commitments we announced last year, we have now developed detailed action plans to reduce our environmental impacts. Our goal to cut our direct GHG emissions by 42% by FY 2032-33 is ambitious, but necessary. Our decarbonization roadmap serves as a pivotal launchpad for our journey towards a low carbon future, emphasizing the shift to greener fuels and renewable power within our energy mix.

We have also assessed our value chain emissions (Scope-3) and plan to engage with our critical stakeholders for minimizing embodied emissions in our products. We are also working towards ISO 50001 certification for all our key manufacturing sites, with Sikkim facility leading the way.

Water and waste management are equally vital to our environmental stewardship. In pursuit of our goal to attain water neutrality by FY 2029-30, we have charted out water



reduction plan for each manufacturing site and supply augmentation through community programs. We take pride in achieving our waste management goal ahead of schedule, reaching a 100% recycling or recovery rate for non-hazardous waste in FY 2023-24, surpassing the target of 90% set for FY 2024-25. Our initiatives, such as repurposing treated water for domestic use and achieving ISO 14001 certification for five manufacturing sites, are significant milestones in this journey.

Promoting gender diversity within our workforce remains a priority. We aim to increase gender diversity to 5% by FY 2026-27 through targeted recruitment and development programs, such as the 'SHINE - Women Excellence Program'. Additionally, our commitment to creating a safe and conducive work environment is reflected in the ISO 45001 certification of five of our manufacturing locations and zero fatalities in last year.

We believe cultural transformation is key to the mainstreaming of sustainability within Alkem. To this extent, we use three-pronged approach of creating awareness and capacity building at scale. Nearly 30 members of the Senior Leadership Team along with 5,000 employees have been trained on sustainability principles, fostering a culture of environmental and social responsibility across all levels of our organization.

Our employees, communities, and stakeholders are the backbone of our success. We have launched several initiatives to enhance their well-being and engagement. Our CSR programs have made a tangible impact, focusing on healthcare, education, rural development, and environmental sustainability. This year, we established an Advanced Radiotherapy Centre and provided home-based palliative care, among other initiatives.

Our Board of Directors plays a pivotal role in steering our sustainability agenda. Their rich and diverse experience ensures that we remain committed to stakeholder interests and long-term value creation. Integrating ESG risks into our Enterprise Risk Management system and recognizing climate change as a core business strategy are critical to our resilience and sustainability.

Our commitment to ethical business practices is unwavering. This year, we trained 100% of our employees on the 'Code of Conduct', covering crucial topics such as anti-corruption, anti-bribery, and whistleblowing. We are also enhancing our sustainable supply chain practices, with a target to screen 90% of our new suppliers for ESG compliance by FY 2024-25. Joining the Pharmaceutical Supply Chain Initiative (PSCI) as an Associate Member is a testament to our dedication to driving sustainability throughout our value chain.

As we look ahead, our focus remains steadfast on balancing the needs of people, the planet, and our business progress. We understand that sustainability is a continuous journey, requiring persistent effort and innovation. We are committed to advancing our ESG goals, driven by our values of quality, care, and innovation.

In closing, we would like to thank our employees, partners, and stakeholders for their unwavering support and dedication. Together, we are making strides towards a more sustainable and responsible future, ensuring that our progress benefits not only our business but also the broader community and the environment.

Thank you for your continued trust and partnership.

With warm regards,

Basudeo N. Singh
Executive Chairman

Sandeep Singh
Managing Director



We take pride in achieving our waste management goal ahead of schedule, reaching a 100% recycling or recovery rate for non-hazardous waste in FY 2023-24, surpassing the target of 90% set for FY 2024-25. Our initiatives, such as repurposing treated water for domestic use and achieving ISO 14001 certification for five manufacturing sites, are significant milestones in this journey.



Alkem's journey so far

1973

Inception of Alkem Laboratories Limited

1978

First manufacturing unit established at Taloja near Mumbai

1992

Second manufacturing facility established at Mandva, Gujarat, which was converted into an API facility later

2003

First research and development facility established at Taloja

2007

Filed the first ANDA in the US for the drug Amlodipine

2006

Taxim became India's first anti-infective drug to surpass annual sales figure of ₹ 1 billion in the domestic market

2009

- Received the first ANDA approval in the US for the drug Amlodipine
- Acquired Pharmacor Pty. Ltd., a generic pharmaceutical Company in Australia

2010

Acquired Ascend Laboratories, a pharmaceutical Company in the US

2011

Acquired Enzene Biosciences, a Company engaged in the development of biosimilars in India

2012

Acquired an API manufacturing facility in the US



2014

- Acquired the 'Clindac-A' brand in India from Galderma S.A.
- Clavam surpassed 2 billion domestic sales milestone

2015

- Acquired a formulation manufacturing facility in the US
- Successfully completed Initial Public Offering (IPO)

2018

Revenue from the US market crossed US\$ 200 million in annual sales

2020

- Started new formulation manufacturing facility in Indore
- Started a new biologic/biosimilar manufacturing facility in Pune

2019

Crossed the revenue milestone of US\$1 billion

2021

- First product launched from Enzene Biosciences in India
- Company forayed in the respiratory segment in India with the launch of Pulmocare division

2022

- Awarded as "Pharma Company of the Year" in ET India PharmaWorld Awards 2023, among other awards
- Clavam crossed 6 billion sales milestone

2023

- Defining of Alkem's materiality and ESG Strategy
- Beginning of GRI-aligned Annual Sustainability Reporting

2024

Detailed Action Plan created to roll out ESG material strategy. Key actions include:

- Integration of ESG risks into Enterprise Risk Management
- Preparing Business Continuity Policy and Plan to address key business continuity risks
- Conducting GHG inventORIZATION (Scope-1,2,3) and developing Decarbonization Strategy
- Developing Water Neutrality Strategy
- Company-wide capacity building to mainstream sustainability

About the Company

Company Overview

Alkem Laboratories Limited is a leading Indian multinational pharmaceutical company with global presence in more than 40 countries. Established in 1973, the Company is committed to providing high-quality, affordable healthcare solutions.

Our Vision

To achieve value-driven leadership in Indian healthcare industry and beyond through:

- Quality that is infinite
- Service that cares
- Hard work that endures





Our Values

Alkem's operation is driven by a set of values that reflects its commitment towards providing high-quality pharmaceutical products while prioritizing the needs of patients, maintaining ethical standards, fostering innovation, and operating with excellence and responsibility.

Fairness to all through adherence of all applicable laws, regulations and policies, transparency, and a high standard of behavior.

Compassion in all our relationships with our fellow employees and the communities affected by our business.

Responsibility Being responsible for our words and actions and their consequences.

Honesty Communicating honestly with all stakeholders including employees, customers and suppliers and safeguarding company's confidential information.

Respect for all including fellow employees, shareholders, customers, and suppliers.

Quality Ensuring highest quality in our products and services by providing defect-free products and services to the customers.

Adaptability Proactive adaptation to the ever-changing conditions and enduring success in all endeavors through harmony and nature.

Safety Maintaining safety of highest grade in product manufacturing and workplace environment.

Gratitude for all the benefits received.



Our Business

4.1%

Spend on Research and Development in FY24 (% to revenue)

At Alkem, we develop, manufacture, and market a diverse portfolio of pharmaceutical products across major therapeutic segments, including:

- Branded Generics
- Generic Drugs
- Active Pharmaceutical Ingredients (APIs)
- Nutraceuticals
- Biosimilars

~2%

Spend on CSR as a % of gross profit in FY 2023-24

Alkem Laboratories maintains an extensive manufacturing network with 19 state-of-the-art facilities and 20,000+ employees globally to support production of over 800 brands across all major therapeutic areas such as gastro, pain management, vitamins, anti-diabetes, cardiac and dermatology. The Company has established two technologically advanced, world-class R&D centers which have successfully filed 175 abbreviated new drug applications ANDAs (including New Drug Application

0.3%

Spend on Employee & Workers Well-being as a % of total revenue of the company

(NDA)) with the US FDA and 1,100 product registrations in other international markets.

Alkem upholds the highest quality standards and adheres to strict regulatory guidelines, as evidenced by approvals from the US Food and drug Administration (FDA), UK Medicines and Healthcare products Regulatory Agency (MHRA), Australian Therapeutic Goods Administration (TGA), and various other regulatory bodies.

Our Global Operations

Alkem caters to domestic and international audiences. It has a robust presence in India which is complemented by a growing international footprint, with operations in markets like the United States, LATAM, Europe, Africa, CIS, Southeast Asia, and Australia. The Company has consistently grown over the years and positioned itself as the 5th largest pharmaceutical company by revenue in the domestic market.



The US Business
accounts for
13.6%
of total revenue.

During this fiscal, a substantial progress was noted in regulatory filings wherein 8 ANDA applications were submitted before USFDA and 19 approvals were received from USFDA.

The other markets
accounts for **4.6%** of total revenue

with operations in more than 40 countries including key markets such as Australia, Europe, Southeast Asia, Latin America etc.

The Company is committed to building its worldwide presence in the pharmaceutical market and has filed over 41 dossier and acquired more than 71 approvals across key international markets.



We have established a strong manufacturing footprint along with a robust research capacity. As of 31 March 2024, we had 12 manufacturing facilities and 2 research facilities (Taloja and Mandva) in India.



India Business accounts for **81.8%** of total revenue.

The growth is supported by a strong portfolio of 800+ brands and 1,300 Stock Keeping Units (SKU's)

India

Sites in India	No. of Manufacturing Facilities	No. of R&D Facilities	Focus Area
Baddi	2	-	Formulations of Tablet, Capsules, and Dry Syrup
Daman	2	-	Formulations of Tablet, Capsules, and Dry Syrup
Sikkim	5	-	Formulations of Tablet, Capsules, and Dry Syrup
Mandva	1	1	Active Pharmaceutical Ingredients (APIs)
Ankleshwar	1	-	Active Pharmaceutical Ingredients (APIs)
Indore	1	-	Formulations of Capsules, Tablets, Dry Syrup, Ointment
Taloja	-	1	Research and Development

Our People

We foster a culture of excellence and innovation. Our dedicated team, comprising 17,432 employees in India and more than 20,000 employees globally, is the backbone of our success and helps us to deliver on our commitment to quality and customer-centricity.

Our Value Chain

Our value chain involves sourcing raw materials internationally and domestically, transporting them via logistics channels, and producing them in owned, contract, or third-party facilities. Post-production, products are stored in central warehouses and depots, then distributed to customers through a sales force and doctors.



Business Sustainability Strategy

Our ESG Strategy Framework

At the core of our mission lies our purpose of 'Enduring Quality, Innovation, and Care'. This steadfast purpose is the guiding force behind everything we do. Anchored to this purpose are the three strategic pillars which propels our Company towards its goals with clarity and determination. Within these pillars, we meticulously focus on nine key areas and monitor progress through 26 indicators. These areas serve as the compass, directing our efforts towards a future built on resilience, empathy, and progress for all.

Three Strategic Pillars

Trustworthy stewardship

forms the foundation of our operations, ensuring integrity and reliability in every endeavor. This pillar is focused on our ethical and sustainable leadership approaches. At Alkem, we are advancing ourselves to cultivate resilience across all dimensions through steadfast leadership, efficient risk management tactics, adaptive business models, and integration of robust technology with a focus on data security.



Environment stewardship

underscores our responsibility towards the planet as we strive to mitigate our footprint and champion sustainable practices. This pillar places paramount emphasis on environmental conservation, directing our attention towards addressing climate change, safeguarding natural resources, managing water and waste efficiently, optimizing energy consumption, and fostering a sustainable future for all.

Care for all

encapsulates our dedication to inclusivity, fostering communities where every individual thrives. Centered on our stakeholders and their interests, needs, and expectations, this pillar is pivotal. Our ability to effectively engage with them supports the development of strategies and policies that serve their best interests. Stakeholder engagement also fosters trust and strengthens our relationships with them.



Strategic Themes, Key Targets, and Progress So Far

STRATEGIC PILLAR



Trustworthy Stewardship

Focus Area	Target	Timeline	Progress
R&D and Business Resilience	ESG risk integration in the Enterprise Risk Management (ERM) framework	FY 2023-24	ESG risks have been included into Enterprise Risk Management to make it holistic. Additionally, a Business Continuity Policy and a Plan are being crafted to address key business discontinuity risks.
Data Security & Technology Innovation	Obtain ISO 27001 certification	FY 2025-26	We have aligned our policies and procedures to the standard. Initial assessments are scheduled for Q2 FY 2024-25, with any identified gaps shall be addressed in time for certification by FY 2025-26.



Environmental Stewardship

Focus Area	Target	Timeline	Progress
Climate Action	To reduce Scope-1 and Scope-2 GHG emissions by 42% by FY 2032-33 from the baseline of FY 2022-23	FY 2032-33	A reduction of 6.3% in GHG emissions has been achieved from FY 2022-23 figures comparing the same GHG emission sources from the six sites across their manufacturing and R&D for both years (FY 2022-23 and FY 2023-24).
Energy Management	To achieve Y-o-Y 1% reduction in energy consumption from projected energy requirement for each year till FY 33	Till FY 2032-33	We have achieved energy reduction of around 5.8% this year comparing the same energy sources from the six sites across their manufacturing and R&D for both years (FY 2022-23 and FY 2023-24). For the future steps, various energy efficiency measures have been identified as part of the decarbonization strategy, which will be implemented in a phase-wise manner from FY 2024-25.
Water & Waste Stewardship	Ensure more than 90% reuse/recycling of non-hazardous waste	FY 2024-25	100% of the non-hazardous waste generated including glass, paper, metal, and food waste is recycled or recovered.
Water & Waste Stewardship	Achieve water neutrality	FY 2029-30	% of water savings have been achieved over water withdrawal from FY 2022-23 figures. We have also developed a comprehensive water neutrality strategy including various demand-side and supply-side water management measures, prioritized for implementation in a phased-manner from FY 2024-25.



Care for all

Focus Area	Target	Timeline	Progress
Human Capital & Safety	Increase overall gender diversity to 5%	FY 2026-27	In FY 2023-24, females constituted 2.6% of the total employee workforce. Some key initiatives being undertaken to achieve the target include: <ul style="list-style-type: none"> Focusing on hiring more females, especially in Sales team, and offering equal opportunities across roles. Videos showcasing the journeys of our women employees are shared on social media to inspire more women to join the workforce. Launched the 'SHINE- Women Excellence Program' to prepare our female employees for future roles.
	More than 75% sites certified with ISO 45001	FY 2025-26	Currently, 75% of manufacturing sites are ISO 45001 certified, with plans in place to obtain certification for the remaining sites by FY 2025-26.
Community Welfare	Quarterly engagement with local community	w.e.f. FY 2023-24	We have begun to hold monthly meetings/ engagements 'Vaarta' with the local communities at the plant locations and where Alkem Foundation is actively undertaking CSR initiatives. These engagements are intended to address any issues or concerns faced by local communities and raise awareness about our initiatives towards welfare of the community.
Product Safety & Patient Centricity	More than 75% domestic products (by sales value) to have QR Codes on primary packaging	FY 2025-26	22% of our domestic products have been provided with QR Codes on their primary packaging.
	Sign-up for PSCI membership	FY 2023-24	We have obtained an 'Associate Membership' with PSCI
Supply Chain Management	Screening of 90% new suppliers as per the ESG screening criteria	w.e.f. FY 2024-25	100% of new vendors were screened on ESG criteria in addition to other key business parameters in the reporting year. The assessment criteria cover ESG policies, Sustainable Procurement practices, EHS (Environment, Health, and Safety) measures and performance, and Employee Diversity and inclusivity.
	Evaluation of identified critical suppliers in the following manner:		Top 40 critical vendors (categorized based on 10% of total spend) are being assessed on their ESG performance. Some of the broad ESG aspects considered as a part of vendor evaluation include Environment, Health, and Safety (EHS), Corporate Social Responsibility, Human Rights Protection, Whistle-Blower Protection, etc.
	10%	FY 2024-25	
	35%	FY 2025-26	
70%	FY 2026-27		
	> 90%	FY 2027-28	Additionally, monthly reviews are conducted to monitor the progress of suppliers' basis their ESG performance along with direct follow-ups, site visits & inspections to ensure a comprehensive engagement.

Stakeholder Engagement and Materiality Assessment

(GRI 3-1, 3-2)

Stakeholder Engagement

We hold the needs and priorities of our stakeholders in high regard as we progress toward our goals. We actively engage our internal and external stakeholders in the ESG materiality assessment to capture their voices while developing our ESG strategy. Our internal stakeholders encompass our employees, workers, and senior leadership team, while our external stakeholders consist of shareholders, regulators, suppliers, contractors, third-party manufacturers, non-governmental organizations (NGOs), local communities, customers, patients, financial institutions, bankers, lenders, and additional third-party manufacturers. We acknowledge the significance of their participation in the decision-making process, as their concerns and expectations play a pivotal role in shaping our outcomes and creating long-term value for everyone in the ecosystem. Regular interactions with both external and internal stakeholders cultivate synergy and aid us in mitigating associated risks for them as well as for our business.



STAKEHOLDER GROUP

Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
--	---------------------------	---	---

Shareholders



- Annual General Meeting (AGM)
- Annual Reports
- Investor Meets
- Email
- Quarterly Results
- Company Website
- Reports to Stock Exchange
- Press Release
- Public Notice in newspapers

Need-Based & Quarterly

We are committed to maintaining financial transparency with our shareholders. We share our business operations and performance along with the economic value generated & distributed through our quarterly financial results, published on our website. Furthermore, we connect with our shareholders periodically to understand their expectations & grievances and consult with them on ESG topics, amongst other topics.

Regulatory Bodies & Government Agencies



- Media releases
- Emails
- In-person meetings
- Conferences
- Membership and Associations

Need-Based

We are fully committed to complying with all the applicable regulations. We actively engage with the government bodies and regulators to understand the specific requirements affecting the Company and pharmaceutical sector at large.



Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
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Financial Institutions, Bankers & Lenders

	<ul style="list-style-type: none"> Annual reports Investor Meets Need basis during financial discussion meeting Emails 	Continuous	We are committed to maintaining financial transparency with the Financial Institutions, Bankers, and Lenders. We engage with our financial partners and creditors on the Company's strong financial performance.
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Employees

	<ul style="list-style-type: none"> Direct communication in form of emails, newsletters, one-to-one discussion, and intranet 	Continuous	We engage with our Employees on a regular basis and hold discussions on various topics including diversity & inclusion, work-life balance, fair wages & remuneration benefits, training & development, career growth and health & safety.
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Customers

	<ul style="list-style-type: none"> Video Conferencing Emails Customer Meets Website and Brochures 	Continuous	We engage with our customers on a regular basis to discuss issues related to product quality, timely delivery, updating Company's latest product portfolio, competitive pricing, availability etc. This helps us to forge a strong relationship with them and maintain transparency in disclosure.
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Suppliers & Contractors

	<ul style="list-style-type: none"> Supplier meets Supplier assessment Contract discussion meetings Performance review Emails 	Need Basis	We regularly engage with our Suppliers to ensure the quality, safety, and timely delivery of materials, among other essential services, to maintain business continuity. Additionally, we engage with them for training purposes and to conduct supplier assessments.
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Local Communities

	<ul style="list-style-type: none"> Regular engagement in person to understand concerns & requirement Community engagement during CSR initiatives Site visit Project specific meetings 	Carried out continually throughout the year	We contribute to the community through our CSR programs which focuses on health, education, sanitation, and infrastructure development.
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Approach towards Materiality Assessment

The Company considers stakeholder engagement to be a critical part of its materiality assessment. Through this engagement, we pinpoint essential ESG issues that are relevant to both our stakeholders and our operations. This enables us to spot ESG-related risks and opportunities, ensure our strategic plans are in sync with our long-term objectives, and deliver value to our stakeholders.

We categorize these ESG topics by their level of importance: very high, high, and medium. Each topic is evaluated based on its potential effect on our business and the degree to which stakeholders can influence or be affected by it. These priorities have shaped our ESG strategy and our efforts to support the United Nations Sustainable Development Goals (UN SDGs).

Materiality Assessment

In FY 2022-23, we conducted a stakeholder consultation to assess materiality and identified 22 material topics that are specific to our business operations along with their associated risks and opportunities. The materiality evaluation was guided by external standards, frameworks, and insights from respected entities such as the Global Reporting Initiatives (GRI), Sustainability Accounting Standards Board Materiality (SASB), Dow Jones Sustainability Indices (DJSI), and Morgan Stanley Capital International (MSCI), tailored to our sector. This assessment holds significant importance for us as it aids in pinpointing crucial focus areas from the perspective of our stakeholders. Our materiality assessment encompasses the environmental, social, and governance aspects of our business.

ESG Strategy Linkages with UN Sustainable Development Goals

Our Purpose

Enduring Quality Care and Innovation

Strategic Pillars	Focus Areas	Material Topics	UN Sustainable Development Goals (SDGs)	Materiality Assessment Priority
Trustworthy Stewardship	R&D and Business Resilience & Compliance	Resilient Business Performance		High
		Corporate Governance & Business Ethics		High
		Business Continuity		High
		Sales & Marketing Practices		High
	Data Security & Technology Innovation	Data Privacy & Security		High



Strategic Pillars	Focus Areas	Material Topics	UN Sustainable Development Goals (SDGs)	Materiality Assessment Priority
Environmental Stewardship	Climate Action	Environment Compliance		Medium
		Biodiversity		Medium
		Climate Change & GHG Emissions		High
	Energy Management	Energy Management		High
	Water & Waste Stewardship	Waste Management		High
		Water Management		High
Care for All	Human Capital & Safety	Human Rights		Medium
		Human Resources Development		Very High
		Occupational Health & Safety		High
	Community Welfare	Community Engagement		Medium
	Product Safety & Patient Centricity	Combating Counterfeit Medicines		High
		Pharmacovigilance		Medium
		Product Quality & Patient Safety		Very High
		Clinical Trial Conduct		High
		Availability & Affordability of Medicines		Very High
		R&D Innovation		Very High
		Product Safety & Patient Centricity	Sustainable Supply Chain	

Alkem’s material responsible business conduct issues – Risk and Opportunity

MATERIAL ISSUE IDENTIFIED

ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Climate Change & GHG Emissions

Environment



Risk and Opportunity

Risk: The Company’s assets are prone to climate-induced physical and transition risks which are anticipated to increase in frequency and/or intensity. Adverse weather events can cause various forms of business disruptions. Additionally, Alkem understands the global urgency of addressing climate change and to reduce increase in average global temperatures.

Opportunity: Climate change impacts may lead to various health implications on individuals, thereby, necessitating the demand for responsive health care services in the future.

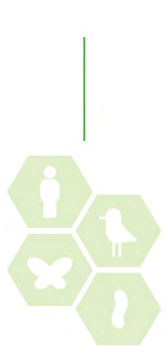
Our initiatives and actions are guided by our ESG policy that serves as an enabling framework to fulfill our business responsibilities towards addressing climate change and GHG emissions related risks. We have taken the targets for reducing Scope 1 and 2 emissions by 42% by FY 2032-33. Additionally, this risk has been included in the Enterprise Risk Management system and appropriate mitigation strategies (at entity level) have been identified to address it.

We have also undertaken Scope-3 emissions accounting with an intent to adopt measures to reduce them by engaging with relevant stakeholders.

Negative implications due to adverse impact on Company’s assets.

Biodiversity

Environment



Risk

Biodiversity loss can pose a significant risk to the Company, given the reliance of the pharmaceutical industry on a variety of natural resources and biological compounds. A reduction in biodiversity can lead to a scarcity of medicinal plants and other raw materials critical for drug development (especially in Biosimilars and Nutraceuticals segments), potentially increasing costs and impacting supply chains. Environmental degradation, resulting from operations and new projects undertaken, could also heighten regulatory scrutiny, leading to stricter compliance requirements.

We are committed to protecting and preserving the natural resources and ecosystem as a part of Environmental Protection in our ESG Policy.

Additionally, as a part of our CSR initiatives, we participate in mass plantation drives to restore green cover.

Negative implications due to cost incurred for the protection of biodiversity.

ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Energy Management

Environment

Risk and Opportunity



Risk: The Company's operations are energy-intensive and consume a high amount of fuel and electricity. If not managed well, the Company might have to bear higher operational costs due to energy inefficiencies.

Opportunities: Improving the existing processes for increased efficiency, upgrading to new technologies, and switching to greener energy sources will immensely benefit the Company's operations in terms of improved yield, increased profitability and reduced GHG emissions.

We target to achieve Y-o-Y 1% reduction in energy consumption from projected energy requirement for each year till FY 33. Multiple initiatives have been adopted for improved energy management, some of these include:

- Use of PNG Gas in boilers instead of furnace oil at select sites
- Biomass Briquette Boilers installed at sites to minimize the use of traditional fossil fuels
- Installation of Variable Frequency Drive (VFD)
- Replacement of non-efficient Air Handling Unit (AHU) with new efficient AHU
- Additionally, by FY 2025-26, we strive to obtain ISO 50001 for all our operating sites

Negative impact due to cost incurred for the capex of energy-efficient equipment; however, positive financial impact projected in long-run due to lower cost of energy.

Waste Management

Environment

Risk



Being in the pharma sector, the Company generates significant quantities of hazardous waste along with other non-hazardous wastes, which, if not managed properly, might lead to regulatory non-compliances, fines & penalties, work restrictions and environmental degradation.

Our emphasis on waste minimization is reflected in its adoption of the 3R principle: Reduce, Reuse, Recycle. We have also tied up with government authorized waste management firms to support the waste management practices in line with the 3R principles.

Negative impact due to cost incurred in handling and management of waste.

ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Water Management

Environment



Risk

Shortage of water resources at the key locations of Company's business operations, including manufacturing and R&D sites, can disrupt operations and, hence, business continuity. Availability of poor-quality water is also a concern considering pharma manufacturing demands good quality water to meet product quality standards.

We have developed a water neutrality strategy as we strive to become water neutral by FY 2029-30. As a part of the strategy, we have identified various demand-side and supply-side water management interventions. (For more details around our water neutrality strategy, refer to the Environmental Stewardship section of this report.)

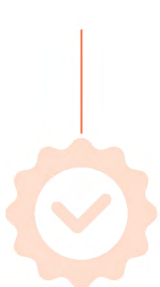
As a part of some existing initiatives, we focus on reducing freshwater intake by monitoring water consumption, auditing the raw effluent and treated water discharge, and educating the workforce on water saving practices.

Rainwater harvesting and effluent treatment plants are set up at all manufacturing sites. Currently, 42% of the manufacturing plants are following Zero Liquid Discharge (ZLD).

Negative impact due to cost incurred in meeting water demand during shortages or availability of poor-quality water.

Product Quality and Patient Safety

Social



Risk

Unintended characteristics of the product may cause health and safety risks for end users i.e. patients, thereby, leading to reputational damage, fines, or penalties, along with loss of customers' trust.

We have a pharmacovigilance system in place to safeguard patient health through efficient and timely identification, collection, assessment, and communication of medicine-related adverse events.

The Company also strictly adheres to cGMP guidelines which are enforced by regulatory agencies for quality assurance in manufacturing processes. Quality control checks are conducted periodically across facilities for all machinery and equipment to identify and address any non-compliances.

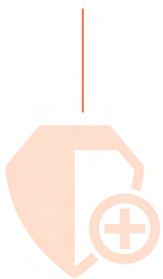
Positive implications due to customer acceptance and loyalty.



ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Occupational Health & Safety

Social



Risk

Due to the nature of the pharmaceutical industry, the Company's employees and workforce are exposed to hazardous chemicals and substances during the manufacturing and R&D processes.

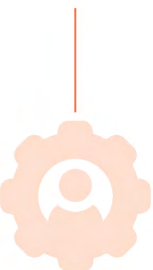
We are focused on our 'Zero Harm' approach – Zero Harm to People, Assets, and Environment. The Environment, Health & Safety (EHS) policy is applicable across all the sites. Baddi (Unit 1 & 2), Daman (Unit 1), Sikkim (Unit 1, 2, 3, & 5), Ankleshwar, and Mandwa manufacturing sites are ISO 45001 certified.

Positive implications due to increased work productivity and reduced LTIFR.

We carry out periodic EHS audits on sites to identify the gaps and address them. The culture of health & safety is promoted through extensive health and safety training for both employees and workers. Additionally, multiple initiatives are deployed to ensure process safety and control of chemical exposure.

Human Resource Development

Social



Opportunity

The industry demands human capital which is knowledgeable and skill-driven. The productivity and efficiency of employees associated with the Company provides better asset integrity and business growth along all functions of the business.

We have adopted appropriate enforcement mechanisms in the form of dynamic Human Resource policy framework, Environment Health & Safety (EHS) Policy, ESG Policy, and other relevant guidelines. The HR team provides strategic and skill development training to every employee to foster a balance of personal and professional growth.

Positive implications due to increased productivity of workforce.

Additionally, we offer our employees an inclusive and supportive environment with suitable employment benefits such as insurance, medical support, maternity leaves, paternity leave, sick leave, support from benevolent funds during emergencies, and access to counseling in case of need. The Company fosters diversity and encourages equal opportunities among its employees, through initiatives such as SHINE program, thereby striving to attract and retain the best talent across all functions and levels.

ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Availability and affordability of medicines

Social



Risk

As a part of its social and moral responsibilities, it is important for the Company to provide and place products in the markets where they are accessible and affordable for the patients. The Company may otherwise lose market share to its competitors, who may offer more accessible and affordable alternatives, resulting in significant decline in Alkem's revenue and profitability. In the longer run, it may become difficult to regain customer trust and market position.

Our R&D facilities work towards innovative solutions to ensure affordability and accessibility of products without compromising on quality.

Positive implications in the longer run due to increased market share.

Sustainable Supply Chain

Social



Risk

Gaps in the pharmaceutical supply chain may likely disrupt the production and distribution of medications, leading to shortages or delays in providing essential drugs to patients. The consequences can affect both Company's reputation and public health.

We have obtained an Associate Membership with Pharmaceutical Supply Chain Initiative (PSCI) to attain safety, environmental, and social outcomes across its value chain and promote responsible value chain practices.

In addition, we have shown our commitment towards sustainability in supply chain by taking targets around screening and evaluating our critical suppliers against ESG practices, while also initiating accounting of our Scope-3 emissions.

Negative implications are observed due to cost incurred in suppliers' assessment.



ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Human Rights

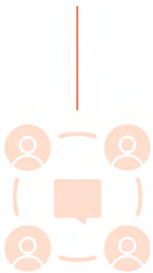
Social, Governance



Risk	Violation of human rights principles can harm the reputational image of the Company and impair stakeholder trust.	We have a well-structured Human Rights policy which is applicable for all employees across all grades and locations. We also have a specific Code of Ethics for all our stakeholders including suppliers, vendors, and contractors, to ensure ethical practices in the value chain.	Negative implications in the short term due to cost incurred to ensure strict inclusivity of human rights principles within the system and processes through regular audits, training, and compliance measures.
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Community Engagement

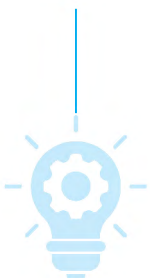
Social



Opportunity	For a Company to thrive with community entrustment, it is important to consider community priorities and align business goals with them. Any violating practices can damage Company's reputation and give rise to conflicts. Establishing relationships of trust with communities and ensuring their frequent participation will help the Company contribute to social development and minimize potential objections from the communities.	We address and support the immediate and long-term needs of the community and focus on creating a positive impact through multiple ways. Some of these initiatives are focused on improved healthcare, education, rural development, environmental care, and sports culture.	Positive implication due to goodwill and reputation among the communities, thereby, avoiding chances of legal disputes.
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R&D and Innovation

Governance



Opportunity	An evolving healthcare landscape demands innovative solutions and products to address the society's unmet medical needs and simultaneously provides opportunity for the Company to expand into newer markets.	We have a strong team of scientists that steers the R&D operations at Alkem. The R&D infrastructure includes four technologically advanced and internationally accredited R&D centers spread across India and the US. This year, we have invested 4.1% of total revenue into R&D to drive innovation.	Positive implications with development of new patents that can generate revenue streams.
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ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Data Privacy and Cybersecurity

Social,
Governance



Risk	With increasing instances of data breaches, it is important for a Company to safeguard the sensitive customer data or its proprietary information and prevent any potential breaches that could harm its reputation and may lead to both financial and non-financial losses.	<p>We have set a goal to obtain ISO 27001 certification by FY 2025-26, demonstrating our commitment to develop robust Information Security Management Systems (ISMS).</p> <p>We have enforced an Information Security Policy in accordance with Microsoft Active Directory. We are investing adequately in IT tools for data protection. Any data loss or leakage is closely monitored through VAPT and IT audits.</p>	Negative implications due to cost incurred in implementing and maintaining cybersecurity technologies.
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Clinical Trial Conduct

Social,
Governance



Risk	The conduct of clinical trials is significant for any pharmaceutical company to ensure safety and efficacy of their products. Violation of regulatory norms and unethical practices in clinical trial may cause delays in drug approvals, inhibit the delivery of commercially viable products, and pose legal consequences.	<p>We ensure adherence to all protocols and regulatory constraints while incorporating ethical conduct in clinical trials.</p> <p>We are dedicated to conducting scientifically robust and ethical clinical trials to address the unmet healthcare needs and generate quality data for the development of effective and safe novel molecules.</p> <p>We hold significant experience in conducting clinical trials from phase 1 through phase 4 clinical studies across multiple therapies, in accordance with ICH GCP and several other international guidelines and regulations.</p> <p>Our R&D team has gained extensive experience and expertise in conducting clinical studies on small and large molecules, including monoclonal antibodies and biosimilars, as well as stem cell-based products for domestic and global regulatory submissions like CDSCO, USFDA, and EMEA.</p>	Positive implications due to increased likelihood of regulatory approval of new drugs, potentially speeding up the time to market and increasing revenue streams.
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ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Pharmacovigilance

Social,
Governance



Risk

It is important for a pharmaceutical company to track the effects of their products upon administration and monitor any side effects elicited through them. Failure to identify, report, and manage adverse drug reactions effectively, may lead to regulatory penalties, financial losses, and significant damage to the company's reputation and public trust.

We have a well-established pharmacovigilance system to monitor and review the safety of medicines throughout the clinical development and post-approval phases. We continuously evaluate the benefit/risk profile of the marketed products and is committed to transparency in communicating these benefits and risks to patients, healthcare professionals, and regulators.

Negative implications due to additional cost incurred in implementing a monitoring and tracking systems.

Environmental Compliance

Environment,
Governance



Risk and
Opportunity

Non-compliances with environmental regulations, such as, the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Hazardous Waste Management Rules, Plastic Waste Management Rules, Extended Producer Responsibility, etc., may result in fines, penalties, legal liabilities, and operational disruptions.

Ensuring compliance with all applicable regulatory requirements ensures continuity of business operations while avoiding any significant disruptions and adverse events.

We ensure compliance with all applicable local laws and regulations of the pollution control board.

We also proactively engage in strategies and systems to reduce the overall adverse impact of our operations on the environment by implementing ISO standards across our operating sites.

Negative implication due to cost incurred on systems and processes to ensure strict compliance.

ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Corporate Governance & Business Ethics

Governance



Risk and Opportunity

Any type of unethical behavior or corporate misconduct in the form of fraud, bribery, corruption, conflicts of interest, or violation of laws and regulations governing the industry may lead to major reputational damages, loss of stakeholder trust, and litigation.

Poor corporate governance practices, such as lack of transparency, ineffective oversight, lack of accountability, etc., can impact investor confidence and shareholder value.

On the contrary, a commitment towards ethical conduct and robust corporate governance can increase the Company's market competitiveness and enhance stakeholder relationships.

We place great emphasis on principles such as empowerment and integrity of our employees, safety of employees and communities surrounding our manufacturing facilities, transparency in decision-making process, and fair and ethical dealings with all stakeholders and society in general.

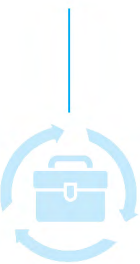
Our 9 core values: Quality, Adaptability, Responsibility, Respect, Gratitude, Fairness, Honesty, Safety and Compassion enable the Company to make informed decisions.

Moreover, our business relies on various policies and codes such as Code of Business Conduct, Code of Ethics, Whistle-blower Policy, Code of Practices and procedures for fair disclosures, etc., that function as guiding forces, steering the Company's business conduct and shaping behavioral norms.

Positive implication as good governance improves access to capital.

Business Continuity

Governance



Risk

It is important for a pharmaceutical company to thrive through uncertain times such as natural/man-made disasters, supply chain failures, gaps in leadership, etc., which could disrupt normal business operations.

We have integrated the ESG risks into Enterprise Risk Management system to prepare ourselves for any unforeseen risks.

Negative implications due to expenditure on preparedness measures.



ESG Classification	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Resilient Business Performance

Governance



Risk and Opportunity

The strategy of the Company is to generate long-term economic growth with a focus on sustainability and value creation for all stakeholders.

To address the major business discontinuity risks, we have adopted various measures along with emergency response plans for all our sites. In addition to this, an enterprise-level business continuity policy and a plan are under development to ensure continuity of Alkem's business during various scenarios of disruptions.

Positive implications due to smooth operations.

Sales and marketing practices

Social, Governance



Opportunity

Alkem caters to a large customer base. For the Company to positively impact consumer behavior while building brand loyalty and sustained market growth, it is important to create influence on consumers through ethical sales and marketing practices.

We work towards building a skilled marketing workforce through multiple trainings and workshops. We have invested in effective digital marketing campaigns as well.

Moreover, information disclosed on our product labels are designed in accordance to the regulatory norms while maintaining patient centricity.

Positive implications due to increased customer acquisition and retention.

Combating counterfeit medicines

Governance



Risk

Presence of counterfeit products in market may seriously harm the Company in multiple ways. The prevalence of spurious products impacts revenue generation as well as customer loyalty.

We are deploying technology interventions with Anti-counterfeiting Security features.

Negative implications are due to costs incurred in the mitigation plan.





Economic Performance

(GRI 201)

Driven by our purpose of 'Enduring Quality, Care and Innovation', our pursuit of sustained profitability goes hand-in-hand with our dedication to creating long-term value for our stakeholders. We recognize that our financial health enables us to invest in innovative research, advanced technologies, and community initiatives that align with our mission to inspire and improve health globally. In this section, we provide a transparent overview of our financial performance and cash flows in FY 2023-24.

Direct economic value generated and distributed

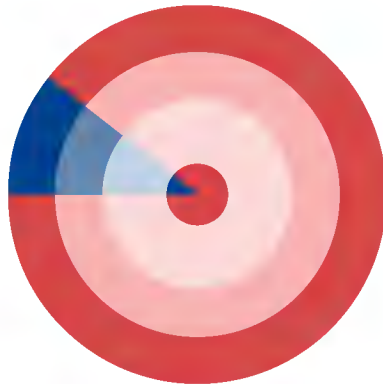
The economic value that our business and its workforce generate is what we consider our added value. This generated value is allocated across various segments, including operational expenses such as supply chain costs, compensation and benefits for our employees, returns to capital investors, and contributions to government revenues.

In FY 2023-24, the economic value generated was ₹ 1,00,537 million, representing the total revenue earned.

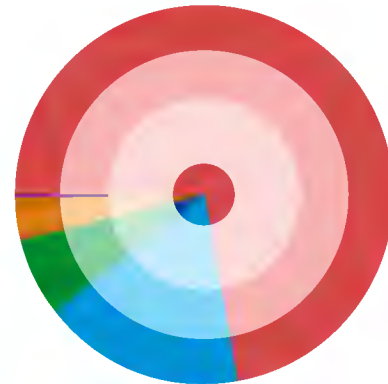
We conscientiously allocated a total of ₹ 89,802 million to various stakeholders through operating costs, employee wages and benefits, payment to government, and payments to providers of capitals and taxes, thereby, ensuring responsible financial stewardship and contribution to the broader economy. The economic value retained after distribution stays at ₹ 10,735 million, accounting for around 11% of the total value generated. This retained value signifies our capacity to reinvest in our operations, fund future growth, and remain resilient against economic fluctuations.



Direct Economic Value: Generated, Distributed, and Retained (in Million ₹)



- Economic value distributed: 89,802 (89.3%)
- Economic value retained: 10,735 (10.7%)



- Operating costs: 64,615 (64.3%)
- Employee wages and benefits: 15,603 (15.5%)
- Payments to providers of capital: 5,903 (5.9%)
- Payments to government: 3,333 (3.3%)
- Community investments: 348 (0.3%)

Financial implications and other risks and opportunities due to climate change

We, at Alkem, recognize the growing climate crisis and its potential to disrupt not just the environment, but also our operations and the economy at large. We understand the stakes are high: without action, climate change could significantly hinder our ability to function. Water scarcity, for example, is a pressing concern. It's essential for producing the raw material required for our products and for running our manufacturing processes. If we don't address these challenges, the raw materials we rely on today could become even harder to obtain in the future as the climate continues to change. It's crucial for us to invest in strategic initiatives to combat the climate-induced risks to ensure the sustainability and resilience of our business in a longer run.

To this extent, in FY 2023-24, we have taken a proactive stance by integrating material ESG risks, including the physical and

transition risks related to climate change and operational risks due to resource inefficiencies, into the Enterprise Risk Management framework.

Our efforts are geared towards addressing the physical and transitions risks associated with climate change. We have committed to cut our direct GHG emissions and are planning to extend these reductions throughout our supply chain to reduce our indirect emissions. A decarbonization strategy has been formulated to this end in FY 2023-24, which will focus on energy efficiency, switch to renewables, and offset measures. Refer to section **Environmental Stewardship** for more details.

Further to this, we are also committed to water stewardship which is evident through our goal of becoming a water neutral company by FY 2029-30. We realize the significance of water as a resource which matters the most in our operations, supply chain, and communities that we operate. Our water neutrality strategy, developed this year, identifies both demand-side and supply-side water management interventions, as described in detail in

section **Environmental Stewardship** of this report.

Furthermore, to ensure resilience of our operations during adversities, we are developing a business continuity plan that addresses any business disruptions due to climate-induced physical risks at our key operating sites. This plan is designed to future-proof our business against the evolving impacts of climate change. For more details on our Business Continuity Policy and Plan, refer to section **Risk Management** of this report.

Financial assistance received from the government

A total financial assistance of ₹ 429 million was received from the government in FY 2023-24 in the form of investment grants. Two such grants were received in the reporting year with value ₹ 30.6 million and ₹ 398.7 million each.

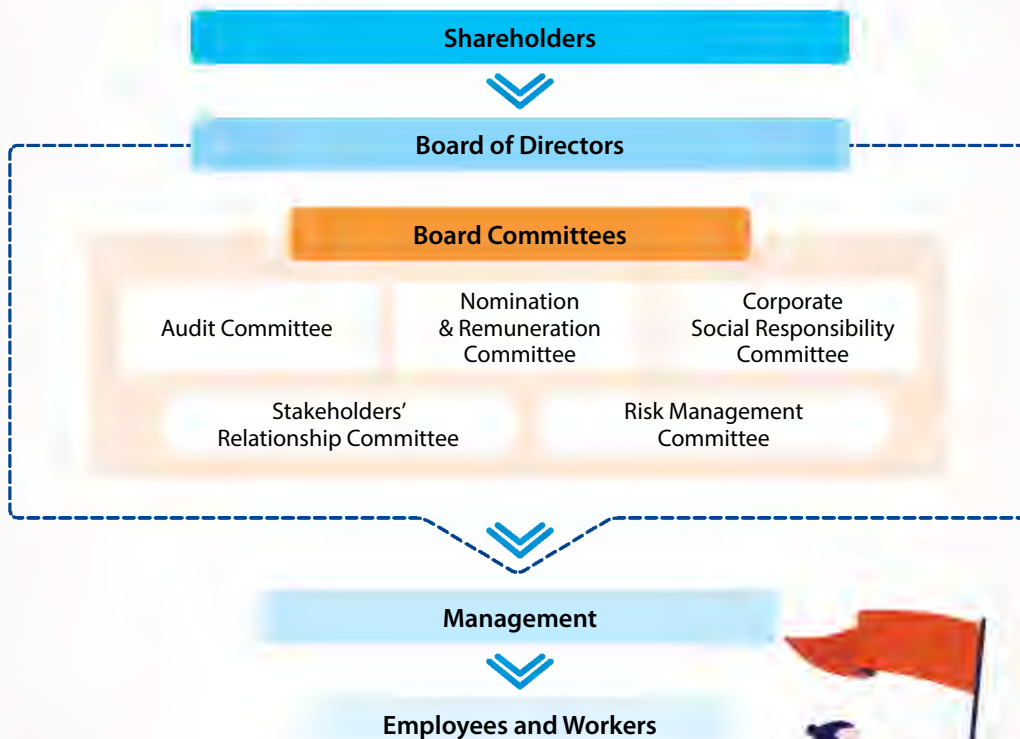
Trustworthy Stewardship

Corporate governance and oversight (GRI 2-9)

Corporate governance framework

Our commitment to good corporate governance is fundamental to realizing our long-term business objectives and enhancing the value we deliver to our stakeholders. We prioritize key principles that underpin our governance framework, including the empowerment and integrity of our workforce, the safety of our employees and the communities around our manufacturing sites, and the transparency of our decision-making processes. We are committed to engaging in fair and ethical interactions with all our stakeholders and the broader society. Our actions and corporate ethos are shaped by our nine core values that are integral to our identity: Quality, Adaptability, Responsibility, Respect, Gratitude, Fairness, Honesty, Safety, and Compassion. These values are the compass that guides us in making well-informed and conscientious decisions. The foundation of our business is built on a robust structure of codes, guidelines, and policies that are essential for fostering sustainable growth. These guiding documents are the pillars that direct our professional conduct and define the standards by which we operate. Through steadfast adherence to these principles, we ensure that our business not only thrives but also contributes positively to the well-being of our stakeholders and the environment. Details on our policies and codes are available at our website: [Alkem Laboratories \(alkemlabs.com\)](http://Alkem Laboratories (alkemlabs.com))

Board Governance and Profile (GRI 2-10, 2-11, 2-16, 2-17)





Members of Board of Directors

Designation	Name of the Director
Executive Chairperson	Mr. Basudeo N. Singh
Managing Director	Mr. Sandeep Singh
Executive Directors	Mr. Mritunjay Kumar Singh
	Mrs. Madhurima Singh
	Mr. Sarvesh Singh
	Mr. Srinivas Singh
Independent Directors	Mr. Arun Kumar Purwar
	Mr. Narendra Kumar Aneja
	Ms. Sangeeta Singh
	Ms. Sudha Ravi
	Dr. Dheeraj Sharma
	Mr. Sujjain Talwar

We are honored to introduce our esteemed Board of Directors, a distinguished group of individuals who bring a wealth of diversity and profound industry expertise to our organization.

Our Board members hail from a variety of backgrounds, each contributing unique perspectives that enriches our decision-making process and strengthens our commitment to sustainability. The Board comprises 12 members, including 6 Executive Directors (includes the Executive Chairman and the Managing Director) and 6 Independent Directors. This assembly of leaders reflects a commitment to gender diversity, with 25% representation of women on the Board, including one woman serving as an Executive Director and two as Independent Directors. The Independent Directors, in particular, play a pivotal role in maintaining the integrity and effectiveness of the Board. They gain a deep understanding of the Company's operations through regular interactions with the senior management and Executive Directors. Their involvement in Board meetings and other Company activities provides them with insights into the industry dynamics, market trends, regulatory frameworks – including pricing and FDA regulations – as well as a comparative analysis of our performance against competitors and a thorough grasp of our strategic approaches. These engagements ensure that our Independent Directors are well-equipped to exercise sound judgment and provide valuable oversight. During FY 2023-24, the Board convened a total of 10 meetings, reinforcing our commitment to active governance. The Board is confident that the Independent Directors meet the criteria set forth by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, affirming their independence from the Company's management. This independence is crucial for objective and effective governance that our stakeholders expect and deserve

25%

Representation of women in the Board

33%

Of Board members between 30-50 years age

67%

Of Board members > 50 years age

3:3

Ratio of Executive Directors: Independent Directors

100%

Board members engaged on Sustainable Business Strategy

The collective experience of our Board spans across a vast array of critical areas. These include:

- Pharmaceutical research and development, spearheaded by members with extensive experience in managing R&D projects and generics portfolios
- Global healthcare management, steered by Directors who have led both domestic and international operations
- Regulatory compliance, strengthened by insights gained from the leadership roles in associations and advisory positions with the government bodies
- Financial stewardship, represented by seasoned professionals with backgrounds in banking, finance, and risk management
- Corporate governance, with a mix of legal, compliance, and strategic expertise, contributed by members who have been recognized for their leadership and have served on boards across diverse sectors

This multidisciplinary expertise ensures that we are well-equipped to navigate the complex landscape of the pharmaceutical industry while upholding the highest standards of ethical conduct and social responsibility.

The Board members are appointed for a fixed term of five years, providing stability and continuity in governance. At the conclusion of each five-year term, there is an opportunity for re-evaluation and re-appointment, ensuring that our leadership remains dynamic, responsive, and aligned with the Company's strategic objectives. The nomination and selection processes for Directors is guided by the Policy for Nomination and Remuneration Committee (NRC). The key responsibilities of NRC have been highlighted in the subsequent section.

In alignment with our sustainability goals, the Board actively oversees our environmental, social, and governance (ESG) initiatives. It ensures that our strategies are not only effective but also aligned with our mission to improve patient health and well-being. The Board's leadership is instrumental in integrating sustainability into the core of our business operations, from reducing our environmental footprint to ensuring access to essential medications to the underserved and needy populations.

Furthermore, our Board members are committed to continuous learning and development in the field of sustainability. They regularly engage with industry experts, participate in relevant training, and stay abreast with the emerging trends to guide our Company towards a more sustainable future. The dedication of our Board of Directors to excellence and sustainability is a testament to their visionary leadership and guides the Company to make a positive impact on the society while ensuring its long-term success.

To address critical issues with the Managing Director, communication is channeled via the Chief Executive Officer (CEO). This occurs during our quarterly review sessions or on an as-needed basis for urgent matters.

Board committees (GRI 2-10, 2-12, 2-13, 2-18)

92%

Average attendance in Board and Committee meetings

Board Committees are essential components of our organization, serving a crucial role and carrying significant importance. They provide a structured framework for decision-making, oversight, and specialized expertise in key areas. These committees, comprising experienced Directors, ensure effective governance, risk management, and strategic guidance. By focusing on specific aspects such as audit, finance, nominations, and corporate governance, Board Committees enhance transparency, accountability, and compliance within the organization. The table below shows the composition of various Board Committees.

COMMITTEES

Designation	Name of the Director	Key Responsibilities
Audit Committee		
Chairperson	Mr. Arun Kumar Purwar - Independent Director	<ul style="list-style-type: none"> • Oversight of financial reporting • Auditor management • Review of financial statements • Internal controls and audit • Related party transactions • Risk management
Members (5)	Mr. Sandeep Singh - Managing Director	
	Mr. Mritunjay Kumar Singh - Executive Director	
	Ms. Sangeeta Singh - Independent Director	
	Mr. Narendra Kumar Aneja - Independent Director	
	Ms. Sudha Ravi - Independent Director	





Designation	Name of the Director	Key Responsibilities
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Nomination & Remuneration Committee

Chairperson	Dr. Dheeraj Sharma - Independent Director	<ul style="list-style-type: none"> Establish criteria for qualifications, positive attributes, and independence of Directors, and recommend remuneration policies for Directors, key managerial personnel, and other employees Board performance evaluation and Board diversity Director and Senior Management appointments Remuneration packages, which are competitive and aligned with market standards Regulatory compliance and policies
Members (3)	Mr. Basudeo N. Singh - Executive Chairman	
	Mr. Narendra Kumar Aneja - Independent Director	
	Ms. Sudha Ravi - Independent Director	

Corporate Social Responsibility Committee

Chairperson	Mrs. Madhurima Singh - Executive Director	<ul style="list-style-type: none"> Formulate and recommend a CSR policy that outlines activities as per Schedule VII of the Act Review and recommend the expenditure for CSR activities Regularly monitor the implementation of the CSR policy Address any other CSR-related matters as directed by the Board of Directors
Members (4)	Mr. Sandeep Singh - Managing Director	
	Mr. Srinivas Singh - Executive Director	
	Ms. Sangeeta Singh - Independent Director	
	Ms. Sudha Ravi - Independent Director	

Stakeholders' Relationship Committee

Chairperson	Mr. Sujain Talwar - Independent Director	<ul style="list-style-type: none"> Resolve grievances related to shareholder services such as transfer/transmission of shares, non-receipt of dividends, and issuance of new/duplicate certificates Investigate complaints concerning allotment and transfer of shares and other securities Ensure compliance with all requirements related to shares, debentures, and other securities, including dematerialization and re-materialization Oversee the performance of registrars and transfer agents, and ensure adherence to insider trading regulations Review measures for effective shareholder voting rights exercise Monitor initiatives to reduce unclaimed dividends and improve timely delivery of shareholder communications
Members (3)	Mr. Mritunjay Kumar Singh - Executive Director	
	Mrs. Madhurima Singh - Executive Director	
	Mr. Srinivas Singh - Executive Director	

Designation	Name of the Director	Key Responsibilities
Risk Management Committee		
Chairperson	Mr. Mritunjay Kumar Singh- Executive Director	<ul style="list-style-type: none"> Formulate, implement, review, and monitor the risk management plan, including cyber security measures. Establish a comprehensive risk management policy that includes identification, mitigation, and business continuity planning for various risks such as financial, operational, and cyber security. Ensure that robust methodologies, processes, and systems are in place to effectively monitor and evaluate the Company's risk exposure. Regularly monitor the effectiveness of the risk management policy and systems, and make necessary adjustments. Conduct periodic reviews of the risk management policy to adapt to the changing industry dynamics and increasing complexity. Keep the Board of Directors informed about risk management discussions, recommendations, and required actions.
Members (5)	Mr. Sandeep Singh- Managing Director	
	Mr. Srinivas Singh- Executive Director	
	Ms. Sudha Ravi- Independent Director	
	Mr. Narendra Kumar Aneja- Independent Director	
	Mr. Sujjain Talwar – Independent Director	

ESG Governance (GRI 2-12, 2-13, 2-14)

We are committed to consistently improve our business performance to produce shared value for all our stakeholders while also contributing to a responsible growth. The Managing Director of the Company is responsible for making decisions on sustainability-related issues. Furthermore, the Risk Management Committee of the Board of Directors of the Company oversees ESG-related issues.

A well-defined Sustainability Policy has been developed at the corporate level, describing our commitment to the various environmental, social and governance aspects. This policy intends to support the Company to achieve its business responsibility and sustainability goals by establishing a robust enforcement mechanism which ensures that our commitments are translated into actions. The Policy is aligned with National Guidelines on Responsible Business Conduct (NGRBC), Sustainable

Development Goals (SDGs), Universal Declaration of Human Rights (UDHR), United National Guiding Principles on Human Rights for Businesses, and other globally accepted frameworks and recommendations concerning ESG performance.



Business Ethics, Integrity, and Resilience

In the ever-evolving landscape of the pharmaceutical industry, where the stakes for human health and well-being are paramount, the commitment to business ethics, integrity, and resilience forms the bedrock of our operations. As a Company dedicated to healing and innovation, we recognize that our responsibilities extend beyond the laboratory and into the lives of individuals and communities we serve. Herein, we transparently outline our ethical frameworks, our unwavering adherence to integrity in every aspect of our business, and our capacity to adapt and thrive amidst challenges, ensuring that we not only comply with the regulations but also exceed expectations in our mission to contribute to a healthier world.

Code of Conduct (GRI 2-15, 205, 206)

We are committed to promoting integrity and maintaining the highest standard of ethical conduct in all of our activities. Our business success is dependent on trusting relationships, which are built on this foundation of integrity. We have instituted a comprehensive Code of Ethics for Employees alongside a Code of Business Conduct and Ethics for Directors and Senior Management to promote ethical conduct in all of our business activities. Additionally, we also have developed a Code of Ethics for

suppliers, vendors, and other stakeholders' to ensure ethical practices throughout our value chain.

Our Code of Conduct (CoC) is more than a set of guidelines; it is a declaration of our core values and our pledge to all stakeholders – including patients, consumers, healthcare professionals, regulators, suppliers, business partners, colleagues, industry, investors and the community at large. It is through this lens of ethical clarity that we navigate our path, ensuring that every decision and action not only aligns with the regulatory standards but also resonates with our unwavering

commitment to integrity, trust, and social responsibility. We understand that any type of unethical behavior or corporate misconduct in the form of fraud, bribery, corruption, conflicts of interest, or violation of laws and regulations governing the industry, may lead to major reputational damages, loss of stakeholder trust, and litigation. The Code of Conduct defines ethical behavior expected by all employees and management, ensuring no instances of corruption and bribery. The code also discourages any anti-competitive conduct and practices by our internal stakeholders and promotes fair business and marketing practices. In FY 2023-24, 100% of our employees across all categories (including junior management, middle management, senior management, and non-management) have been trained on the 'Code of Conduct', covering essential topics like anti-corruption, anti-bribery, whistleblowing, etc. Furthermore, no disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption against the Company's Directors, KMPs, Employees, or Workers.

Our Company's leadership, encompassing the Directors and senior management, is held to the highest standards of professional conduct, with a stringent obligation to avoid and reveal any conflicts of interest, whether actual or perceived, as part of their responsibilities. To this end, our Code of Business Conduct and Ethics for Directors and Senior Management meticulously details scenarios that may give rise to conflicts of interest and provides guidance towards addressing these situations.

During FY 2023-24, a single complaint was received concerning sexual harassment, which was handled with utmost diligence and resolved in accordance with our robust policies and procedures under the Prevention of Sexual Harassment (POSH) framework. Furthermore, we are proud to affirm that no additional grievances pertaining to human rights violations were reported during the year across any of our sites and offices in India.

Policy Commitments (GRI 2-23, 2-24)

To ensure the highest standards of responsible business conduct, we have developed a set of codes and policies which serve as our guiding documents. For the convenience of all stakeholders, they are readily accessible on our website:

Alkem Laboratories (alkemlabs.com). We ensure to translate the commitments into action and embed the policy tenets into our activities and business relationships by allocating clear responsibilities

to concerned stakeholders, building capacities and capabilities wherever required, allocating sufficient resources and support, and regularly monitoring for effective implementation.

 Code of Business Conduct and Archival Policy 	 Code of Business Conduct of Board of Directors & Senior Management Personnel 	 Code of Ethics for Suppliers, Vendors & Other Stakeholders 	 Code of Practices & Procedures for Fair Disclosures 
 Criteria for making payment to Non Executive Directors 	 CSR Policy 	 Dividend Distribution Policy 	 ESG Policy 
 Identification of Material Outstanding Dues 	 Nomination & Remuneration Policy 	 Policy for determining Material Subsidiaries 	 Policy on determination of Materiality of Events / Information 
 Preservation of Documents Policy 	 Related Party Transactions Policy 	 Terms & Conditions of appointment of Independent Directors 	 Whistle Blower Policy 



Grievance Redressal (GRI 2-16, 2-25, 2-26)

We are committed to providing a safe and healthy work environment to our employees and workers. To facilitate this, we have instituted a Grievance Redressal Policy, available on our Intranet, which encourages our internal stakeholders to voice their concerns within the organization. Our approach to grievance redressal is structured into a three-tier system, ensuring comprehensive coverage and effective resolution:

- **Open Door Policy:** We champion open and transparent communication, encouraging employees to discuss any issues directly with their line managers or respective HR managers, fostering a culture of trust and responsiveness.
- **Internal Complaints Committee (ICC):** The ICC is dedicated to addressing complaints, specifically related to sexual harassment. We have appointed an ICC representative at each Company location to manage and resolve site-specific grievances. Information about the ICC, including contact details, is readily available on the Company's internal portal for all employees. This information is also communicated to new employees during HR induction sessions and is included in online refresher training for existing staff.
- **Digital Complaints:** In line with our commitment to integrity, we have implemented a whistle-blower policy that empowers employees to report any illegal, fraudulent, or policy-violating actions within the Company. Reports can be made confidentially by sending an email to whistleblower@alkem.co.in, ensuring that employees can voice their concerns without the fear of reprisal.

Compliance Management (GRI 2-27)

As a global company, we have an effective compliance framework to ensure that the Company is committed to and conducts its business activities lawfully and in a manner that is consistent with its statutory compliance obligations. The Company has a robust framework in place to prevent, detect, monitor, and respond to non-compliances with the applicable laws and regulations.

Compliance Governance

Our Company is dedicated to maintaining compliance with applicable laws and regulations through relevant functional heads tasked with the overarching responsibility of monitoring and ensuring adherence to the applicable legal and regulatory obligations. We have also embraced technological innovation in compliance management which has enabled the Company to track and monitor statutory compliances and enhance the efficacy and efficiency of its compliance reporting and management.

Tax Strategy (GRI 207)

We are committed to duly comply with all the legal and tax-related requirements in the regions where we conduct business. This encompasses all aspects of tax reporting/filings, payments and conducting various audits, as required by law. We ensure maintenance of robust documentation to justify the underlying transaction and comply with its tax obligation.

Tax Governance

Our global tax affairs are managed by an experienced in-house team within the Finance function. The Chief Financial Officer (CFO), alongside the tax team, is primarily responsible for overseeing Alkem's tax governance. The Audit Committee

provides supervisory and advisory support on tax matters while the Risk Management Committee focuses on managing tax-related risks. Significant tax-related matters are also discussed in the Board meeting on need basis. Other than this, we are also supported by external consultants who advise us on various tax-related matters on a case-to-case basis.

Our transactions are representative of the underlying economic substance in line with operations in respective jurisdictions. Accordingly, the Group pays tax in the respective jurisdiction in accordance with value creation. Besides promptly paying corporate income taxes, property taxes, and indirect taxes like Customs duties and Goods and Services Tax, we also handle and remit considerable tax amounts on behalf of various entities within our value chain, including employees, in the form of withholding tax.



Tax Risk Management Strategy

Tax risk management involves identifying and addressing tax-related risks. The Risk Management Committee oversees the identification, evaluation, and mitigation of tax-related risks. In all operating countries, tax risks are managed through an internal control framework. This framework is part of our comprehensive risk management model, ensuring the reliability of financial reporting and its compliance with laws.

Internal and external auditors/consultants review tax risk and controls under the framework. We also consult external experts for advice on legislative changes and uncertainties in tax law interpretation.

We aim to maintain a transparent and cooperative relationship with the tax authorities, providing necessary information and engaging in dialogue, when required. If there are differences in tax treatment views, we seek resolution through legal channels,

employing professional tax advisors to represent our interests as needed.

Our Code of Ethics further establishes a zero-tolerance approach towards corruption and defines our expectation from our employees, tax advisors and suppliers of tax services, warranting them to act with integrity and maintain high ethical standards in all matters relating to tax. The Code is also in alignment with our organizational culture and values.





Risk Management

Enterprise Risk Management Framework

We, at Alkem, have implemented a Risk Management Policy and a robust Enterprise Risk Management (ERM) framework to proactively identify, evaluate, and address risks across our operations in various geographic regions. The ERM allows for the identification, assessment, monitoring, mitigation, and reporting of significant internal and external risks that may obstruct the accomplishment of our strategic objectives.

Risk Governance Structure

A Risk Management Committee (RMC) (referred to as the "Risk Committee"), has been established by the Board of Directors to oversee the various risks, including strategic, operational, and financial risks, that our organization may face. The Risk committee is responsible for a regular review of the Company's Risk Management Policy, considering the evolving complexities and changing industry dynamics. RMC ensures that the right safeguards are put in place to properly manage these risks.

The establishment of effective internal controls within various business processes is the responsibility of Individual Business Units, with support from Risk Management and other support functions. The design and implementation of the internal control framework undergo regular internal audits and control testing to validate its effectiveness for these units.



Approach to Risk Management (GRI 201-2)

Target FY 2023-24

ESG risks integrated into Enterprise Risk Management (ERM)

Target status : Achieved.

Collaborating closely with department heads, the ERM team identifies both internal and external factors that could potentially hinder the success of our business objectives. Moreover, the team regularly monitors shifts in the internal and external landscape to detect any emerging threats and risks to the business. The top risks are discussed with Risk Management Committee along with the mitigation plan, every six months. The comprehensive update of risk framework is undertaken once in two to three years, wherein all the risks are reviewed and accordingly risk register is updated.

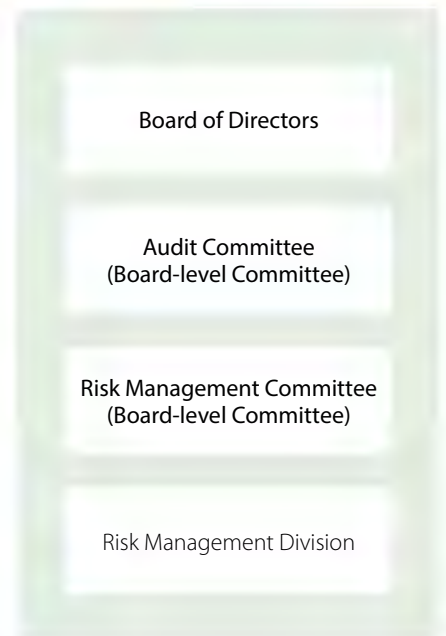


Figure 4: Risk governance structure



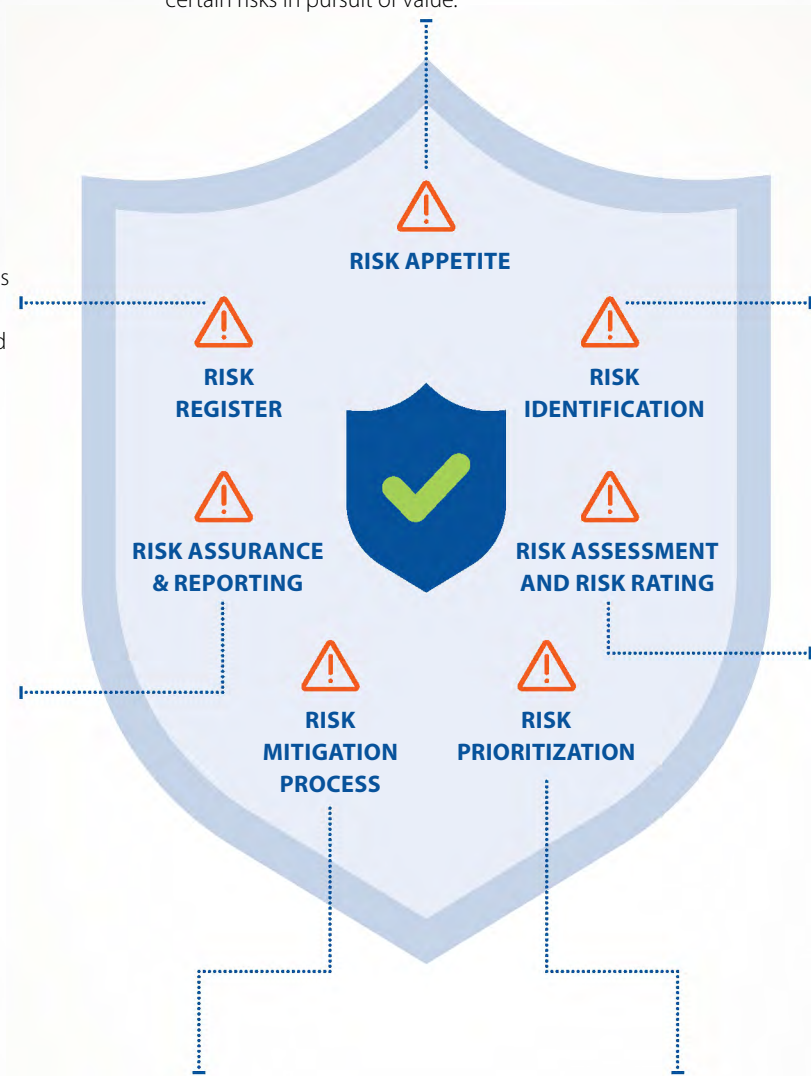
The Board of Directors approves the Company's risk profile and appetite in material risk areas, with the objective of restricting overall risk levels based on pre-defined strategies, while accepting and tolerating certain risks in pursuit of value.

Business Heads review the output of material risks identified in risk identification and assessment processes. Basis the inputs received, the information is consolidated in a Risk Register, which includes key risks, mitigating controls, and other relevant details.

The Risk Management team is responsible for providing independent assurance on the operational effectiveness of the Enterprise Risk Management (ERM) exercise throughout the organization, including its respective business units.

Multiple approaches are employed to comprehensively identify risks, including identifying sources, areas of impacts, events, causes, and potential consequences, as it is crucial to ensure that any risks not identified in this process are not overlooked in further analysis.

Key risks identified during the Risk Identification process undergo qualitative and quantitative assessment to determine their likelihood of occurrence and the potential extent of damage they may cause.



After prioritizing the top or critical risks, the identification of suitable risk mitigation and management measures takes place to effectively address and handle these risks.

After completing the risk assessment, the Risk Management Function is responsible for prioritizing key risks, focusing on addressing high-risk concerns categorized in the red zone as a priority.



Integrating ESG risks into ERM

We are committed to meeting the needs of the market while navigating uncertainties. In the dynamic realm of environmental, social, and governance (ESG) considerations, businesses are increasingly encountering risks that hold the potential to affect their financial performance, long-term viability, and overall success. To better prepare for future risks and fortify our business, we have embedded ESG factors into our core enterprise risk management framework.

ESG risks have been made a key part of our Risk Management Committee's responsibilities and which involves actively identifying and evaluating both internal and external risks to our organization, using ESG criteria. We have successfully integrated key ESG risks into our Enterprise Risk Management (ERM) to make it holistic and comprehensive. The Materiality Assessment study, which identified 22 material ESG topics crucial to our business, laid the groundwork for pinpointing the most significant material risks that Alkem faces. Building on this foundation, we meticulously mapped these key ESG issues to existing business risks within ERM. As a result, 10 principal ESG material issues are now seamlessly mapped to Alkem's existing business risk categories. For the ESG material issues that were not covered by ERM, we have included two new risk categories: 'Climate Change Risks' and 'Other Environmental Risks' (Refer to Table 2). These additions reflect our dynamic response to the emerging challenges and underscore our dedication to comprehensive risk management. Our forward-thinking strategy not only aligns with global best practices but also positions us high in terms of ESG risk management, ready to navigate the future with confidence and resilience.

In the fiscal year 2025, the Enterprise Risk Management (ERM) system is scheduled for a comprehensive review.

Ensuring Business Continuity

At Alkem, we understand the importance of ensuring the continuity of our operations effectively in the face of adversity and uncertainties to maintain the trust of our patients, employees, and partners. Along these lines, we are working towards developing an all-encompassing business continuity policy and plan with an aim to integrate it into our overall risk management strategy. Our dedication to business continuity is a cornerstone of our promise to deliver not just pharmaceutical products, but also to ensure stability and dependability in a world of uncertainties.

We recognize that the nature of risks we face – ranging from climate change risks and supply chain disruptions to regulatory shifts and potential leadership gaps – requires a proactive and preemptive approach to risk management. In response, we are crafting our business continuity policy at enterprise-level guided by a thorough understanding of the diverse challenges associated and in alignment with ISO 22301 standard for business continuity management systems. This policy shall be the blueprint for our strategies to identify, evaluate, and mitigate risks, ensuring that we maintain operational resilience and protect our critical functions under all circumstances.

Aligned with our policy, a comprehensive Business Continuity Plan (BCP) is under development which aims to minimize the impact of potential disruptions on our patients, employees, and stakeholders. The BCP encompasses elements such as risk assessment and business impact analysis, response strategies and recovery procedures, communication protocols, training and exercises, and continuous improvement.

We aim to treat the BCP as a dynamic framework, rather than a static document,

which evolves in tandem with our growth and the changing global environment. It shall be periodically reviewed and updated to reflect the latest best practices and to incorporate lessons learned from both industry-wide best practices and our own experiences.

Internal Control Systems

We have established a strong global internal control framework fostering a culture of ethics and integrity, while ensuring efficient business operations, protection of assets, prevention of fraud, reduction in errors, and compliance with regulatory standards. This framework includes financial, operational, and regulatory controls commensurate with the size and complexity of the business.

To further fortify these measures, we engaged a leading audit firm. Additionally, an autonomous Global Internal Audit Function operates at the corporate level and conducts risk-based audits to assess the adequacy and effectiveness of controls. Oversight of this process is managed by the Audit Committee which is responsible for endorsing the annual audit plan and reviewing key findings to evaluate the Internal Audit Function's performance.

Compliance with laws, regulations, and industry standards is deeply ingrained within the organizational culture through ongoing training and awareness programs. Further, investment in state-of-the-art information systems security is prioritized to safeguard sensitive data and prevent cybersecurity threats. Continuous improvement is fundamental to our approach, as we aim to enhance internal controls based on both internal and external audit findings, as well as industry best practices.

Key Business Risks

Below, we present a compendium of the principal risks identified, accompanied by the corresponding strategies for mitigation.

Key Business Risks

Below, we present a compendium of the principal risks identified, accompanied by the corresponding strategies for mitigation.

Table 2: Key business risks in ERM

KEY RISKS

Potential Impact	Mitigation
<p>Competition Risk</p> <p>Stiff competition from multiple competitors poses a threat to revenue from that particular product and impacts the Company's competitive advantage position.</p>	<p>The Company's robust emphasis on R&D empowers it to innovate and create products with unique characteristics that are difficult for competitors to replicate. The Company keeps a close watch on the prevailing market trends through its Business Development Team, enabling it to strategically plan the launch of new drug/molecules in accordance with market demand.</p>
<p>Quality Risks</p> <p>Inadequate control on internal processes, people and systems may impact product quality and adversely impact the Company's brand equity and attract undesired liabilities, fines or penalties.</p>	<p>Strong adherence to CGMP guidelines enforced by leading regulatory agencies for manufacturing processes leads to quality assurance. Timely and regular quality control checks across manufacturing facilities for all machinery and equipment reduces quality risk significantly.</p>
<p>Pricing Risks</p> <p>The Company's revenue stream and earnings could suffer negative repercussions in the event of adverse pricing regulations affecting essential products.</p>	<p>Operating leverage is achieved through a diversified portfolio and focus on high-volume growth. Robust cost control measures are in place to ensure high operational efficiency, thereby mitigating any adverse impact on earnings.</p>
<p>R&D Risks</p> <p>The Company invests significantly in R&D to develop molecules/drugs ahead of competition, keeping in line with current market trends. New drug development costs are susceptible to changes in science and technology, shifts in the types of drugs under development, and changes in the regulatory environment. They also have a direct impact on the Company's revenues and earnings prospects.</p>	<p>Astute business planning with clear objectives in mind ensures that R&D budgets are realistic and profitable. Adoption of cost-effective processes and methodologies enables the Company to achieve cost optimization of both existing products and new launches.</p>
<p>Manufacturing Facility Risks</p> <p>Most of the domestic production is done at Sikkim Facility. Any disruption in production or supply chain at the facility poses a significant threat to business continuity.</p>	<p>To ensure steady and uninterrupted production, the Company is looking to set up alternative in-house manufacturing facilities and use contract manufacturing.</p>



Potential Impact

Mitigation

Regulatory Risk

The Company is governed by several rules and regulations enforced by various governing bodies. Non-compliance or misinterpretation may lead to inadequate adherence.

Compliance and integrity are the cornerstones of the Company's organizational values. Strict adherence to all applicable rules and regulations is ensured through various policies and review mechanisms. The Company's strong internal control framework has bolstered its brand equity, particularly in terms of CGMP compliance with respect to various global regulatory guidelines.

Information Technology Risk

Redundancy in technology used, lack of proper technological support or lack of awareness of information security among employees may result in breach/theft of confidential data, posing a risk to business growth.

To avoid breaches related to the Company's or stakeholders' data, the vulnerability of technology and IT systems is evaluated on a regular basis through VAPT and IT audits. Further, Microsoft Active Directory enables the Company to enforce Information Security Policy.

Refer to section on 'Data Privacy and Cybersecurity' for more details around our robust data management and cybersecurity systems.

People Risk

Human capital is a crucial resource for the Company's growth. Thus, making it imperative to attract and retain quality talent.

Multiple initiatives help to attract and retain talent through development programs, encompassing global talent management, competitive remuneration, inclusive work culture and other employee benefit programs. Specialized pharmaceutical courses are designed and offered by the Company via strategic tie-ups with reputable institutions, enabling skill development and also motivate the employee and increase loyalty.

Climate Change related Risks

Pharmaceutical sector relies heavily on energy-intensive processes such as chemical manufacturing, refrigeration, air conditioning, steam generation, power transmission, etc. A lack of energy efficiency can lead to unsustainable practices, contributing to environmental degradation and increase in operational costs.

We have implemented various energy management initiatives across our site locations.

Further, to achieve our target around emissions reduction and energy consumption, we have developed a decarbonization strategy.

For more details on specific initiatives around energy management and emission reduction, refer to the section on Environmental Stewardship of this Report.

Other Environmental Risks

It is important for the Company to address other environmental concerns such as water management and waste reduction to minimize operational risks due to water shortages or resource inefficiency, thereby, minimizing its ecological impact and risks associated with environmental degradation.

We have taken targets around achieving water neutrality and non-hazardous waste management to manage our environmental impacts in terms of water conservation and waste management.

We are focusing on efficient water consumption, reducing water withdrawal and increasing water recovery.

For waste management, our focus is on diverting the waste away from landfill through maximizing recycling and reuse of non-hazardous waste within our own operations.

For more details on specific initiatives around water and waste management, refer to the section on Environmental Stewardship of this Report.

Data Privacy and Cybersecurity

Zero

Number of data breaches recorded in FY 2023-24

70%

Employees trained on data privacy and cybersecurity related topics

Zero

Consumer complaints received on data privacy related issues or loss of customer data



Data and cybersecurity framework

In light of the growing number of data breaches, it is important for a Company to safeguard sensitive customer data or its proprietary information and prevent any potential breaches that could harm its reputation and may lead to both financial and non-financial losses. We have implemented a robust cyber security policy, controls, tools and services to protect data. The policy is available on the Company’s Intranet and is accessible to all the employees.

We adhere to the ISO 27001 Information Security standard to manage our information security. We have also set a goal to obtain ISO 27001 certification by FY 2025-26, demonstrating our commitment to develop robust Information Security Management Systems (ISMS) within the Company. Having aligned our policy and most of our procedures to the standard, we are on track to achieve

our goal for ISO 27001 certification. The initial assessments are scheduled for Q2 FY 2024-25 and any identified gaps will be addressed in time to obtain the certification by FY 2025-26.

A Chief Information Security Officer (CISO) has been appointed to lead the Company’s data management and cybersecurity efforts. With our robust data security strategy and systems, this year, we successfully averted one breach attempt, thereby, maintaining zero data breaches in a row. Also, no leaks, losses, or thefts of consumer data were reported in this year. Additionally, we have enforced an Information Security Policy, in accordance with the Microsoft Active Directory, to ensure data security. Any data loss or leakage is closely monitored through frequent VAPT and IT audits and adequate investments in required IT tools.

We have also implemented a security strategy that involves multiple layers of protection, wherein each layer addresses a specific vulnerable area or weakness, to

enhance the overall security. This strategy ensures that data remains secure even in the event of a failure or breach within the system. If one layer fails to prevent a threat, another layer intervenes to prevent or eliminate it.

As a part of our Quality strategy, our dedicated effort remains towards ensuring the integrity of all data related to our products and processes, including data from clinical trials, manufacturing, and post-market surveillance.

In our commitment to ensuring utmost protection of sensitive data and maintaining robust cybersecurity measures, a thorough enhancement of digital defense systems has been undertaken across the entire corporation and its subsidiaries. Recognizing the critical importance of cybersecurity in the pharmaceutical industry, we have modernized our email systems, reinforced our firewall protections, and bolstered end-point security to safeguard against any potential vulnerabilities.



Central to our fortified cybersecurity strategy is the establishment of a state-of-the-art Intelligent Security Operations Center (SOC) that vigilantly oversees our network traffic around the clock, every day of the year. This advanced SOC is a testament to our proactive approach in managing cyber risks and plays a pivotal role in several key areas as mentioned below:

- 

PROACTIVE THREAT INTELLIGENCE

By employing cutting-edge technology, our SOC provides early detection of potential cybersecurity threats, ensuring that the risks are identified and mitigated before they can escalate.
- 

CONTINUOUS MONITORING AND IMMEDIATE RESPONSE

Our dedicated team of cybersecurity experts maintain a 24/7 watch over our systems, enabling swift and decisive action the moment any suspicious activity is detected.
- 

COST EFFICIENCY IN OPERATIONS

The integration of intelligent systems within our SOC has streamlined our cybersecurity operations, resulting in a reduction of operational costs without compromising on the effectiveness of our security measures.
- 

UNIFIED COMMAND AND CONTROL

The SOC serves as the central hub for our cybersecurity efforts, ensuring a coordinated response to incidents and clear accountability within the organizational structure.
- 

STRATEGIC DATA MANAGEMENT

A critical function of our SOC is meticulous classification of data, which is essential for prioritizing the protection of our most sensitive and valuable information.

Building upon our comprehensive cybersecurity infrastructure, we have implemented a series of proactive measures and policies to further strengthen our defenses and ensure the integrity of our data management systems. To combat the prevalent threat of phishing, we conduct quarterly phishing simulation tests across our entire workforce. These simulations are designed to assess and enhance our employees' ability to identify and respond to fraudulent communication attempts. We are pleased to report a consistent decline in the failure rate of these tests, reflecting the growing cybersecurity awareness among our employees.

IT audits

In our pursuit of strengthening cybersecurity at Alkem, we perform bi-annual IT security audits that scrutinizes our systems and processes. Any findings from these audits are addressed promptly, with corrective actions revalidated before the subsequent audit cycle. This rigorous approach ensures continuous improvement and fortification of our security posture.

Recognizing the dynamic nature of cyber threats, we have made significant investments in our security infrastructure. This includes the latest software and hardware solutions, as well as partnerships with third-party services, to maintain a resilient and adaptive cybersecurity framework capable of protecting our complex business landscape.

Cybersecurity training

We have also instituted a comprehensive cybersecurity training program for our employees, covering critical topics such as CEO fraud, email phishing, and malware. While participation in these trainings is currently optional, we are moving towards making them mandatory to ensure universal preparedness. Currently, 70% of our workforce has undergone this training, with bi-annual refresher courses to keep them updated. Additionally, all new hires receive basic cyber hygiene training as part of their induction process, reinforcing the importance of cybersecurity from day one.

Future plans

Looking ahead, we are committed to continuous enhancement of our data management systems. Our future plans include investing in advanced data analytics tools, adopting secure cloud storage solutions, and ensuring strict compliance with data protection regulations. By staying abreast of the latest technology trends and best practices in data management, we aim to not only meet but exceed industry standards for cybersecurity and data privacy.

As a testament to Alkem's dedication to maintaining the highest levels of data security and privacy, integral components of our sustainability objectives and corporate responsibility, we have recorded zero data breaches of customer data in FY 2023-24. Further, no consumer complaints were received on data privacy related issues during the year.

Innovation in Healthcare

3

First to Launches (FTLs)

3

Day-1 Launches

Dapanorm

emerged as our leading product in FY 2023-24, targeted for patients with high blood glucose (sugar) levels



Innovation strategy

We are committed towards our purpose of inspiring healthier lives by addressing the unmet needs of our patients through technology and innovation across our business segments. Our innovation strategy is anchored in our aim to lead the pharmaceutical industry in delivering sustainable healthcare solutions while our technological advancements are integrated with our core values of patient-centricity, environmental stewardship, and ethical practices. We invest in research and development for new drugs and therapies. Moreover, investments in innovative technologies, digitalization, automation, and data-driven decision-making enable us to advance our manufacturing techniques, improve quality control systems, and deploy robust regulatory compliance measures.

We aim to achieve our vision of value-driven leadership in the Indian Healthcare industry and beyond through the following strategic objectives:

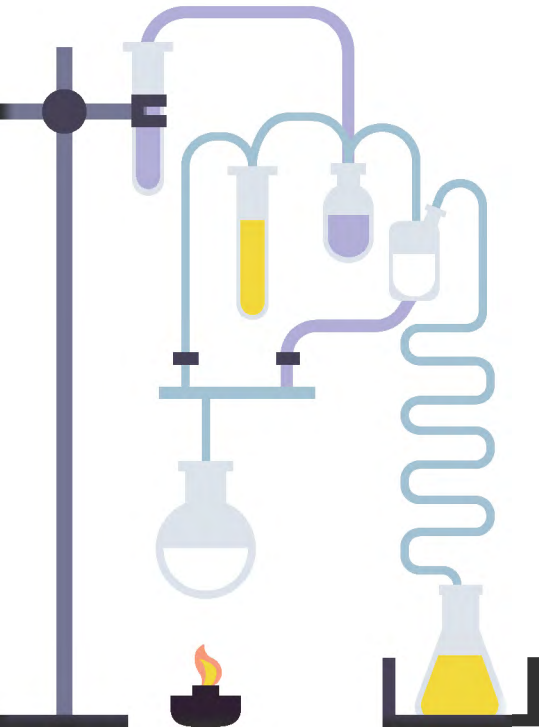
- Accelerating the discovery and development of breakthrough therapies
- Leveraging digital transformation to optimize operations and enhance patient care
- Fostering a culture of continuous improvement and agile response to market needs

Investments

We continually invest in advanced technologies and collaborate with research organizations to drive scientific advancements. In FY 2023-24, we

allocated ₹ 5,229 million to Research and Development (R&D), representing 4.1% of our total revenue. We take pride in our world-class active pharmaceutical ingredient (API) research, development, and manufacturing, along with advanced facilities that utilize state-of-the-art manufacturing methods to produce top-quality products.

Enzene Biosciences Ltd. is a subsidiary of Alkem Laboratories that focuses on leveraging innovation and advanced technologies in the field of biopharmaceutical research and development. It employs cutting-edge techniques and equipment to enhance its manufacturing processes and product quality, such as, utilization of state-of-the-art bioreactors, purification systems, and automation technologies.



Research Facilities

Our R&D infrastructure includes four technologically advanced and internationally accredited R&D centers spread across India and the US.

The Company's clinical research facility is currently focused on bioequivalence and bioavailability studies aimed at proving the bioequivalence of dosage forms. The facility is regularly inspected by various Indian and International regulatory agencies, such as DCGI, USFDA, UK MHRA, and NPRA-Malaysia. The Company's clinical division has successfully faced several audits and regulatory inspections, with many products being approved and marketed based on the acceptance of the submitted data by the regulatory agencies.

The Company is dedicated to conducting scientifically robust and ethical clinical trials to address the unmet healthcare needs and generate quality data for the development of effective and safe novel molecules. We have significant experience in conducting local and global clinical trials from phase 1 through phase 4 clinical studies across multiple therapies in accordance with ICH GCP and several other international

guidelines and regulations. Additionally, the R&D team has gained extensive experience and expertise in conducting clinical studies on small and large molecules, including monoclonal antibodies and biosimilars, as well as stem cell-based products for domestic and global regulatory submissions like CDSCO, USFDA, and EMEA.

Advanced technology and therapy areas

As we forge new paths in research and innovation, our deep commitment to sustainability ensures that our healthcare innovations are both forward-thinking and efficient. Our clinical team employs sophisticated and cutting-edge clinical trial designs, such as double-blind, double-dummy, differential ratio design, and adaptive design strategies, to ensure the highest standards of research integrity and patient safety.

Our research encompasses a wide array of complex molecules, such as peptides, monoclonal antibodies (MABs), and stem cells, which are instrumental in addressing a diverse range of therapeutic areas. By focusing on regenerative medicine and other advanced treatments, we are contributing to the development of sustainable healthcare solutions that can regenerate and repair the human body, thus reducing the long-term impact of diseases.

The therapeutic areas we are targeting include, but are not limited to:

Infectious Disease

Addressing critical conditions like Invasive Fungal Disease and Methicillin-Resistant Staphylococcus Aureus (MRSA).

Oncology

Developing treatments for life-threatening cancers such as Metastatic Breast Cancer, Colorectal Cancer, and Head and Neck Cancer in both locally advanced and metastatic settings.

Endocrinology

Innovating in the management of Type 2 Diabetes Mellitus, Osteoporosis, and Obesity.

Cardiology

Advancing secondary prevention strategies for thrombotic cerebrovascular or cardiovascular disease.

Hematology

Pioneering new approaches for Chronic Immune Thrombocytopenia.

Rheumatology

Creating breakthroughs in Ankylosing Spondylitis, Osteoarthritis, and Rheumatoid Arthritis.

Dermatology

Enhancing treatments for Acne Vulgaris, Psoriasis, and Vitiligo.

Ophthalmology

Improving outcomes for Neovascular Age-Related Macular Degeneration and Diabetic Macular Degeneration.

Gastroenterology

Addressing Gastro-Esophageal Reflux Disease and Acid Peptic Disease.

Surgical Innovations

Employing 3D printing technology to create personalized solutions for diabetic foot ulcers.

Embracing the digital healthcare revolution:

In an era where digital innovation is reshaping the healthcare landscape, we stood out as early adopters and introduced Connect2Clinic (C2C) two years ago. C2C is our pioneering telehealth solution and represents the cornerstone of our digital infrastructure, embodying our commitment to lead the industry's digital transformation.

The platform is ingeniously designed to simulate the benefits of a virtual clinic and empowers the physicians to deliver top-tier healthcare services remotely. This ensures that both doctors and patients can engage with each other in a secured and convenient manner from the comfort of their homes. More than 5,400 locations can be serviced through C2C, as on 31 March 2024, demonstrating its extensive reach.



On an average, the platform facilitates 3,800+ daily consultations, with over 41.5% of these interactions resulting in app-based issuance of prescriptions. Consultations via our tele-consultation feature lasts for about 12 minutes on an average. A notable highlight of our performance is the substantial increase in consultations, marking an impressive 86.25% surge compared to the previous financial year. More than 41% of doctors are utilizing our platform to generate prescriptions. Among

the various specialties utilizing the platform, gynecologists, pediatricians, dermatologists, oncologists, and general physicians are the most consulted, accounting for 55% of total consultations. Notably, approximately 34% of these consultations originate from non-metro cities, highlighting the platform's role in democratizing access to quality healthcare. The attractiveness of the platform is also evidenced by the fact that 41.4% of patients have accounted 73% of total consultations. Gender-wise,

our user base remains diverse, with 44% male and 56% female patients availing our services. Moreover, we are proud to have surpassed industry benchmarks in terms of cancellation, no-show, and reschedule rates, achieving commendable figures of 6.3%, 5%, and 6%, respectively. Doctors utilizing our platform are seeing remarkable improvements in patient wait times, now reduced to just 28 minutes from 89 minutes.



Top Specialties Contribute 55% of the Total Consultations

21.5%

General Physician



9.6%

Pediatrics



8.8%

Gynecology



8.6%

Oncology



7.1%

Dermatology





Over the year, C2C has gained immense popularity as our HIPAA-compliant end-to-end OPD management platform, seamlessly enhancing both in-clinic and online practice experiences, with an eye towards future needs. In our continuous efforts to enhance its accessibility, we have recently integrated a WhatsApp business account, enabling patients to effortlessly book appointments via WhatsApp chat. In addition to our operational success, user feedback remains overwhelmingly positive, as evidenced by our impressive app ratings of 4.7-star on the iOS App Store, 4.6-star on the Google Play Store, and 4.8 on Google. Looking ahead, we remain steadfast in our commitment to driving innovation, enhancing accessibility, and delivering exceptional healthcare experiences through our digital platform.

Smart packaging initiative to enhance customer engagement

Under the strategic ESG focus area of 'Product Safety and Patient Centricity', we had set an ambitious goal to equip over 75% of our domestic products (by sales value) with QR codes on their primary packaging by the fiscal year 2026. This initiative, spearheaded by our Packaging Development team, aims to transform product tracking and information dissemination. By embedding QR codes directly on packaging, we are moving towards a more streamlined and eco-friendly approach that replaces the traditional information leaflets. This modernization effort not only enhances the safety and traceability of our products but also enhances the accessibility of product information for our customers and patients. To support this transformation, we have invested ₹ 47 million, reflecting our dedication to leading the industry in adopting advanced, patient-focused packaging solutions.

Product launches in FY 2023-24

In FY 2023-24, we have pioneered 3 First to Launch (FTL) and 3 Day-1 launches, demonstrating our leadership in bringing

critical medications to market swiftly and efficiently. By consistently ranking #1 in new launches, as per IQVIA's 24-month New Introduction (NI) data, we have solidified our position as a trustworthy steward in the healthcare sector. Our focus on addressing therapy area gaps, particularly in Pulmocare and Eyecare, aligns with our commitment to meet the evolving demands of healthcare. This approach has contributed to a notable presence in the domestic market, as evidenced by a significant New Introduction (NI) value of ₹ 3180 million. Internationally, we are set to yield significant returns, with an expected ₹ 700 million from a patent settlement for our open First to File (FTF) projects. Our proactive strategy in the US market helped us achieve 8 filings including 1 Competitive Generic Therapy (CGT), 1 Sole FTF, 4 FTF, and 2 Day 1 launch products. The Day-1 launch of Vancomycin Oral Solution was also completed successfully.

Our top three therapies in the NI category – Diabetes, Pain/Analgesics, and Neuro/CNS – have seen a significant growth, with our top performing product, Dapanorm, joining the ₹ 100 crore club, alongside its variants Dapanorm Trio, Dapanorm Duo, and Dapanorm-L.

Our focus on cardiac diseases led to the successful Day 1 launch of SACUVAL Tablets, which has become the best performing molecule in its category, generating a revenue of ₹ 97 million. Other notable products like Gemfrac (Nova) and Alsita-M (Metanext) have also achieved impressive sales figures of ₹ 190 million and ₹ 180 million, respectively. Moreover, the introduction of three new biosimilars, including Cetuxa (FTL), Bevacizumab, and Ranibizumab, has expanded our portfolio and improved access to advanced therapeutic options.

Strategic Alliances for Drug Development

Our collaborative efforts are focused on creating a pipeline of breakthrough drugs

that promise to address the emerging medical needs and enhance patient care. Cutting-edge innovations are being developed in strategic partnerships with globally renowned academic and research institutions, including Harvard University, Johns Hopkins University, the National Institutes of Health (USA), Syracuse University, and Biosergen (Sweden), among others. These collaborations harness our combined expertise to enable drug development and approvals in the leading global markets, leveraging our specialized capabilities in biotechnology and complex products development.

Quality and safety mechanisms

We have a well-established pharmacovigilance system to monitor and review the safety of our medicines during clinical trials and after they receive market approval. We are dedicated to continuous evaluation of our products' benefit-risk profile and uphold a commitment to transparent communication with patients, healthcare professionals, and regulatory bodies.

Future growth plans

We are actively expanding our pharmaceutical portfolio by exploring new avenues, including the creation of complex generics such as injectables and pen devices, and venturing into novel therapeutic areas like hormones and oncology. Our strategy includes technical collaborations for in-licensing, positioning us as one of the first movers in the Indian market. Additionally, we are focused on enriching our offerings with Oncology Oral products and Complex Injectables. Concurrently, we are evaluating opportunities to introduce our US-approved products into other regulated markets, including the European Union, Australia, New Zealand, and emerging markets, broadening our global footprint and patient impact.



Supply Chain Management (GRI 204, 308, 414)

PSCI members

Obtained Associate Membership with Pharmaceutical Supply Chain Initiative (PSCI)

100%

Of new suppliers screened on ESG criteria

40

critical vendors (top 10% of total spend) being assessed on ESG performance

22%

of the domestic products provided with QR Codes on primary packaging

Approach to Supply Chain Sustainability

Sustainable supply chain management is a pivotal aspect of our commitment to environmental stewardship and social responsibility. Our strategy encompasses a holistic approach to sustainability, focusing on reducing our environmental footprint, ensuring ethical sourcing, and promoting social equity throughout our network of suppliers. By leveraging cutting-edge technologies, fostering transparent communication, and engaging in collaborative partnerships, we strive to

create a supply chain that is not only robust and reliable but also aligns with our vision for a healthier planet and society.

We have a resilient supply chain and distribution network of more than 7,500 stockists in the domestic market that assures ready availability of all our products to our consumers/patients.

In the highly regulated and critical realm of pharmaceuticals, the integrity of supply chain is not just a matter of operational efficiency, but a vital component that can have far-reaching implications on public health and safety. Gaps in the supply chain can lead to dire consequences, including medication shortages and delays, that can jeopardize patient care and well-being.

At Alkem, we are committed to proactively identifying and mitigating any risks within our supply chain. Our dedication goes beyond mere compliance; it is about embedding sustainability into the core of our operations. Through a series of targeted initiatives and clear sustainability objectives, we aim to fortify our supply chain against uncertainties while simultaneously advancing Environmental, Social, and Governance (ESG) tenets into our supply chain management by focusing on the following key areas:



- Ensuring suppliers adhere to Alkem’s code of conduct
- Evaluating production sites for compliance with ESG criteria
- Implementing precise controls on specifications and processes
- Managing potential contamination risks effectively
- Providing ESG-focused training to our workforce
- Executing responsible waste management and adhering to Environmental, Health, and Safety (EHS) policies
- Optimizing transportation and storage facilities for ESG compliance
- Conducting regular preventive maintenance to support sustainable operations
- Upholding human rights and enforcing policies against forced labor
- Maintaining safe and fair working conditions for all employees

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Supplier engagement strategy

Suppliers play a crucial role in our sustainability journey. We have developed a ‘Code of Ethics for suppliers, vendors, and other stakeholders’ to ensure ethical practices throughout our value chain. We ensure that statutory dues, as applicable, to the transactions entered into with our diversified value chain partners, are deducted and deposited in accordance

with mutually agreed terms. This activity is also reviewed on a regular basis as part of the internal and statutory audits. We encourage our value chain partners to act with integrity and ethically in all our business transactions and abide by the required compliances.

Reflecting our care for our suppliers, our whistleblower policy covers them and ensures a culture of transparency and trust within the value chain. This supplier grievance mechanism provides a formal platform to the suppliers for reporting the violations or concerns, if any, to the concerned authorities within the organization.

Sustainability parameters have also been integrated into the overall supply chain through various measures, including a comprehensive code of conduct policy applicable to all the suppliers. The suppliers are evaluated and qualified based on various parameters including Quality, Safety, ESG and other related management systems, and are engaged to create basic awareness on the subject. Training and awareness session and workshops on topics related to ESG are also being planned for the suppliers.

We pursue four key targets to embed sustainability in our supply chain operations. These include:

- Sign-up for PSCI membership by FY 2023-24
- Screening of 90% new suppliers on ESG screening criteria w.e.f. FY 2024-25
- Evaluation of identified critical suppliers in the following manner:
 - 10% by FY 2024-25
 - 35% by FY 2025-26
 - 70% by FY 2026-27
 - 90% by FY 2027-28
- More than 75% domestic products (by sales value) to have QR Codes on primary packaging by FY 2025-26

We are proud to announce our status as Associate Members of the Pharmaceutical Supply Chain Initiative (PSCI), gained in FY 2023-24, reflecting our efforts to foster responsible supply chain management practices. In alignment with PSCI’s requirements, we are actively enhancing our supply chain protocols to adhere to its five foundational principles: ethics, human rights, health and safety, environment, and governance and management systems. Moreover, we have initiated a comprehensive Scope 3 emissions accounting process, an endeavor that aims to accurately quantify the emissions attributable to our value chain partners, providing us with a clear understanding of our indirect environmental impact. By doing so, we are not only holding ourselves accountable but also paving the way for informed decision-making and targeted strategies to reduce embodied emissions in our products.

We have made significant progress in our aim of screening new vendors. More than 90% new vendors are now undergoing comprehensive ESG evaluations alongside other essential business metrics. These assessments scrutinize ESG policies, Sustainable Procurement practices, Environment, Health, and Safety (EHS) protocols, and initiatives promoting Employee Diversity and Inclusivity.

Furthermore, we have initiated the ESG performance evaluation of our top 40 critical vendors, representing 10% of our total spend. These evaluations encompass key ESG dimensions such as EHS, Corporate Social Responsibility, Human Rights Protection, and Whistle-Blower Protection. To ensure the effectiveness of our approach, monthly reviews to track supplier progress based on their ESG performance are being conducted, complemented by direct follow-ups to facilitate comprehensive ESG engagement.

Local sourcing (GRI 204)

As part of our commitment to sustainability and supporting local economies, we contribute a significant proportion of our spending on local suppliers. In the past year, our company has made a conscious effort to source input materials from suppliers that are not only local but also contribute to the small-scale industry sector.

In FY 2023-24, 13% of our total input materials, by value, for our operational sites in India were directly sourced from Micro, Small, and Medium Enterprises (MSMEs) and small producers. This initiative not only fosters economic growth within these smaller entities but also aligns with our corporate responsibility to encourage local entrepreneurship and reduce the

environmental impact associated with long-distance transportation of goods.

Furthermore, 90% of our input materials, by value, for Indian operational sites, are directly sourced locally (from within India). This strategy supports our nation's industries, creates job opportunities, and bolsters the local economy. It also allows us to maintain a robust supply chain that is less susceptible to international disruptions, ensuring a steady flow of high-quality materials for our pharmaceutical products.

By prioritizing local sourcing, we are not only enhancing our operational sustainability but also contributing to the social and economic development of our local communities. We remain dedicated to increasing these percentages where

possible and continuing to support local suppliers as a key element of our sustainability agenda.

Furthermore, we have initiated the ESG performance evaluation of our top 40 critical vendors, representing 10% of our total spend. These evaluations encompass key ESG dimensions such as EHS, Corporate Social Responsibility, Human Rights Protection, and Whistle-Blower Protection. To ensure the effectiveness of our approach, monthly reviews to track supplier progress based on their ESG performance are being conducted, complemented by direct follow-ups to facilitate comprehensive ESG engagement.

Technology and digitization in supply chain

As part of our ongoing commitment to sustainability and operational excellence, we have embraced a range of innovative practices and initiatives. These advancements are designed to enhance traceability within our supply chain, optimize supply chain efficiency, and promote sustainable procurement. By leveraging cutting-edge solutions and forward-thinking strategies, we aim to ensure transparency, reduce environmental impact, and foster ethical practices across all facets of our operations.

01 SUPPLY CHAIN OPTIMIZATION THROUGH 'ALKEM MARKETPLACE'

The idea of Alkem Marketplace initiative was rooted in the challenges faced by all Indian pharmaceutical companies. With a sprawling distribution network spanning thousands of stockists and an extensive product portfolio encompassing over a thousand SKUs, manual interpretation & entry of purchase orders posed significant

bottlenecks. Compounded by absence of a standardized Stockist Management System (DMS), like in FMCG, and presence of diverse communication modes, the existing order processing system was full of inefficiencies.

To address these challenges, we conceptualized Alkem Marketplace, a digital platform designed to streamline the order entry process and provide real-time visibility of order status. This innovative solution aims to empower stockists & Alkem's field forces teams by offering multiple channels

for order placement – from web portal submissions to email integration and above all, AI/ML-driven order processing. This interface enables stockists and field force to place orders directly, leveraging functionalities such as product search, excel file uploads, and email integration. Other than simplifying orders and enabling easy tracking, it also eliminates manual intervention and enhances efficiency and scalability, providing stakeholders with actionable information.

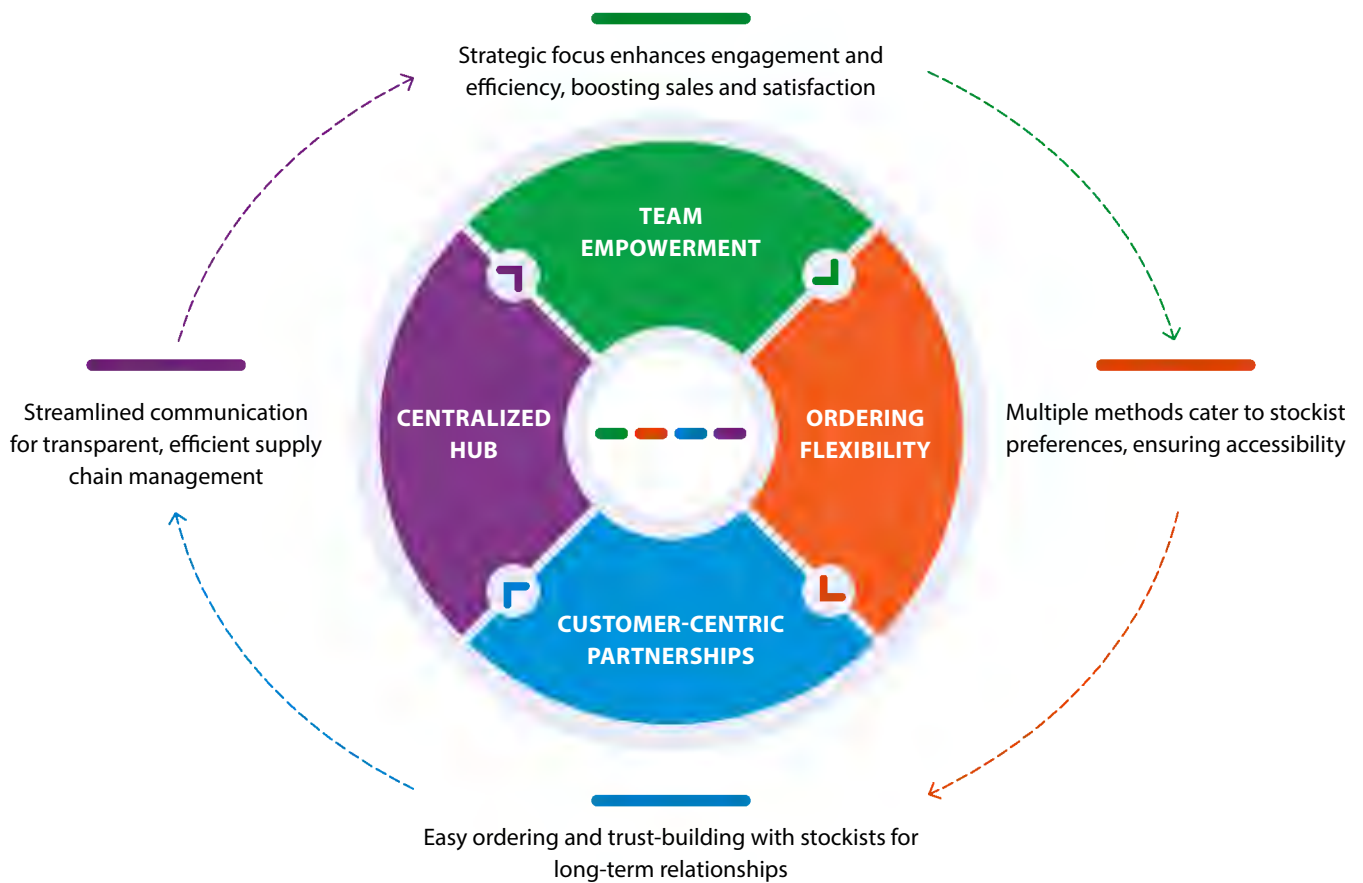


Figure 6: Alkem Marketplace has generated numerous benefits for the organization from a sustainability and ESG perspective.

Central to the success of Alkem Marketplace was a robust change management strategy that focused on engaging & educating both internal & external stakeholders. Through persistent training & monitoring initiatives, we have successfully transitioned a significant portion of our order volume to the digital platform, culminating in a remarkable 72% digitization rate in a span of just 6 months. The impact is evident from an initial adoption rate of 40% within the second quarter of 2021 to a staggering 72% in September 2023. In December 2023, the Company achieved its targeted goal of 90% order processing without manual intervention and is presently operating at 92% digitization (as of April 2024).

02 SMARTGREEN INITIATIVE

Our SmartGreen initiative has been instrumental in addressing operational inefficiencies and environmental sustainability challenges within our operations, providing solutions to various hurdles including inefficient information flow, excessive paperwork, and environmental degradation due to carbon emissions.

SmartGreen is a bespoke application developed in collaboration with a third-party agency which seamlessly integrates with Alkem's SAP system, enabling real-time data exchange and streamlining processes from order receipt to dispatch.

Embracing a 100% paperless approach, SmartGreen initiative has not only reduced our operational costs by ₹ 6 lakh per month but also helped mitigate our environmental footprint by saving approximately 10 trees per month.

Moreover, the initiative has resulted in rapid onboarding of new stockists, driving market expansion and enhancing product accessibility. A year-on-year business growth and divisional expansion, spanning 23 divisions, has also been facilitated through this initiative. Additionally, customer satisfaction has also been prioritized through faster delivery of goods, with goods now moving within 24 to 48 hours during peak demands at month end. This has bolstered our reputation for reliability and service excellence.

03 **ENHANCING TRACEABILITY
IN SUPPLY CHAIN THROUGH
'PROJECT MARK QR CODE'**

Our "Project Mark QR Code" represents a proactive and innovative solution to address the critical challenge of patient safety and product authentication in the Indian pharmaceutical industry. In response to the government's mandate requiring QR codes on pharmaceutical products, we went beyond the minimum requirement and initiated the implementation of unique QR codes on each product unit, to ensure comprehensive product authentication and patient safety. This decision involved assigning individual QR codes to every Alkem-mandated brand, resulting in the creation of over 200 million unique QR codes on an annual basis.

Implementation of unique QR codes serves as a robust defense against issues such as product counterfeiting, spurious drugs, and infiltration of counterfeit products into the market. By leveraging QR code technology, we provide patients with access to essential information, allowing them to track the journey of their medication from production to consumption.

We are planning to extend the implementation of unique QR codes beyond the government-mandated brands. Integration of QR code systems with distribution warehousing systems in Phase-2 will enable end-to-end traceability across the supply chain, supporting various supply chain use cases and enhancing operational efficiency.

04 **WAREHOUSE CONSOLIDATION
– MOVING FROM TRADITIONAL
TO MODERN (GREEN
WAREHOUSING)**

As a part of our Distribution Network Optimization strategy, we have moved our old warehousing and depot facilities in Turbhe and Taloja (Navi Mumbai) to a new and consolidated warehousing facility in Panvel (Raigad). The new state-of-the-art facility is temperature & humidity controlled and scalable. It adheres to both Good Distribution Practices (GDP) and Quality Management System (QMS) standards and operates using sustainable solar energy.

The objective of this initiative was to consolidate 3 facilities into a single facility, improve storage space planning, reduce delays due to unavailability of loading/unloading bays, reduce maintenance cost overheads by reducing owned assets, optimize third-party manpower usage, and identify the right partner with modern, scalable, sustainable infrastructure and service to achieve sustainability for the future. The benefits of the Panvel facility in comparison with Turbhe are as below:

Higher output

Dispatch capacity over 2x of daily capacity.

GDP (Good Distribution Practice) compliant & QMS compliance

100% temperature-regulated pharma storage.

Enhanced Safety

Fire-compliant, monitored, and equipped with emergency systems.

Advanced Equipment

Modern material handling tools in use such as forklift, reach trucks, BOPT, etc.

Spacious

Ample room for movement and numerous loading bays.

Tech-Enabled

SAP system and barcode scanning for efficiency.

Eco-Friendly

Solar power, rainwater harvesting, and energy-saving lighting.

Flexible Storage

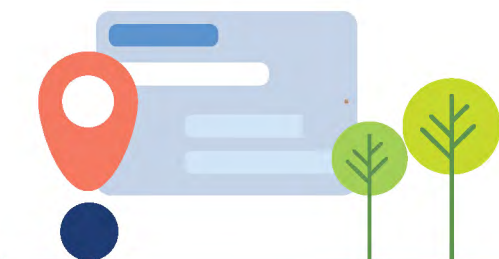
Adjustable pallet and manpower scaling.

Cost-Effective

Annual savings of ₹ 28.8 million.

05 **COLD CHAIN PRIMARY
MOVEMENT (WAREHOUSE
TO DEPOT) SHIFT FROM
AIR TO MILKRUN USING
REEFER VEHICLE –
SUSTAINABLE PROCUREMENT**

The cold chain primary movement has been strategically changed from air transport to milk run routes using reefer vehicles. This shift has resulted in an approximate 66% reduction in carbon emissions and almost 25% decrease in the total cost to serve, while ensuring temperature control and location visibility for traceability.





Achievements and recognition for Supply Chain practices

In FY 2023-24, we were recognized on multiple occasions for our efforts in the logistics and supply chain sector and received multiple awards for digital transformation, global supply chain solutions, and warehouse management excellence. Recognitions include awards from the Express Logistics & Supply Chain Leadership, a Titanium rating at the CII WAREX for the Panvel Warehouse, a Platinum rating for the Chennai Depot, a Gold award from the BW Supply Chain Competitiveness Awards for digital transformation, and the Celerity Exemplary Supply Chain award in healthcare and pharma. These accolades underscore our dedication to sustainability, operational excellence, and continuous improvement in our logistics and supply chain processes.



AWARD

6th Celerity Supply Chain Tribe Conference and Awards 2024

CATEGORY

Celerity Exemplary Supply Chain award in 'Healthcare & Pharma Supply Chain' category

DATE

27 June 2024



AWARD

BW Supply Chain Competitiveness Awards 2023

CATEGORY

Supply Chain Digital Transformation - **Gold**

DATE

6 December 2023



AWARD

CII WAREX Awards - Warehouse Certification Model for Excellence

CATEGORY

Titanium Rating awarded to Panvel Warehouse

DATE

17 October 2023



AWARD

CII WAREX Awards - Warehouse Certification Model for Excellence

CATEGORY

Platinum Rating awarded to Chennai Depot

DATE

17 October 2023



AWARD

15th Express Logistics & Supply Chain Leadership Awards

CATEGORY

Outstanding Digital Transformation in Supply Chain

DATE

15 September 2023



AWARD

15th Express Logistics & Supply Chain Leadership Awards

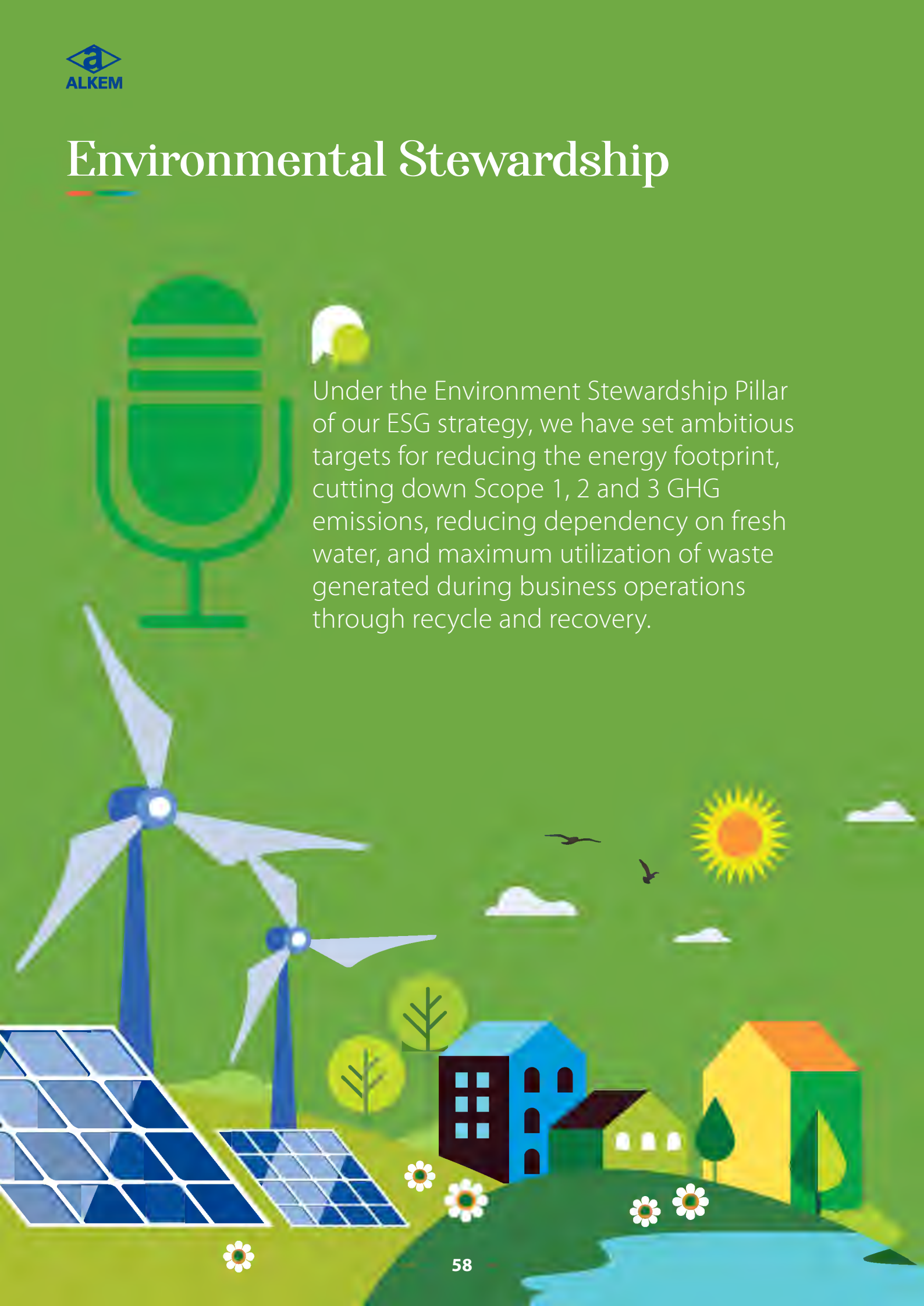
CATEGORY

Excellence in Global Supply Chain Solutions

DATE

15 September 2023

Environmental Stewardship

A vibrant, stylized illustration of a sustainable landscape. In the foreground, there are solar panels and two wind turbines. The middle ground shows a small village with colorful houses (blue, yellow, and green) and trees. The background features a bright sun, birds flying in the sky, and a large green recycling symbol. The overall theme is environmental stewardship and sustainable development.

Under the Environment Stewardship Pillar of our ESG strategy, we have set ambitious targets for reducing the energy footprint, cutting down Scope 1, 2 and 3 GHG emissions, reducing dependency on fresh water, and maximum utilization of waste generated during business operations through recycle and recovery.



Energy Management (GRI 302-1, 302-2, 302-3, 302-4, 302-5)



At Alkem Laboratories, we believe that environmental consciousness is the key to steadfast business growth and a sustainable future. Our Sustainability Policy details out our commitment to environmental protection with an aim to protect and preserve the natural resources and minimize the environment footprint of its

operations by monitoring and reducing Greenhouse Gas (GHG) emissions and other air pollutants, implementing energy efficient practices.

Under the Environment Stewardship Pillar of our ESG strategy, we have set ambitious targets for reducing the energy footprint,

cutting down Scope 1, 2 and 3 GHG emissions, reducing dependency on fresh water, and maximum utilization of waste generated during business operations through recycle and recovery. The following sections throw light on our actions to reduce our impact on the focus areas under environmental stewardship.

33%

**(Four operational units at Sikkim site)
certified for ISO 50001**

At Alkem Laboratories, we recognize the pivotal role of energy management in supporting business growth and addressing climate change challenges. In response to the changing regulatory environment, our team is dedicated to innovating energy-efficient solutions that optimize our systems, processes, and procedures. This commitment intends to meet our energy needs while enhance operational efficiency and minimizing operational costs.

As part of our ESG strategy, we have taken a target to achieve Y-o-Y 1% reduction in energy consumption from projected energy requirement for each year till FY 33. As of FY 2023-24, we take pride in

having achieved an energy reduction of around 5%. We also aim to achieve ISO 50001 certifications for 70% of our sites by FY 2025-26. Currently, around 33% of our manufacturing sites have obtained ISO 50001 certification, and we plan to further extend this coverage to other sites as well in the subsequent years. Moreover, we are persistently striving to increase our reliance on renewable energy sources, as part of our ongoing commitment to reduce GHG emissions and increase energy efficiency.

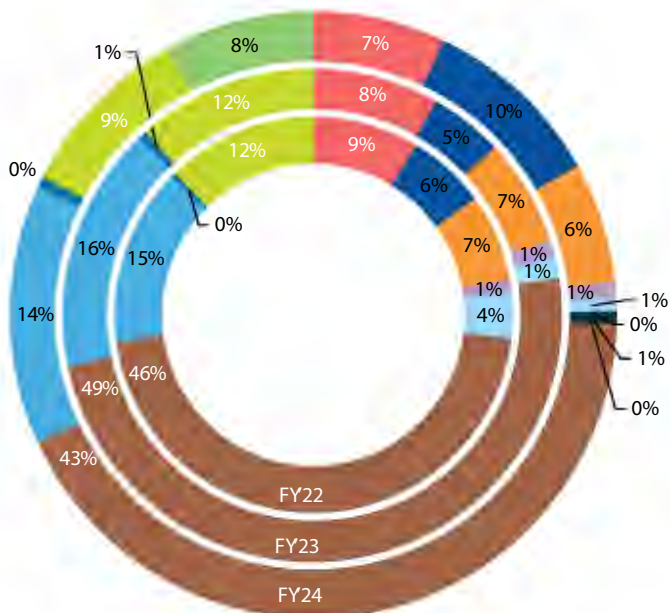
We emphasize on reducing our reliance on non-renewable energy sources and sustainably managing the consumption of renewable energy sources to align

with evolving stakeholder expectations and regulatory changes. Our energy-mix includes fuel-based sources such as High-Speed Diesel (HSD), Coal, Light Diesel Oil (LDO), Natural Gas, Furnace Oil (FO), Purchased electricity from grid, steam, and renewable sources such as Bio-briquettes (Table 3). In FY 2023-24, we faced challenges when floods disrupted the grid power supply to our Sikkim Plant, leading to an increased reliance on High-Speed Diesel (HSD) (Figure 7). Despite this, we have made strides in reducing our grid electricity purchases, compared to the previous fiscal year.

Table 3: Energy source types and consumption

Energy Consumption Sources (GJ)	2021-22	2022-23	2023-24
Total Electricity Consumption (A) (GJ) - (Solar rooftop)	2,792	4,034	4,791
Total Fuel Consumption (B) (GJ) - (Bio-briquettes)	1,30,728	1,26,923	1,11,860
Total Electricity Consumption (D) (GJ) - (Grid)	4,11,910	3,90,238	3,45,509
Total Fuel Consumption (E) (GJ) - (HSD, LDO, FO, Coal, Petrol, CNG, Refrigerants)	2,41,783	1,80,294	2,06,328
Energy Consumption through other sources (F) (GJ) – (Steam, Liquid Nitrogen)	1,10,209	93,815	1,41,657
Total	8,97,422	7,95,304	8,10,145

Graph 1: Energy Consumption (%)



- Light Diesel Oil (LDO) ■ High Speed Diesel (HSD) ■ Coal ■ PNG
- Furnace Oil ■ Petrol ■ Diesel ■ CNG ■ Purchased Electricity
- Bio-briquettes ■ Solar rooftop ■ Steam ■ Liquid Nitrogen

Figure 7: Energy consumption (%) from different sources

Energy intensity (GJ/Million ₹ of turnover)

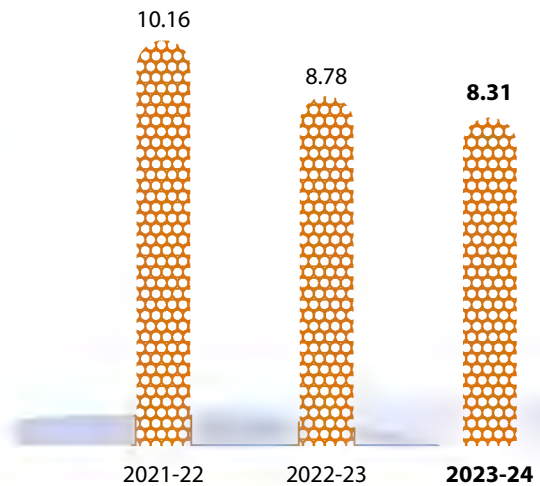


Figure 8: Energy intensity per million ₹ of turnover



In FY 2023-24, we observed a growth in our total energy demand from 7.95 to 8.10 lakh GJ with the energy intensity increasing marginally from 17.07 to 17.08 GJ per tonne of product. We also maintained a relatively stable energy intensity in economic terms, with a slight improvement from 8.78 to 8.31 GJ per million INR of turnover (Figure 8). The rise in energy requirements can be attributed to the expansion of our reporting scope to include three additional offices

and seven depots, alongside our existing manufacturing facilities and R&D Center in the current reporting year.

Our focus has consistently been on enhancing energy efficiency and performance at our facilities. Over the last eight fiscal years, we cumulatively invested around ₹ 169 million in energy reduction initiatives averaging an expenditure of around ₹ 21 million every year. Some of

these initiatives include installing LED lights, Variable Frequency Drives (VFD) on motors, replacement with efficient Air Handling Units (AHUs), Steam Traps, Steam Condensate Recovery Systems and Pressure Reducing Systems, and Auto Tube Blowdown in all boilers. Some of the important energy conservation measures implemented during FY 2023-24 are mentioned in Table 4.

Table 4: Energy-efficient interventions implemented across our operational manufacturing sites

Interventions
<p>Sikkim</p> <ul style="list-style-type: none"> • Installation of Variable Frequency Drive (VFD) for power saving. VFD operating at 50 Hz consumes 100% Energy. In our plant, VFDs operate at 40 HZ to 45 HZ according to the requirement. • Installed LED Lights for power saving. VFD operating at 50 Hz consumes 100% Energy. In our plant, VFDs operate at 40 HZ to 45 HZ according to the requirement. • Natural flowing spring water is used which saves the energy required for pumping borewell water or water from river. • Installation of timer for operating streetlights & air curtains inside operating premises. • Chillers and boiler steam is stopped 30 minutes prior to end of production shift resulting in saving energy. • This intervention was implemented since no impact was analyzed on GMP. 30 minutes of energy is saved in utilities for 21 hours shift. (30 Minutes of 21 Hours) • Installation of new energy-efficient Screw Air Compressor to replace inefficient reciprocation air compressor leading to minimum heat losses. • Installation of 2 multi-chiller of 20 TR each to save energy in place of operating 250 TR chiller during low load requirements. • Use of Solar Water Heater for heating 100 KL water tank saving approx. 20 KW energy.
<p>Ankleshwar</p> <ul style="list-style-type: none"> • Replacement of traditional lights with LED lights. • Installation of high efficiency and minimum purge loss air dryer.

Interventions



Mandva

- Installation of condensate recovery pump and recovery system with piping network to recover the condensate.
- Installation of pumping traps.
- Installation of cooling tower fan automation and variable frequency drive (VFD) in cooling tower of central utility.
- Low TDS water tankers are in use instead of borewell water. This has reduced the cost and energy used in water treatment.



Taloja

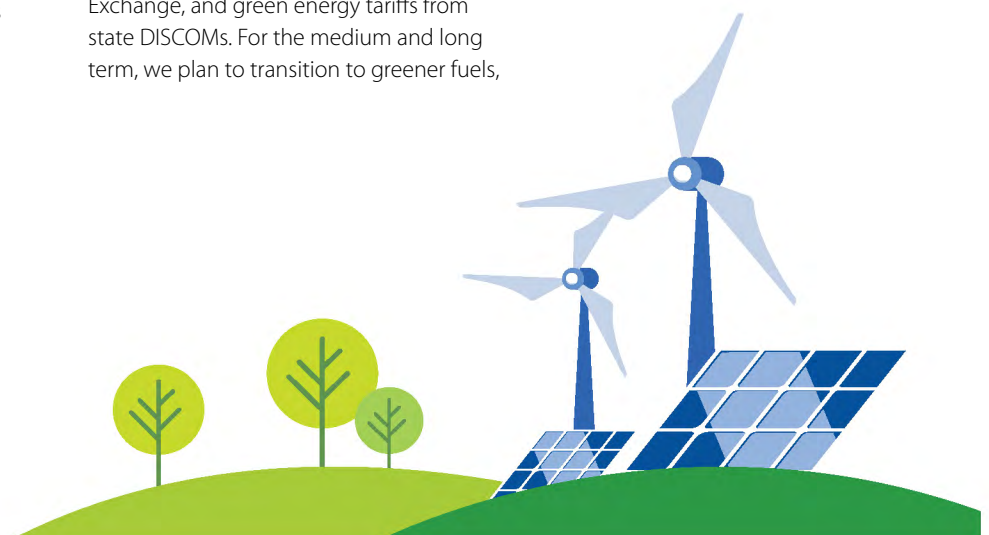
- Installation of solar panels on rooftop for power generation.
 - Installation of motion sensors for lighting control in washrooms.
 - Setting optimum frequency of AHU's and installing timer for canteen AHU.
 - Optimizing & monitoring of chiller set point on daily basis to reduce the consumption.
-

Future Plans

With the objective to enhance our business operations, align with the evolving regulatory frameworks, and meet stakeholder expectations, we are constantly monitoring and upgrading our existing energy management systems, as needed, and implementing new energy-efficient interventions. Our future plans in the energy sector focus on reducing our dependency on the fossil fuel-based energy sources by transitioning towards adopting renewable energy. Currently, our renewable energy dependency is

14% of the total energy requirement. This dependency includes energy generated from Bio-briquette feedstocks used in boilers and solar rooftops. Our aim is to achieve 40-45% dependency on renewable energy sources by FY 2032-33. In the short term, our strategy involves procuring green electricity through a combination of long-term bilateral Power Purchase Agreements (PPAs), short-term PPAs from the Power Exchange, and green energy tariffs from state DISCOMs. For the medium and long term, we plan to transition to greener fuels,

such as Compressed Biogas (CBG) blended with High-Speed Diesel, by installing dual fuel conversion kits in our diesel generators. Additionally, we plan to begin sourcing refrigerants with lower Global Warming Potential.





Climate Action (GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7)

Implementing Decarbonization Strategy

Proactively addressing climate change by reducing our Scope-1 and Scope-2 GHG emissions by 42% by FY 2032-33.



6.3%

decrease in GHG emissions from FY 2022-23 to FY 2023-24*

At Alkem, we acknowledge that climate change poses a significant global challenge, demanding urgent attention. Its far-reaching impacts directly influence our business growth and operational stability. In response, we have developed a robust Sustainability Policy that aligns closely with both international and national targets and goals. This policy forms the foundation of our ESG strategy and plays a pivotal role in identifying, adapting to, and mitigating climate-related risks that could potentially disrupt our business operations.

42%

Targeted GHG emission reduction by FY33 from base year FY23

By embracing sustainability at every level of our businesses, we aim to foster resilience and enhance our long-term competitiveness in a rapidly changing global landscape while contributing positively to environmental stewardship and societal well-being. Aligned to this, we have set our target of operational GHG emission reduction (Scope 1 and 2) by 42% by FY 2032-33 from the baseline year FY 2022-23. Towards this aim, we have conducted a comprehensive GHG accounting for FY 2023-24, forecasted our operational

40-45%

Renewable energy penetration by FY 2032-33 to meet decarbonization target

emissions in the Business-as-Usual (BAU) scenario for FY 2032-33, and devised a decarbonization roadmap following techno-commercial assessment of various decarbonization interventions applicable at each of our facilities.

We also conducted comprehensive analysis of Scope 1 and 2 and inventorization of Scope 3, covering upstream and downstream activities in our value chain (Table 5), recognizing our role and responsibility towards decarbonization. We have identified high-level interventions for Scope 3 mitigation.

*comparing the same emission sources from the six sites across both years

The calculations are as per the guidelines of the GHG Protocol Corporate Standard and the GHG Protocol Corporate (Value Chain) Standard, and entail the following:

- Drawing organizational and operational boundaries to clearly define the scope of GHG accounting, classified into Scope 1, 2 and 3 emissions as follows.
- Scope 1 emissions are direct emissions originating from sources within Alkem’s ownership or control.
- Scope 2 emissions are indirect emissions linked to Alkem’s consumption of purchased electricity, purchased liquid nitrogen and purchased steam.
- Scope 3 emissions encompass all other indirect emissions evaluated across 15 categories defined by the GHG Protocol. All categories were screened for relevance to Alkem’s value chain and are depicted in Table 5 below.
- With the exception being Category 8 (Upstream Leased Assets) where actively gathering of necessary data are being done for 67 warehouses/depots leased to Alkem, Category 11 where no product in Alkem’s inventory with emissions anticipated in use phase, Category 13 where Alkem doesn’t have any downstream leased assets, and lastly Category-14 where Alkem doesn’t act as a franchisor. There was complete activity data coverage for the GHG inventory. Towards continuous improvement, Alkem plans to review the complete GHG inventory, quality and quantity of activity data and Decarbonization roadmap year-on-year.

Table 5: GHG inventory (Scope 1, 2 & 3) for FY 2023-24

Scope 1 & 2 (FY 2023-24)

Scope	Description	Emissions (tCO ₂ e)	Share of Overall
Scope 1	Direct Emissions from owned emission sources	19,249	4.1%
Scope 2	Indirect Emissions from purchased electricity, heat, steam, cooling	82,319	17.6%

Scope 3 (FY 2023-24)

Category	Activity	Emissions (tCO ₂ e)	Share of Scope 3
Category 1	Purchased Goods and Services	1,47,770	40.5%
Category 2	Capital Goods	25,118	6.9%
Category 3	Fuel- and Energy-Related Activities	54,419	14.9%
Category 4	Upstream Transport and Distribution (Logistics: Inbound: 24,782 + Outbound: 76,714)	1,01,495	27.8%
Category 5	Waste Generated in Operations	7,155	2.0%
Category 6	Business Travel	9,038	2.5%
Category 7	Employee Commuting	891	0.2%
Category 8	Upstream Leased Assets	0	0.0%
Category 9	Downstream Transport and Distribution	0	0.0%
Category 10	Processing of Sold Products	640	0.2%

Category	Activity	Emissions (tCO ₂ e)	Share of Scope 3
Category 11	Use of Sold Products	0	0.0%
Category 12	End-of-Life Treatment of Sold Products	11,873	3.3%
Category 13	Downstream Leased Assets	0	0.0%
Category 14	Franchises	0	0.0%
Category 15	Investments	6,778	1.9%
Total Scope 1,2 Emissions:		1,01,568	22%
Total Scope 3 Emissions:		3,65,176	78%
Grand Total		4,66,744	

Table 6: Potential Scope 3 mitigation measures

Category	Near-term Action Plan (Company-level and Plant-level)	Medium-term Action Plan (Company-level and Plant-level)	Long-term Action Plan (Company-level and Plant-level)
Purchased Goods and Services (1)	Develop Sustainable Procurement Policy	Identify synergy projects with critical suppliers	Product Carbon Footprint
	Develop Implementation Charter, supplier code of conduct	Develop review mechanism to monitor and track progress	
	Identify Emission hotspots and critical Suppliers E.g., Finished Goods, Solvent Suppliers		
Upstream Transportation and Distribution (4)	Optimize full container load	Transition from road transport to rail	Maximize transition from road to rail
	Engaging with local suppliers	Transition from air freight to sea freight	Maximize transition from air to sea freight
Fuel and Energy-related Emissions (3)	Energy Efficiency Measures Implemented, Identified	Switch from LDO, FO boiler to Bio-briquette boiler	Inter State Transmission System
	Third-Party Open Access	HSD DG- Set to CBG DG-set	
	Onsite Solar, Group Captive	Purchase of RECs / Green Tariffs	

The assessment indicates that the total GHG footprint for FY 2023-24 is 4.67 lakh tonnes of CO₂ equivalent (tCO₂e), of which operational emissions (Scope 1 and 2) are 1.02 lakh tCO₂e (22%), and value-chain emissions (Scope 3) amounts to 3.65 lakh tCO₂e (78%). Furthermore, based on the business growth analysis, under the business-as-usual scenario for FY 2032-33 our energy and emission intensities per metric ton of production is estimated to be 22.2 GJ/MT and 2.9 tCO₂e/Mt (Figure 10). Through our decarbonization strategy, we plan to implement interventions that will help us in achieving the 42% emission reduction target by FY 2032-33 (Figure 14).

As mentioned earlier, in FY 2023-24 the accounting scope was expanded to include 3 Alkem-owned offices and 7 depots, in addition to our manufacturing facilities and R&D Center. As a result, an increase of 7.7% in the GHG emissions for Scope 1 and 2 is observed from FY 2022-23 to FY 2023-24 (Table 7, Figure 9). However, the emission intensity (Scope 1, 2) per million INR of turnover has remained constant (Figure 11).

Table 7: GHG (Scope 1 & 2) emissions and energy requirement from operations

Emission	2021-22	2022-23	2023-24
GHG Emissions (tCO₂e)	1,14,905	94,275	1,01,568
Scope1	20,621	15,773	19,249
Scope2	94,284	78,502	82,319
Energy requirement (GJ)	8,97,422	7,95,304	8,10,145

*Energy and GHG emissions increased in FY 2023-24 from FY 2022-23 as the accounting scope was expanded to include Alkem-owned offices (3), depots (7) and other energy/ GHG emission sources (liquid nitrogen, refrigerants, fuels used for company vehicles)

**GHG emissions data disclosed in FY 2021-22 and FY 2022-23 was revised considering the following updates –

1. Updated emission factors of electricity from national electricity grid, purchased steam generated from bio-briquettes
2. Bio-briquette GHG emissions accounted for include CH₄, N₂O only; and not Biogenic CO₂ emissions

Graph 4: Scope 1 and Scope 2 emissions

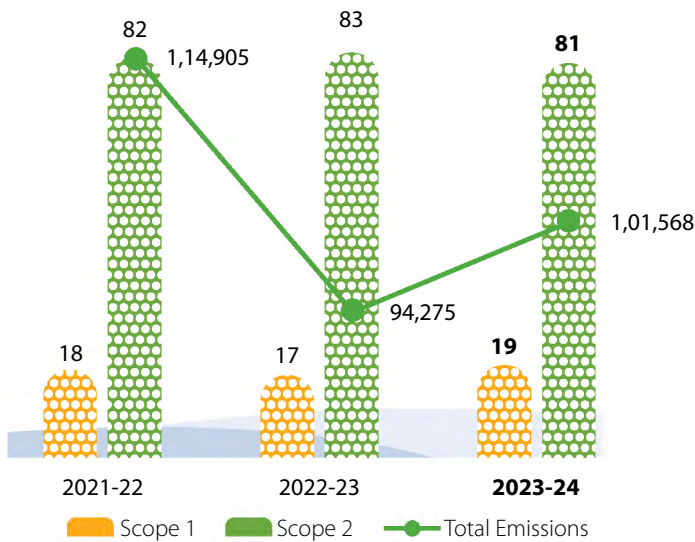


Figure 9: GHG emissions (tCO₂e)

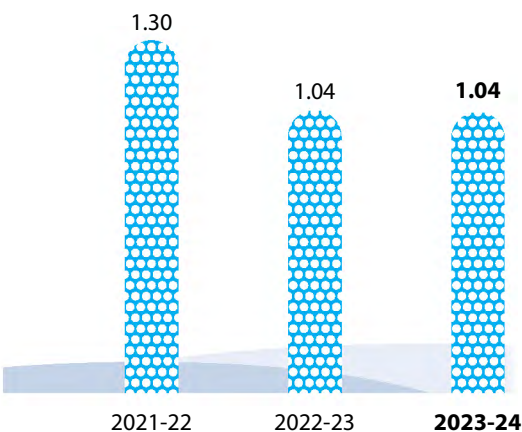


Figure 11: GHG emission intensity per million ₹ of turnover

Figure 10 showcases our projected energy and emission intensities for FY 2032-33 with Business as Usual scenario against our energy and emission reduction targets.

Energy and Emission Intensity up to FY 2032-33

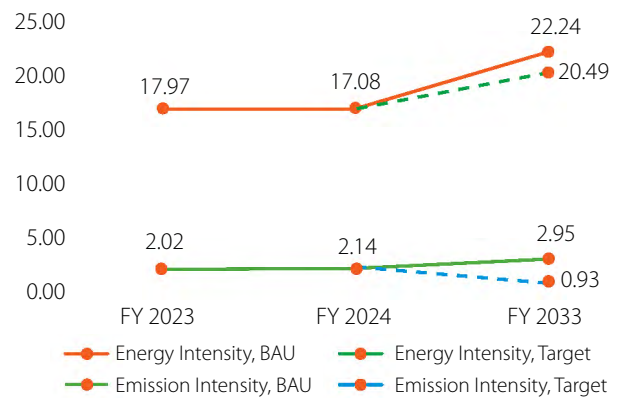


Figure 10 : Energy and GHG emission intensity per tonne of production

*Energy and GHG Emission intensity increased in FY 2023-24 from FY 2022-23 as the accounting scope was expanded to include Alkem-owned offices (3) and depots (7) and other energy, emission sources (liquid nitrogen, refrigerants, fuels used for company vehicles)

An analysis of our operational emissions in FY 2023-24 across facilities shows that 69% comes from formulations manufacturing, 25% from API manufacturing and the remainder 6% from our R&D Center, offices and depots. Analyzing across all emission sources, we find that 80% of operational emissions are Scope 2, resulting from purchased energy in the form of electricity from the national grid, liquid nitrogen and purchased steam. Our Scope 1 emissions occur from direct sources through combustion of High-Speed Diesel, Coal, Furnace Oil, Refrigerants, Petrol and Natural Gas within our facilities, from the operation of DG sets, Boilers and Company vehicles. The overall breakup of emission sources in FY 2023-24 is provided in Figure 12.

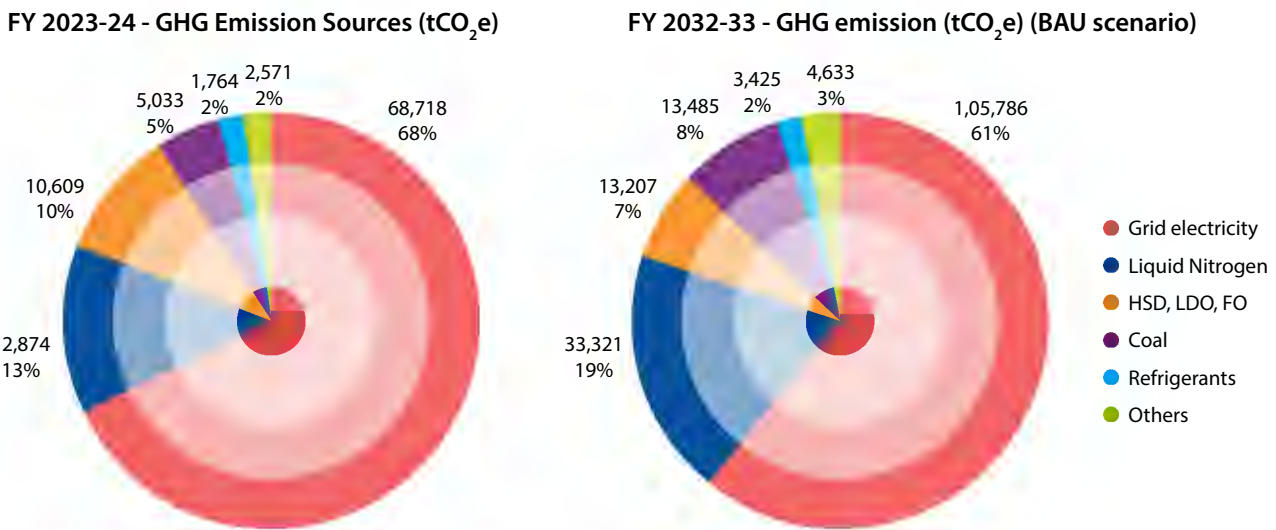


Figure 12 (a & b): GHG emission sources (Scope 1 & 2) – FY 2023-24 and FY 2032-33 (Business as Usual scenario)

*HSD, LDO, FO: High-Speed Diesel, Light Diesel Oil, Furnace Oil

**Others includes bio-briquettes, purchased steam generated from bio-briquettes, petrol, CNG/PNG

Hazardous Air Pollutant Emissions

Our efforts towards pollution control measures and adherence to environmental standards have resulted in a downward trend in the emission of air pollutants like nitrogen oxides, sulphur compounds, particulate matter, ozone depleting substances, among others (Table 8) during the year FY 2023-24. Emissions from liquid nitrogen in FY 2023-24 was noted at 62,478 MT.

Table 8: Air emissions

Air Emissions (MT)	FY 2022-23	FY 2023-24
Oxides of Nitrogen	86	40
Oxides of Sulphur	85	57
Particulate Matter (PM)	117	82
Ozone depleting substance (ODS)	1.16	1.07

Future Plans

Alkem’s strategy to decarbonize 1.16 lakh tCO₂e by FY 2032-33 is both thorough and targeted, emphasizing the ‘3 M’s – Measure, Manage, and Monitor – to track and reduce carbon emissions across the company’s entire operations. The strategy is structured into three key pillars:

- (a) Energy Reduction – Measures aimed at reducing energy requirement and use
- (b) Renewable Energy – Measures to replace fossil fuel sources with renewables
- (c) Carbon Offsetting – Compensating residual Scope 2 emissions with Renewable Energy Certificates (RECs)

Going forward, we look to focus on efficient energy management by installing smart metering systems at high-energy consuming blocks or equipment for real-time tracking of our loading patterns and equipment performance, starting from FY 2024-25. This will be in sync with our plan to conduct regular energy audits facilities, along with adoption and installation of energy efficient infrastructure. We anticipate

these energy reduction initiatives to limit our energy requirement to 12.1 lakh GJ, as against a BAU projection of 13.1 lakh GJ, by FY 2032-33 – a reduction of 9% (Figure 13). In terms of emission reduction, these will result in achieving 10-15% of our decarbonization target for FY 2032-33.

Our strong focus is on renewable energy transition leading towards a low-carbon

future. As mentioned earlier, 14% of our overall energy requirement is met through renewable energy sources. We aim to increase this share to 40-45% by FY 2032-33 to meet our decarbonization target by exploring all available options to procure renewable energy at all our sites. Collectively, our renewable energy interventions are expected to achieve 40-45% of our decarbonization target for FY 2032-33.

The residual Scope 2 emissions will be compensated by procuring Renewable Energy Certificates (RECs) from the Indian Energy Exchange (IEX). These are significant as a temporary solution for mitigating emissions from purchased liquid nitrogen (19% of emissions in FY 2032-33) and in locations where Green Energy Open Access provisions are awaited. These RECs will help in meeting 40-50% of our decarbonization target for FY 2032-33. Our decarbonization roadmap encompasses the above approach illustrated in. We have considered the existing emission carbon intensity of the national power grid (0.716 kg tCO₂e/kWh) in our emission inventorization, forecasting and decarbonization levers, but will be tracking developments on the carbon intensity of the power grid and revise our roadmap accordingly.

Forecasted Decarbonization Roadmap for FY 2032-33 (tCO₂e)

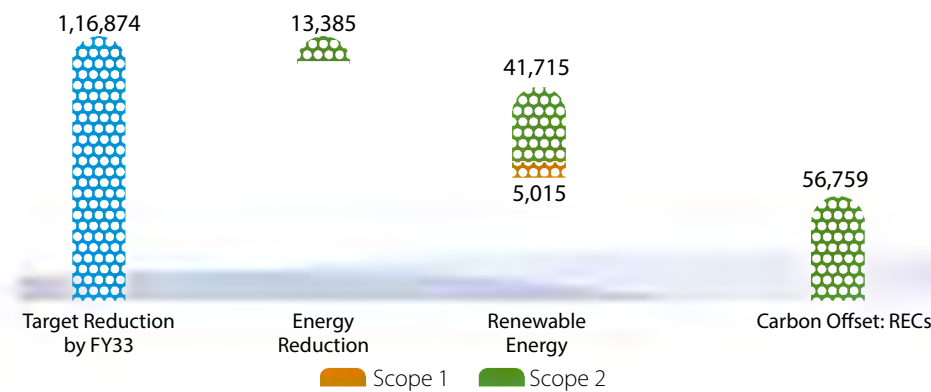
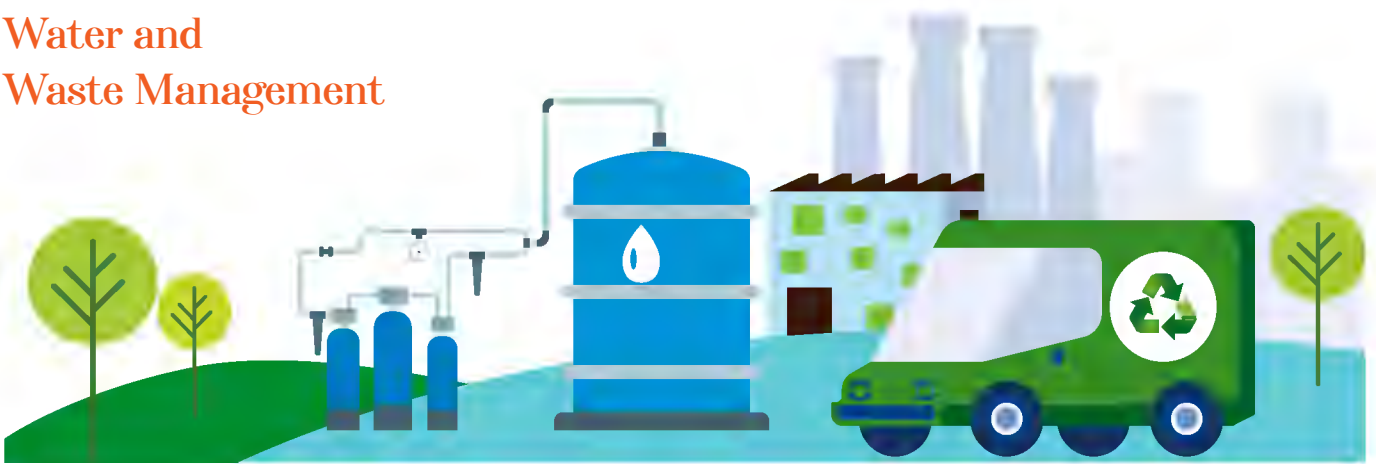


Figure 14: Overview of Alkem's decarbonization roadmap



Water and Waste Management



Water Management (GRI 303-1, 303-3, 303-4, 303-5)

11%

water savings achieved over FY 2022-23

Water serves as an essential natural resource, crucial for manufacturing pharmaceuticals and active pharmaceutical ingredients. Any climate-related disruptions affecting water availability can significantly impact the production of essential medicines, affecting patients worldwide. Several of our operating sites and distribution facilities are in water-stressed regions as classified by the World Resource Institute's Aqeduct. In FY 2023-24, a total of 2,49,038 KL (249.03 Megaliters) fresh water was withdrawn by our operating and distribution facilities located in the

42%

of the sites running on ZLD technology

water-stressed regions classified by World Resource Institute. This includes Daman (manufacturing plant) and depots located in Ahmedabad, Dera Bassi, Jaipur, and Patna. We are committed to optimizing and sustaining water usage across all our facilities. We believe that recognizing water management is a key factor in long-term operational success and environmental responsibility. We strive to conserve resources, minimize environmental impact, and enhance operational efficiency throughout our business operations in order to adhere to regulatory standards and meet the expectations of all stakeholders.

In FY 2023-24, several water saving interventions were implemented at Sikkim, Baddi, Daman, Mandva and Ankleshwar for reducing the water withdrawal and consumption (Table 9). As a result of these interventions, the total water withdrawal decreased by 11% (from 7,68,756 KL in FY 2022-23 to 6,83,683 KL in FY 2023-24). Similarly, water consumption decreased by around 10% (from 7,08,953 KL in FY 2022-23 to 6,36,784 KL in FY 2023-24) (Figure 15). This led to reduction in water intensity per million INR of turnover (Figure 16) and achieving 11% water savings over FY 2022-23.



Table 9: Water saving interventions implemented at sites

Sikkim	Baddi	Mandva
Purified water nozzles for cleaning machines and areas are reduced by using high pressure water pumps.	Using RO Reject in Utilities	ETP Treated water being used in Gardening
Installation of diffuser in all wash area tap to reduce excess water flow.	Using Aerated Faucets in washrooms	
Installation of Condensate Recovery System in Sikkim Unit V for increasing the efficiency of boiler & thus saving of fuel.	In Manufacturing, orifice diameter reduced from 12 mm to 3 mm to reduce the consumption of purified water.	Installation of steam traps steam header of production plant to recover the condensate.
Recycled wastewater is used for gardening, washrooms and other miscellaneous purposes with zero liquid discharge from company. Extraction of Borewell Water has reduced.	Installation of MGF in G2 Block to reduce the RO Reject quantity.	Installation of rainwater harvesting system with piping.
	Periodic replacement of MGF in Utility water system to increase the efficiency of system.	

Water Withdrawal and Consumption (KL)

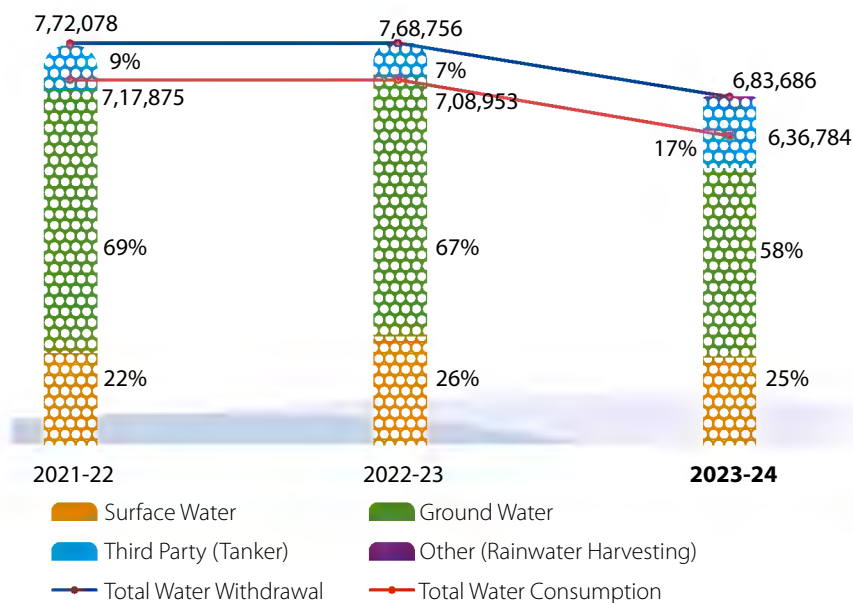


Figure 15: Water withdrawal and consumption (KL)

Water Intensity (KL/Million INR of turnover)

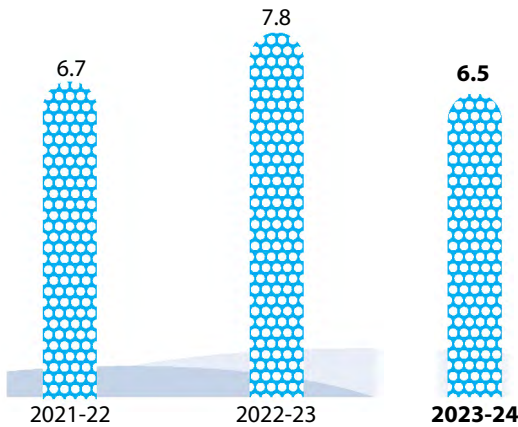


Figure 16: Water intensity per million ₹ of turnover

Operating in the pharmaceutical sector, our operations predominantly rely on high-quality surface water, ground water, and purchased water from third party via tankers for manufacturing of the pharmacy products. Wastewater generated from the manufacturing, R&D and other domestic processes undergo primary treatment. The effluent, with TDS > 1000 mg/L, is then directed to Common Effluent Treatment Plants. We actively promote the use of treated water, wherever feasible, to reduce dependence on fresh water. In FY 2023-24, we have initiated accounting wastewater discharged from the business operation both treated and untreated (Figure 17).

Water Discharge (KL)

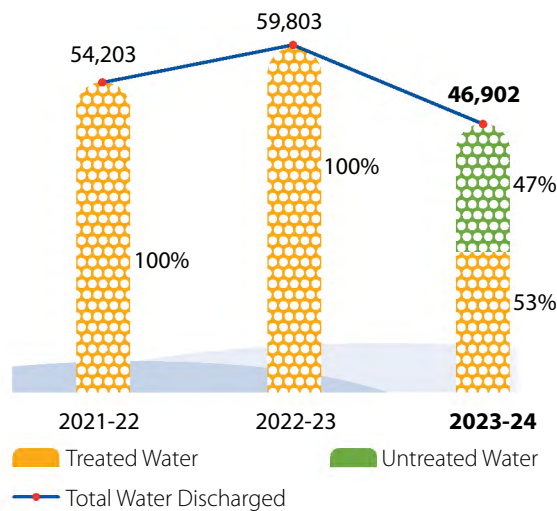


Figure 17: Water discharge (KL)

Untreated water is accounted from FY 2023-24. This includes the wastewater generated from 3 offices and 7 depots which is directly sent to municipal sewage treatment plant.

As part of our sustainability commitments to reduce the water footprint, we are actively investing in initiatives such as installation of rainwater harvesting systems, wastewater recycling and reuse, and technologies like Zero Liquid Discharge (ZLD). Currently, 42% of Alkem's manufacturing units including sites at Daman (Unit 1),

Ankleshwar, Mandva, and Sikkim (Units 1 and 2) have implemented ZLD. In addition to this, all the manufacturing sites have Effluent Treatment Plant (ETP) for primary treatment of wastewater generated. These efforts are aimed at enhancing water efficiency and thereby achieving water neutrality by FY 2029-30.

Future Plans

We have developed a comprehensive water neutrality strategy aimed at minimizing our water footprint. To lay the groundwork for this initiative, capacity building workshops were conducted for key personnel at major manufacturing sites to enhance their understanding of freshwater accounting and water management principles.

To reduce operational water consumption, we will look to implement demand-side management programs. These initiatives will focus on improving water efficiency across various operations, including production processes, utilities like boilers and cooling towers, and non-production areas such as washrooms and canteens. By adopting advanced technologies and exploring alternative water sources, we aim to significantly lower our water usage.

After optimizing water consumption through demand-side management, we plan to offset the remaining water footprint by supporting watershed management programs within the community. This approach demonstrates our commitment to water stewardship and its positive impact on the environment and local communities.

Waste Management (GRI 301-1 301-2, 301-3, 306-1, 306-3, 306-4, 306-5)

100%

non-hazardous waste recycled or recovered in FY 2023-24

75%

of manufacturing sites diverted their waste from landfill

At Alkem, we maintain a robust waste management approach, which prioritizes proper handling of all waste generated, ensuring that it is either recycled or disposed of responsibly. In FY 2023-24 our business operations have consumed a total of 24,782 metric tonnes of raw and packaging material generating hazardous and non-hazardous wastes. The hazardous waste includes expired products, specific off-products, chemical sludge, biomedical waste, electronic waste and battery waste.

The non-hazardous waste is categorized into metal scrap, food waste, wood and paper waste, plastic waste such as containers and packaging material, and glass waste. An increase of around 8% was recorded in our total waste generation for FY 2023-24 compared to last year, essentially due the inclusion of 3 offices and 7 depots into the reporting boundary (Figure 18).

Hazardous and Non-hazardous Waste Generated (MT)

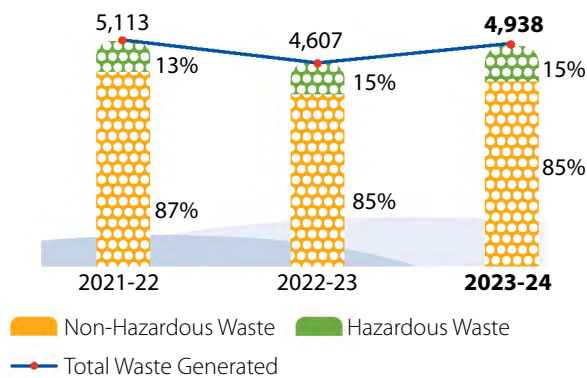


Figure 18: Hazardous and Non-hazardous waste generated (MT)

Waste management - Treatment and Disposal (MT)

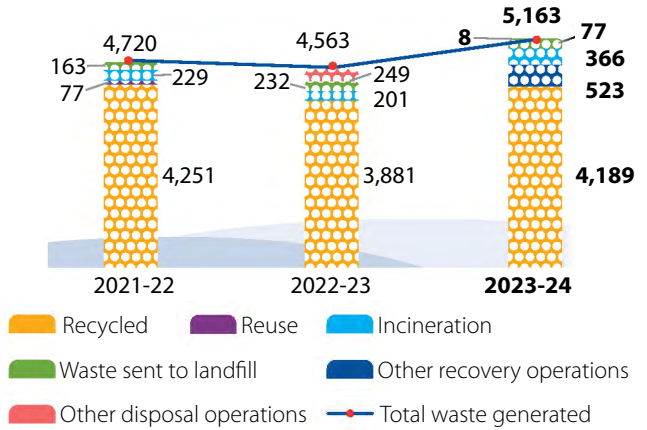


Figure 19: Waste management – Treatment and Disposal (MT)

In FY 2023-24, 100% of non-hazardous waste was effectively recycled or recovered, marking an early achievement of our ambitious goal of managing more than 90% non-hazardous waste by FY 2024-25. All the hazardous waste is treated prior to its safe disposal into landfill or neutralized through incineration (Figure 19). Considering the

high-quality requirements of materials in the pharma sector, we do not reuse the recycled waste for any of our business operations. A major focus of our company is on product yield improvement which will also lead to reduction in the waste generated from the product manufacturing.



Waste Intensity (MT/Million ₹ of turnover)

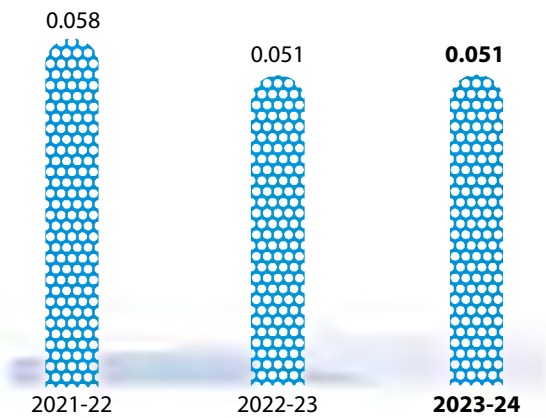


Figure 20: Waste intensity per million ₹ of turnover

We strictly adhere to the regulatory guidelines for waste disposal and regularly implement measures to minimize waste generated from operations. In adherence to Extended Producer Responsibility (EPR) requirements, we are registered with Central Pollution Control Board (CPCB) for collection & recycle/disposal of plastic waste generated through sale of medicines. We have developed a waste management and collection plan which is submitted to Pollution Control Boards.

We are also responsibly addressing our post-consumer plastic packaging waste from our sold products. To this extent, we have partnered with a third-party certified agency to reclaim and recycle (or safely dispose) the reclaimed plastic waste as per the government norms. In FY 2023-24, we have recycled 2,955 MT of post-consumer plastic packaging waste, which constitutes 100% of our domestically sold products. For international sales, plastic packaging is safely disposed after its end of life as per the local norms & regulations applicable.

As a responsible company, we continue to expand and drive growth across our operations, we stay committed to our responsibility towards effective waste management. Recognizing the challenges posed by increased production and market expansion, we are intensifying our focus on waste management to improve our waste intensity metrics year over year to ensure that our growth is sustainable and responsible (Figure 20).



Care for All





Talent Management

17,432

Total employees

25%

Women in Board of Directors

21

Average training hours per person

84 out of 100

Trust Index Score



Our people (GRI 2-7)

A skilled and engaged workforce is the lifeblood of an organization. At Alkem, we take pride in our competent and diverse workforce, which efficiently manages our daily operations and offers valuable insights, igniting innovation and driving our growth.

Our employees embody our values and mission, promoting a sustainable and cohesive workplace through their technical expertise, personal qualities, and work ethics. We encourage engagement by promoting agility and entrepreneurship, allowing us to identify challenges and enhance our processes effectively. By fostering a collaborative environment that emphasizes sharing of knowledge and skills, we create a positive and productive workplace.

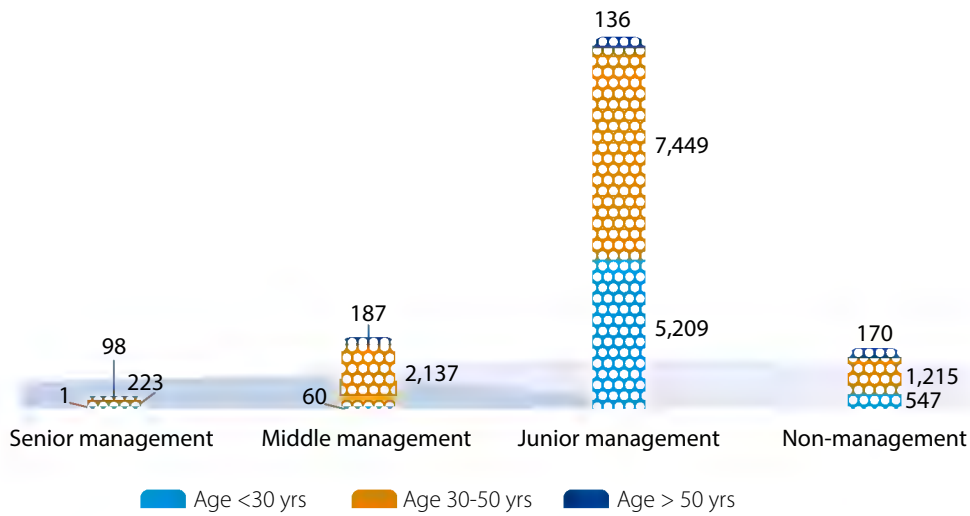
Age and Gender Distribution

Our workforce is characterized by a healthy balance across different age groups and management levels. The majority of our junior management is composed of employees under 30 years of age, demonstrating our focus on nurturing young talent. Meanwhile, middle and senior management primarily comprises individuals aged 30-50, reflecting a strong foundation of experience and leadership within the company.

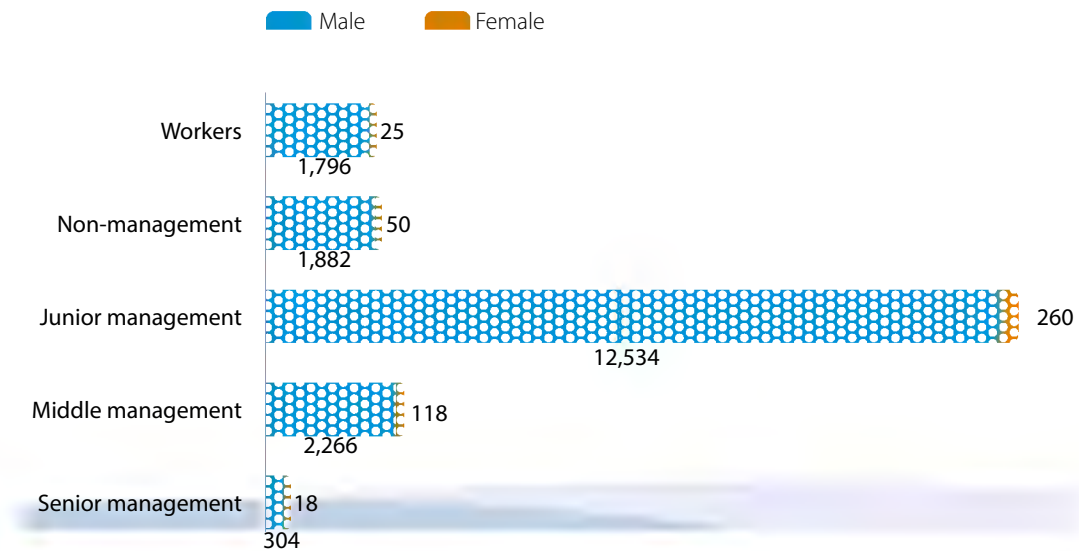
We believe that diversity and inclusion are essential for fostering creativity and driving innovation. Our workforce is composed of individuals from various backgrounds, cultures, and experiences, reflecting the global communities we serve. In FY 2023-24, 25% of our Board was represented by women while the overall workforce consisted of 3% female employees. Embracing varied perspectives and backgrounds as well as cultivating an inclusive environment enhances our ability to innovate and adapt, ultimately contributing to our sustained growth. We are continually working towards increasing

the overall female workforce representation and aim to increase our women employees to 5% by FY 2026-27. Our strategy to achieve this includes a proactive approach to recruiting women for our Sales Team and investing in the growth of our junior female employees. We aim to prepare them for mid-level positions through empowering initiatives such as the 'SHinE- Women Excellence Program,' which is designed to unlock their full potential and pave the way for their professional advancement. The below charts shows the information of Permanent Employees and Workers:

Age-Wise permanent Employees details

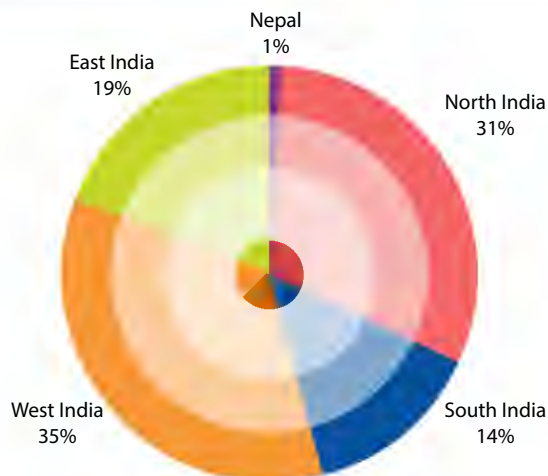


Gender-wise Permanent employees and workers details



Regional representation

Our employees are spread across various regions, with the highest concentration in West India, followed by North and East India. This regional diversity enhances our ability to operate effectively across different markets and better serve our customers.

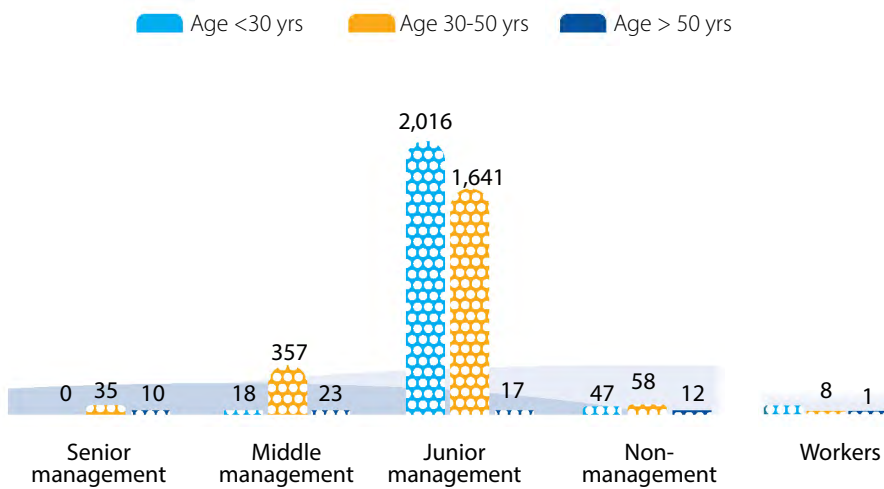




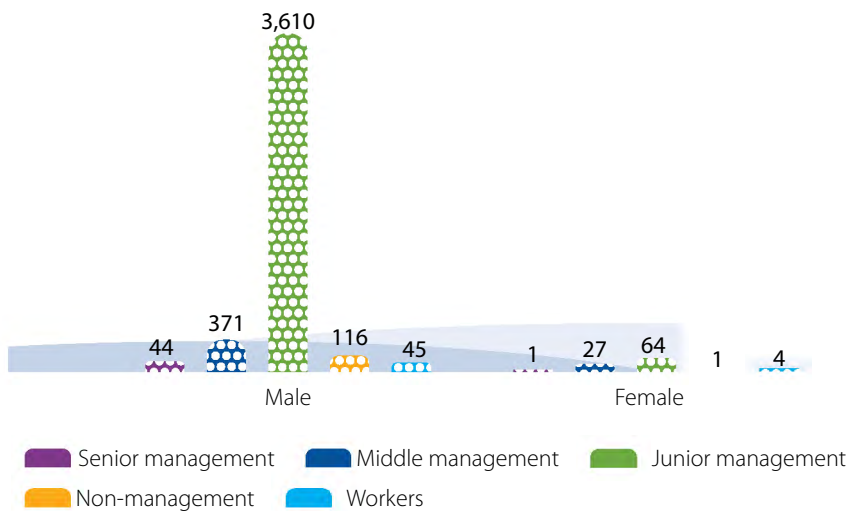
Employee Turnover and Retention

The company experienced a significant turnover within the junior management level, especially among younger employees. There were 4,283 resignations of Employees and Workers in FY 2023-24 out of which 85% were in Junior Management. This insight guides our focus on enhancing employee engagement and retention strategies, particularly for our younger workforce. Gender-wise, the turnover rate was higher among male employees across all management levels, indicating a potential area for targeted interventions to improve retention among this demographic.

Employee Turnover (Age-wise)



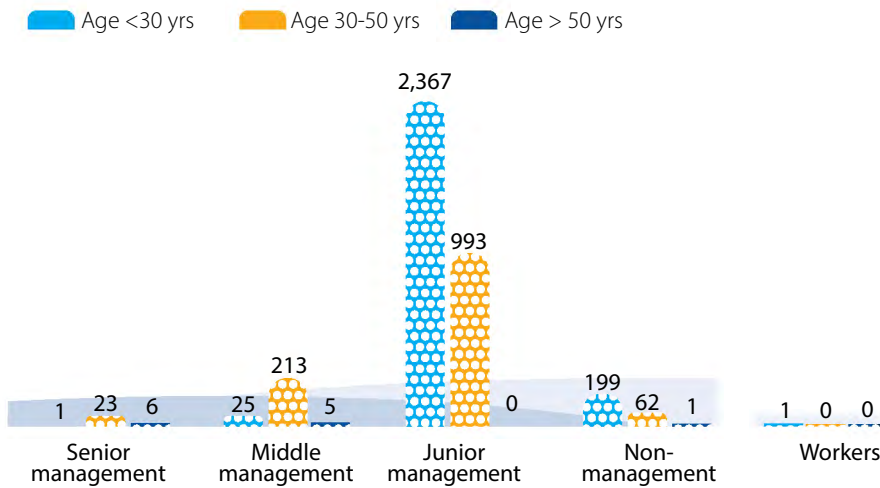
Employee Turnover (Gender-wise)



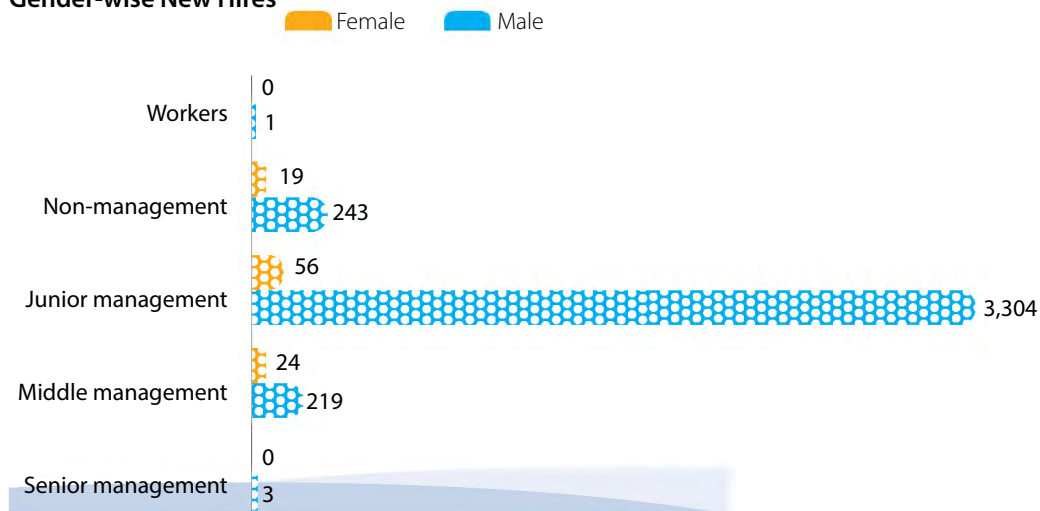
New Hires and Talent Acquisition

In FY 2023-24, we made strategic investments in talent acquisition, with a substantial number of new hires in junior management (around 86%), predominantly composed of younger individuals under 30. This aligns with our commitment to building a pipeline of future leaders who can drive innovation and growth. The gender distribution among new hires highlights our efforts to maintain gender diversity, particularly in junior and middle management roles.

Age-wise New hires



Gender-wise New Hires



Employee Welfare and Development

At Alkem, we take pride in cultivating an environment where appreciation and recognition are integral to our culture. Our array of rewards and recognition platforms, including Extra Mile, Hall of Fame, Service Awards, Applaud Awards, and Star Awards, celebrate the exceptional contributions of our team members. Throughout the year, we also host a variety of employee events across different locations to honor and embody Alkem’s spirit.

In addition to celebrating achievements, we are committed to supporting our employees’ well-being through comprehensive employment benefits. These benefits encompass insurance, medical support, generous maternity and paternity leaves, sick leave, financial aid from benevolent funds during crises, and access to counseling services when needed.

Table 10 provides insights into our parental leave policies’ effectiveness, showcasing the rate at which employees return to work post-parental leave and the retention rate of these employees 12 months after their return. Our return-to-work rate is exemplary, with 100% of male employees and 82.14% of female employees returning after a leave of absence. Notably, with a 100% retention rate for both male and female employees, we demonstrate our commitment to creating a supportive and inclusive work environment where employees feel valued and motivated to stay.



Table 10: Parental Leaves, return to work, and employee retention (GRI 401-3)

Category	Total Number of people who took parental leave in FY	Total number of people returned after parental leave in FY	Return to Work Rate (%)	Total Number of people retained for 12 months after returning from parental leave	Retention Rate (%)
Male	368	368	100	368	100
Female	28	23	82.14	23	100
Total	396	391	98.73	391	100

We are also committed to providing a safe and healthy work environment for our employees and workers. To effectively address and resolve any grievances, we have instituted a robust three-tier system that encompasses concerns from our entire workforce, including contractual workers. Our open-door policy further reinforces this commitment, offering every employee the liberty to discuss their issues directly with their line managers or the HR department, ensuring transparency and open communication. In matters related to

sexual harassment, we maintain a zero-tolerance stance. An Internal Complaints Committee (ICC) is in place to address such complaints swiftly and with the utmost sensitivity. Furthermore, we empower our employees to uphold the integrity of our company through our whistle-blower policy. This policy encourages the reporting of any unlawful or suspicious activities, or policy violations, by providing a secure channel for such disclosures via email to whistleblower@alkem.co.in.

We also engage in ongoing dialogues with our team members on critical topics such as diversity and inclusion, work-life harmony, equitable compensation and benefits, professional training and development opportunities, career advancement, and health and safety practices. These conversations are fundamental to ensuring that our workplace is supportive, equitable, and conducive to personal and professional growth.

Best Workplaces Asia 2024

Alkem was recognized as one of the Best Workplaces in Asia 2024 by the Great Place to Work (GPTW) Institute. GPTW Institute evaluates organizations through a combination of meticulously designed Employee Surveys (Trust Index) and audits of HR practices (Culture Audit). Trust Index covers five parameters of Credibility, Respect, Fairness, Pride and Camaraderie, whereas Culture Audit covers the areas of Trust, Maximizing Human Potential, Innovation, Values and Leadership Effectiveness.



Wages

We comply with all applicable laws and regulations for minimum wages at the hiring stage across our operations. The ratio of entry level wages for both males and females is 1 at all our operations. For the employees other than employees, we check the minimum wages monthly. Additionally, we submit a return to the Labor Department annually to ensure we meet the compliance with the minimum wage rate.

We promote gender pay equity across all levels of management. Table 11 shows the ratio of basic salary⁴ and ratio of remuneration⁵ of our employees. We put efforts to promote positive gender parity in remuneration across most categories, with women in middle, junior, and non-management roles earning comparable or higher basic salaries and remuneration than men. In the senior management, a performance-based compensation approach is adopted.

⁴ Basic Salary is fixed, minimum amount paid to an employee for performing his/her duties.

⁵ Remuneration is basic salary plus additional amounts paid to a worker.

Table 11: Basic Salary and Remuneration Ratios by Employee Category

Employee Category	Ratio of Basic Salary of Women to Men	Ratio of Remuneration of Women to Men
Senior Management	0.59	1.38
Middle Management	1.03	0.98
Junior Management	1.15	1.18
Non-Management	1.13	1.04

The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees 455:1. The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees – 0.67:1

Human Rights and Labor Relations Management (GRI 402-1, 408, 409, 406, 411)

Labor relations are an essential aspect of employment relationships. Employers and employees must work together to establish effective collective bargaining agreements, address grievances, comply with labor laws, and foster positive communication and workplace culture. We acknowledge unions which represent employees in collective bargaining and other employment matters. In FY 2023-24, Alkem did not enter into any collective bargaining with any employee unions.

Alkem is committed to protecting and promote human rights and ensure

adherence to the UN Guiding Principles of Human Rights and Businesses, Constitution of India, and other applicable local and global norms, regulations, and statutes. The Ethics Committee, appointed by the Company, holds responsibility for addressing any human rights related issues within Alkem. We also have a specific Code of Ethics for all the stakeholders, including suppliers, vendors, and contractors, to imbibe ethical practices in the value chain. In FY 2023-24, zero incidents of discrimination, child labor and forced labor were reported. Additionally, zero incidents were reported for violations, involving the rights of indigenous people, during the year. Moreover, we ensure raising awareness around the subject, and consequently, 100% of the security personnel across all our sites were given trainings on Human Rights.

Learning and Development (GRI 404-2)

In today's dynamic business environment, it is essential for our workforce to stay updated with new technologies, processes, and strategies. Our learning and development programs are designed to ensure that our employees remain current and relevant in their roles, enabling them to effectively innovate, navigate and contribute to our ever-changing industry landscape.

At Alkem, our capability development initiatives align with our business objectives and promote employee growth. Going beyond the traditional classroom methods, our Learning and Development (L&D) function integrates digital learning tools, allowing employees to learn continuously at their own pace and according to their preferences.



Below are some of the key initiatives taken to upskill our employees:

We believe in building a culture of learning and development and enhancing capabilities of its employees to be future-ready. Below are a few initiatives taken to upskill the employees:

- **Alkem Learning Academy:** Our organization undertakes numerous capability development programs, each carefully tailored to meet our business goals and support employee growth. These initiatives, encompassing classroom instruction, hands-on experiences, and digital learning, underscore our dedication to ongoing education and ensuring our workforce aligns with the company's vision. Through the Alkem Learning Academy, we regularly offer programs focused on competency enhancement, personal development, general management, technical skills, and sales training, fostering a culture of continuous learning that is closely linked to our organizational objectives.
- **Workshops for Managers –**
 - In addition to standard hygiene training such as induction programs for medical representatives and field line managers, we have implemented culture-building initiatives under the banner **“Culture We Wish to Nurture”** with our senior leadership team in the field.
 - The **LEAD workshops**, aimed at the Chronic senior leadership team, focused on enhancing emotional intelligence, fostering employee engagement, and cultivating small but impactful habits.

- To enhance people management skills among junior and middle managers, we designed and conducted workshops titled **“Guide with Pride”**.
- Through the TTT (Test Teach Test) model, we carried out **Pathshala workshops** where middle managers were trained to educate their teams on various product aspects.
- The outbound experiential program **“Manthan”** was organized for senior leadership and cross-functional teams to bring more cohesion and team bonding and improve productivity.
- **ESG capacity and culture building** - This initiative was designed to be a three-tiered program with an aim to embed sustainability across all levels of the organization. The program's impact and reach are summarized as follows:
 - We involved 12 members of the Board of Directors in discussions on 'Sustainable Business Strategy', aligning top-level governance with our sustainability goals.
 - Approximately, 25 members of our senior leadership team were immersed in 'Business Sustainability' concepts, equipping them to serve as sustainability ambassadors within Alkem.
 - More than 170 functional heads and their key deputies received targeted training through a series of workshops at manufacturing sites and R&D centers. These sessions covered essential ESG concepts, including Business Sustainability, Science of Climate Change, and Water Stewardship.
 - To broaden the initiative's reach, we employed the TTT approach, identifying around 120 'Sustainability Champions' from middle management. These champions were tasked with conducting training sessions for approximately 3,700 employees, thereby cascading knowledge throughout the organization.
 - In addition to in-person training, we developed self-paced e-modules on similar ESG subjects, through which over 12,000 members of our sales workforce were educated, ensuring a company-wide understanding of our sustainability commitments.
- **Change Management Workshop -** Change management workshops were facilitated for internal supply chain & IT teams to equip them with the necessary skills and knowledge to adapt to new processes and technologies.



- Alkem Certified Recruiter (ACR) workshop** - We provide training for hiring managers on effective interview techniques. This program ensures that the best candidates are selected for our company.
- Training non-sales employees** - This year, we broadened our approach by partnering with internationally acclaimed training providers for several of our key programs aimed at non-sales employees. These comprehensive programs feature a blend of classroom instruction, group interactions, and digital learning elements; Examples of these programs include "Foundation for Career Success" for individual contributors, "Being an Effective People Manager" for first-time managers, and "SHinE" – A Women Excellence Program.
- The Massive Open Online Courses (MOOC) platform eDX** was provided to all middle managers and above during the reporting period. This platform offers a wide range of self-paced functional and behavioral courses, enabling employees to learn topics of their choice and further develop their skills within the organization.
- Alkepedia** - Alkem's Platform for Education Development and Information Access (Alkepedia) is a new-age learning app that nudges the employees consistently to enhance their knowledge & skills anytime, anywhere. The objective is to create a continuous learning environment for the employees and help them sharpen their in-clinic performance.
- Technical Training Academy (TTA)** caters to the upskilling and reskilling of our employees working in manufacturing, quality, and related functions across all sites. TTA offers programs on cGMP, quality culture, technical report writing, boot camps, analytical skills, all time audit readiness workshops. They are well equipped with a VR setup to simulate the machine handling in 3D environment to train our people.

Training Hours (GRI 404-1, 404-3)

Our learning and development initiatives are designed to continuously upskill our employees, enabling them to progress and unlock their full potential. In FY 2023-24, 100% of our employees participated in regular performance and career development reviews. Below are the average hours of training received by our employees, categorized by their roles and position within the organization:

Employee Category	Average Training Hours in FY 2023-24
Senior Management	24
Middle Management	20.7
Junior Management	17.79
Non-Management	54.68





Occupational Health & Safety (OH&S)

0

LTIFR for Employees

0.10

LTIFR for Workers

3,175

Man-days of trainings conducted across manufacturing sites related to EHS

At Alkem, the health and safety of our employees is paramount. We proactively maintain high standards of health and safety across all sites, including manufacturing, R&D, and offices. As of FY 2023-24, 75% of our manufacturing sites at Baddi, Daman, Sikkim, Ankleshwar, and Mandwa are ISO 45001 (Occupational health and safety management systems) certified. To create a safer work environment, we have set an ambitious goal of achieving ISO 45001 certifications at more than 75% of our sites by FY 2025-26.

EHS Policy

Our EHS policy aims for 'Zero Harm' to our employees, workers – direct and contractual, assets, communities, and the environment. The policy is in accordance with Indian norms as well as international standards such as ISO 14001 and ISO 45001. It emphasizes a balanced focus on EHS frameworks and risk management processes. We manage EHS-related issues through an integrated system that involves identifying risks, establishing standard procedures, providing training, setting targets, and conducting audits.

30

Mock drills conducted across manufacturing sites

EHS Performance against Targets (GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-10)

We have set a target of achieving ISO 45001 for more than 75% sites by FY 2025-26. As of FY 2023-24, we have obtained ISO 45001 certification (occupational health and safety management systems) for 75% of our manufacturing sites. Moving forward, we are dedicated to encompass all remaining sites, ensuring adherence to health and safety standards across our entire operational footprint.

Alkem has an Occupational Health & Safety (OH&S) management system implemented across all the sites, covering employees, workers including contractual workers. We actively involve our employees and workers in the continuous improvement of our safety practices, valuing their input and implementing their suggestions to refine our OH&S protocols, standard operating procedures (SOPs), and other related systems. We regularly conduct technical EHS programs and events, including trainings, that see active participation by our employees. These training sessions

0

Fatalities in FY 2023-24

Approach to EHS management (GRI 403-7, 403-8)

1,789

EHS Audits, inspections and reviews conducted

cover a wide range of topics, ensuring a well-rounded approach to workplace safety:

- Operational Hazard & Risk Assessment, Aspect & Impact Assessment, Process Safety Management & Incident Management
- People - Health & Hygiene, Behavioral Safety & Management of Contractors
- High-Risk areas - Electrical Safety, Electrostatic Hazard Management & Management of Hazardous Chemicals
- General Aspects - Emergency Preparedness & Road Safety

Our EHS Risk Management strategy ensures proactive identification and mitigation of hazards across all R&D and manufacturing sites. Through robust





systems and processes, we uphold rigorous risk assessment practices, fostering a culture of safety and accountability. Proactive measures such as systematic risk assessments, self-inspections, audits, and proactive hazard control and mitigation strategies are embraced to identify and manage risks effectively.

We conduct periodic audits, inspections, and reviews across all elements of EHS management system to stay ahead of our regulatory needs. These audits and inspections not only help us identify safety gaps but also help us bridge them. Such audits and inspections are carried out by competent internal auditors and external experts and agencies.

The establishment of robust risk management practices across all aspects of our operations help Alkem to swiftly identify work-related hazards and control their associated risks. The risk management program sets the stage for conducting systematic risk assessments, inspections and audits, coupled with implementation of proactive hazard controlling and risk mitigation measures. We conduct regular risk assessment exercises to evaluate our safety practices and implement targeted action plans to mitigate identified risks. Our Hazard Identification and Risk Assessment (HIRA) process systematically assesses potential risks, including physical injuries, electrocution, and chemical burns, ensuring proactive management and enhanced

workplace safety. We also have in place a system for meeting the EHS-related statutory compliances and tracking the upcoming compliance requirements. A Standard Operating Procedures (SOPs), covering the measures and norms to control risks, is implemented across all sites. All workers are trained on these SOP's and a mechanism to regularly train and retrain them on various EHS topics has been established. These trainings guide the workers on important do's and don'ts at workplace, safety norms to be followed, and ways to protect themselves against risks. A Safety Committee, with significant employee and worker representation, has also been formed. The Committee enables them to participate in the decision-making processes, conduct risk assessments and share ideas for improving the existing processes.

Committed to the health and safety of our people, Alkem trains all its employees and workers on relevant occupational health and safety modules. Safety and emergency evacuation drills are also organized, during which they are trained to deal with emergency equipment such as fire hydrants, firefighting systems, leak and spill control procedures, safety alarms, etc. Furthermore, function-specific trainings, based on competency assessments for each level/designation, is also provided. In addition to this, the proficiency of employees and workers in dealing with

emergency situations is periodically tested. The practical trainings and online safety modules equip our employees to proactively report any work-related hazards and remove and/or protect themselves from such situations.

Alkem provides non-occupational medical and healthcare services to its employees and workers. They enjoy easy access to consultations with skilled medical practitioners for various health concerns at our OH&S centers established across all manufacturing sites. Apart from this, a medical insurance scheme also helps our employees/workers to cover their medical expenses (as applicable under policy).

As part of Alkem's Environment, Health, Safety and Security drive, the Company conducts health awareness programs for its workers and employees to promote good health and hygiene practices in daily life.

Being a pharmaceutical company, it is important for us to recognize the impact that exposure to chemicals have on our workforce. We undertake all the necessary measures to secure our workforce against such impact. This includes:

- Isolation and closed operations
- Engineering control
- Administrative controls
- Mandated Personal Protective Equipment (PPE)
- Implementation of Emergency Response Mechanism

Work-related injury (403-9)

The FY 2023-24 safety outcomes reflect our focus on 'Zero Harm', fostering a culture of safety throughout the organization. While we are proud to achieve a reduction in safety-related incidents among our employees, we acknowledge the work-related injury recorded among our workers. In response, we are enhancing our safety programs, particularly focusing on worker safety, to ensure that every individual on our sites, whether an employee or a contractor, can work in a safe and secure environment. For FY 2023-24, the total number of hours worked by our employees and workers are 82,54,192 and 1,00,46,896 respectively.

Safety Incident/Number	Category	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.06
	Workers	0.10	0
Total recordable work-related injuries	Employees	0	1
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0



Product Quality and Patient Safety

In the realm of pharmaceuticals, product quality and patient safety are not merely regulatory requirements; they are the pillars of our commitment to human health and well-being. As a company dedicated to healing and protecting lives, we recognize that the trust placed in us by patients, healthcare providers, and communities is paramount. Our approach is centered around 3 elements:

Patient: The cornerstone of our quality journey is the end customer – the patient. The need for quality starts and ends with the patient, emphasizing the importance of understanding patient needs, designing, and developing products to meet these needs, and establishing a manufacturing process that consistently delivers products in accordance with these needs.

Product

The second element, the product, must be designed and developed in accordance with the regulatory standards along with the patient's requirements to ensure safety and efficacy.

Process

The third element involves designing and developing a manufacturing process that consistently produces high-quality products, as per specific requirements.

Quality Strategy

Our quality strategy focuses on ensuring that all our products and processes meet the highest quality standards. This requires a comprehensive approach to quality management, covering all aspects of the product lifecycle, from

Key aspects of quality strategy:

- Compliance with all applicable laws and regulations related to pharmaceuticals, including Good Manufacturing Practices (GMP), CGMP, Good Laboratory Practices (GLP), and Good Clinical Practices (GCP).
- Implementing robust risk management system to identify and mitigate potential risks to product quality and patient safety.
- Continuous review and improvement of processes and systems to ensure compliance with the highest quality standards and alignment with current best practices.
- Fostering a culture of quality throughout the organization, with all employees across all functions committed to ensuring that the products and processes meet the highest quality standards.
- Investment in training and development programs to ensure that all employees have the necessary skills and knowledge to perform their roles effectively and maintain the highest quality standards.

- Ensuring the integrity of all products and process data, including data from clinical trials, manufacturing, and post-market surveillance.
- Implementing a robust supplier management program to ensure that all suppliers and vendors meet the high-quality standards, as specified.

Quality Management Process

By implementing a robust Quality Management Process, we consistently ensure that the outputs delivered by our quality team meets customer expectations. Following are the functions enabled through the process:

- Set quality targets for the team.
- Define how these quality targets will be measured.
- Take actions to measure the quality.
- Identify quality issues and improvement.
- Report the overall level of quality achieved.

A trend analysis of quality management systems and global training trends is periodically carried out by the Company, leading to continuous improvement in products, processes and our quality systems. Committed to relentless progress, Alkem also carries out internal audits, change controls, deviations, and other investigations from time to time.

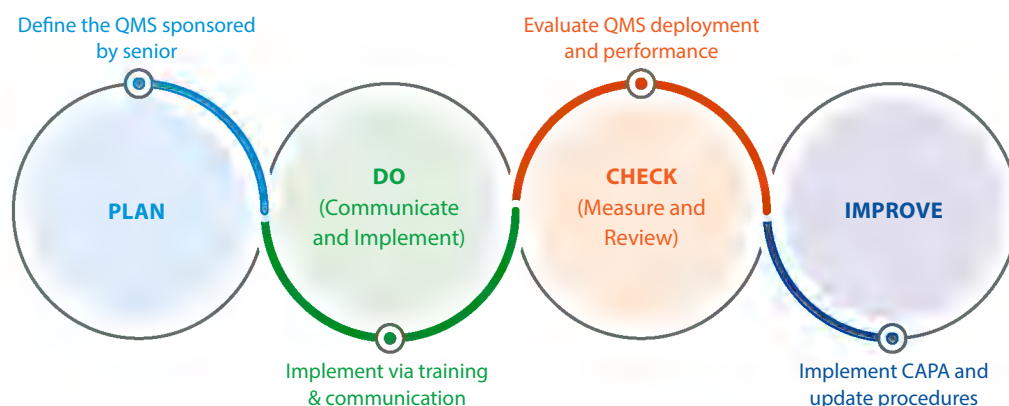


Figure 21: Continuous Improvement of Quality Process

Right First Time (RFT)

We adhere to the 'Right First Time' principle, emphasizing accuracy in operations, from design to customer service, to avoid reliance on corrections or rework. By focusing on getting things right the first time, we enhance overall quality, customer satisfaction, reduce waste, and increase efficiency, while optimizing costs.

Our experienced team meticulously monitors production lines and quality control labs to promptly address potential issues. This ensures that our products meet the highest quality standards, minimizing the risk of defects and maintaining excellence.

Quality Assurance

Quality assurance is a critical component for success in an industry as dynamic as ours. Its key responsibility is to monitor and review all Current Good Manufacturing Practices (CGMP) related activities across testing and manufacturing. This includes overseeing the formal establishment of specifications and procedures, reviewing and monitoring of processes, inspection compliance with standard operating procedures and CGMP regulations, training the personnel in CGMP, validation, qualification, in-process checks, handling of market complaints, investigations, OOS, OOT etc.

The key aspects of quality assurance at Alkem are:



Developing and implementing QMS and procedures.



Ensuring compliance with regulatory requirements.



Conducting audits and inspections of manufacturing facilities and processes. Our Production lines and Quality Control labs are closely monitored by highly skilled professionals with global work experience. We also perform product quality reviews and trending analysis.



Providing training to employees on QMS and procedures.



Ensuring that the Company's quality policies and objectives are communicated and understood by all employees.



The Quality Assurance team is responsible for planning the audit schedule and overseeing compliance, allowing reasonable time for resolution, based on the severity of the issue. All batch manufacturing procedures and all CGMP documentations are designed in line with the regulatory requirements. All CGMP documents are timely revised as per the guidelines and updates to ensure regulatory compliance.

Regulatory Compliance (GRI 206-1, 416-1, 417-3, 416-2)

Our facilities undergo inspections and audits in accordance with the CGMP guidelines established by prominent regulatory bodies, including the USFDA, MHRA-UK, EU-GMP, SAHPRA-South Africa, TGA-Australia, ANVISA-Brazil, WHO-Geneva, TPD-Health Canada, PPB-Kenya, NDA-Uganda, MOH-Sudan, INVIMA-Colombia, TFDA-Tanzania, Zimbabwe, and various other African, Asian, and CIS countries.

Alkem has in place a corporate SOP titled "Handling of Audit Management Through TrackWise" to conduct self-inspections (internal audits) across all its sites. These self-inspection programs are conducted impartially to evaluate the understanding and implementation of Good Manufacturing Practices (GMP). Additionally, these audits identify areas needing improvement and suggest corrective actions.

Self-audits are conducted regularly. Their frequency and scope are determined by factors such as urgency and specific focus at a given time. Typically, self-inspections are scheduled bi-annually by cross-functional teams at each department and by the Corporate Quality Assurance (CQA) team

at each location. In cases of critical or major market complaints, product recalls due to quality issues, or significant GMP nonconformance, self-inspections may be initiated in the relevant areas or systems ahead of schedule.

There were no significant cases filed or pending against the Company regarding unfair trade practices, irresponsible advertising, or anti-competitive behavior during the reporting period. All products are considered significant and the quality team assesses the health and safety impact of all products. During FY 2023-24, there were no incidents non-compliances due to health and safety aspects of our products which would result in fines, penalties and/ or warnings.

Patient Safety (GRI 417-1, GRI 417-2)

Patient safety involves prevention and mitigation of any risks related to patients. It includes a wide range of activities and measures aimed at reducing the risk of adverse events, medical errors, and other forms of harm that patients may experience.

We have developed a grievance mechanism for our consumers to address any concerns related to our products:

Market Complaint handling

Alkem has established a comprehensive procedure for managing market complaints, as outlined in the SOP "Handling of Market Complaint through TrackWise." This process clearly defines the responsibility for logging and investigating complaints received through various channels, including written, electronic, or verbal communications from customers, retailers, distributors, patients, regulatory agencies, FDA/government

authorities, medical staff, hospitals, and field staff. Complaints may pertain to issues such as drug safety, identity, purity, efficacy, quality, shortages, mix-ups, adverse drug reactions (ADR), and more once the product is distributed to the market.

Complaints are categorized into Critical, Major, and Minor, based on a criticality assessment, after considering severity, occurrence, and detectability. Investigations are to be completed and responses provided within 30 calendar days of receiving a complaint. The complaints are considered closed only after receiving positive feedback from the customer.

Product Recall

Alkem has an SOP titled "Handling of Product Recall through "TrackWise" for recall activities. This involves the removal of marketed products due to deficiencies in quality, safety, or efficacy, including labeling issues that violate one or more laws or regulations.

Pharmacovigilance

Alkem's pharmacovigilance policy stands as a testament to its commitment to patient safety and rigorous monitoring of the safety profiles of its medicinal products. We uphold the highest standards of pharmacovigilance throughout the lifecycle of our products, from clinical development to post-marketing surveillance.



Our pharmacovigilance system adheres to international regulations governing the reporting, analysis and communication of adverse drug reactions. We have implemented a global pharmacovigilance policy that exemplifies our dedication to patient safety on a global scale. This policy is supported by a Drug Safety Review Committee. Through our pharmacovigilance system, we are dedicated to promptly detect, assess, and communicate any side

effects or safety concerns related to our products, in strict compliance with the global regulatory requirements.

All complaints relating to adverse drug reaction are handled by our Pharmacovigilance department. A dedicated Company e-mail address pvglobal@alkem.com is available for receipt of Medical Information (MI) report on the Company website. The Company website

<http://www.alkemlabs.com/adverse-event-reporting.php> mentions the option for reporting MI via toll free number or/and e-mail ID. MI reports received from the customers/patients/healthcare professional/ other non-healthcare non- healthcare professional (reporter) via various modes are handled as per SOP "Procedure for handling of MI report/s".

The Company prioritizes the safety and welfare of its consumers by offering products that promote a healthy lifestyle. We adhere to relevant regulatory requirements by disclosing detailed information to consumers on safe storage, usage, adverse impacts, mitigation measures and disposal. Such information is made available through appropriate channels such as website, product information leaflets, product labels, etc. Alkem is committed to consistently providing high-quality products at affordable rates to all its consumers. During FY 2023-24, there were no incidents of non-compliances with regulators and/or voluntary codes concerning product labeling and marketing communications. The Company adheres to the labeling requirements of Rule 96 of the Drugs and Cosmetics Rules/ Cosmetic Rules 2020 (manner of labeling) including content and safe use of the product.





Community Engagement



~2%

Spend on CSR as a % of gross profit in FY 2023-24

10,98,743
Individuals

CSR Beneficiaries in FY 2023-24

1,10,341
Saplings

Planted till FY 2023-24

We are dedicated to uplifting the quality of life within the communities we serve. Through the Alkem Foundation, the corporate social responsibility (CSR) arm of Alkem Laboratories, we are making strides towards realizing our vision of comprehensive community development. Our approach is deeply collaborative, involving active participation and partnership with government entities, civil society organizations, and the communities themselves.

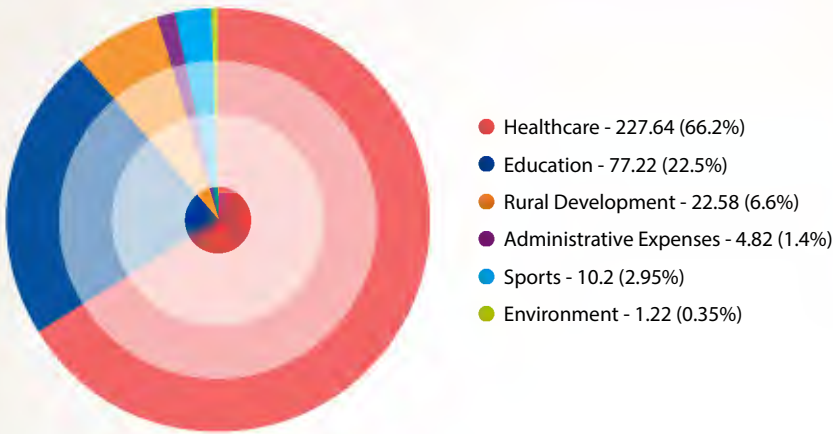
CSR Policy

Alkem's CSR policy mandates to precisely state targets, timelines, and measurable parameters for each project. The Company has established a robust monitoring and evaluation mechanism for its CSR programs, with clear objectives based on societal needs, headed by the Internal Monitoring Group. This group oversees project monitoring with regular reviews by the Board and CSR Committee. Impact assessments are conducted for CSR obligations exceeding ₹ 10 million and the reports are presented to the Board.

CSR Budget

Alkem spent a total of ₹ 343.7 million on multiple CSR initiatives taken across different focus areas. Of this, 66% was spent on healthcare, 22% on education and the rest on other focus areas.

CSR Spend (in million ₹)



CSR Focus Areas for FY 2023-24

- Healthcare

- Education

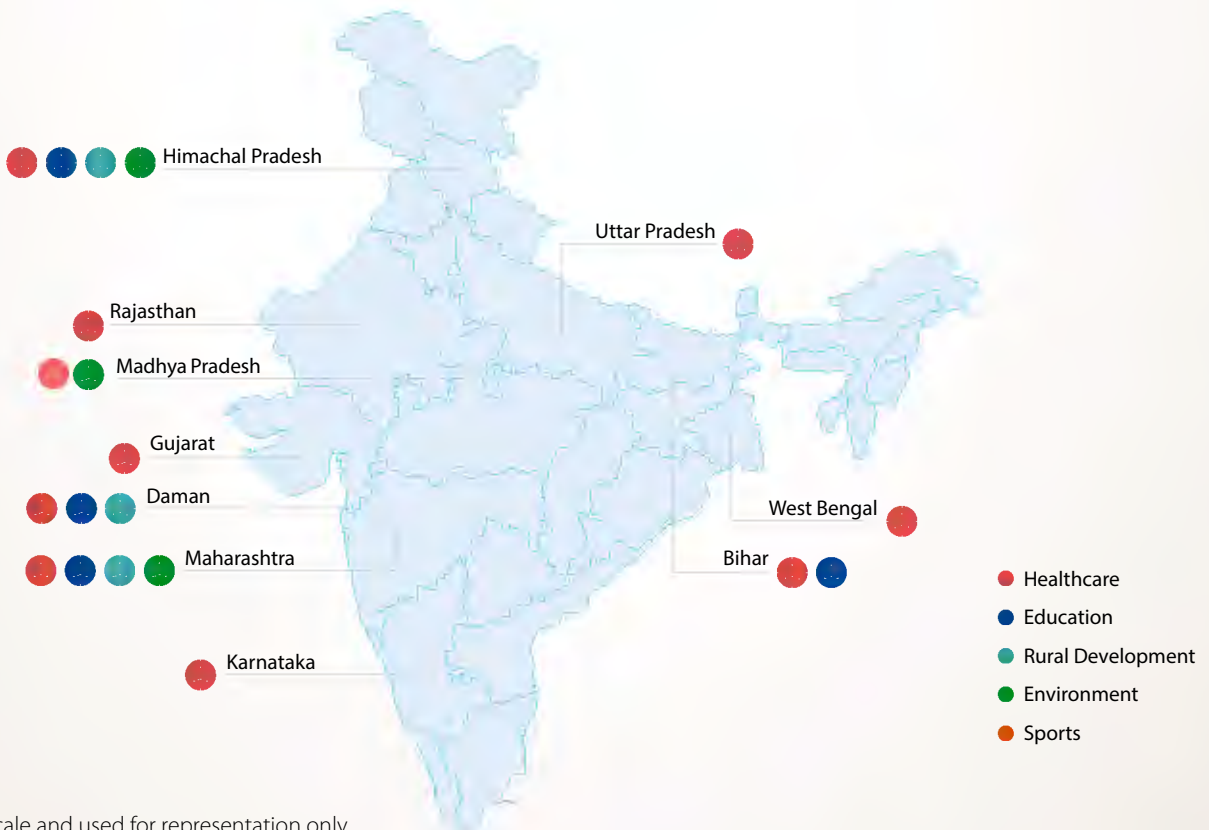
- Rural Development

- Environment

- Sports

Geographic Footprint

This year's CSR activities are implemented in 10 States i.e., Himachal Pradesh, Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Sikkim, Karnataka, West Bengal, Bihar, Uttar Pradesh, and 1 Union Territory i.e., Daman.



Map not to scale and used for representation only.



CSR Projects



ALKEM ANAEMIA MUKTI ABHIYAAN (AAMA)

Description	Beneficiaries	UN SDG
-------------	---------------	--------

Mukti Abhiyaan

Anaemia Mukti Abhiyaan is a flagship intervention launched by Alkem to address the rising cases of anaemia in the country, specifically targeting a few panchayats, with the ultimate goal of establishing them as 'Anaemia Mukti Panchayat (Anaemia-Free Villages)'. Six states of Maharashtra, Gujarat, Rajasthan, West Bengal, Bihar and Uttar Pradesh were identified for the pilot phase of this project.

Through comprehensive interventions and raising awareness about the prevention, management, and treatment of anaemia at the community level, the project aims to address the grave challenges presented by this disease.

1.5 lakh beneficiaries have been benefited under this project since inception.

18,698 beneficiaries were screened in FY 2023-24 out of which **11,131 beneficiaries** were found anaemic and treated.



Establishment of soap banks

One of the initiatives of AAMA is the establishment of soap banks in government schools and Anganwadi centers.

These soap banks provide every beneficiary with access to soap for handwashing, hence, improving hygiene and sanitation practices within the community.

Stakeholders are encouraged to contribute by donating soap, fostering a community-driven approach.

9,474 individuals are benefited by **33** soap banks



Nutrition gardens and nutritional kits

Nutrition gardens are a low-cost, micro-solution for ensuring healthy food and balanced nutrition.

These gardens were established with the aim of increasing fruit and vegetable consumption, leading to a change in the nutrition intake of villagers and improving their health. It also helps in combating malnutrition.

17 Nutrition gardens were established and **2,400 nutritional kits were distributed** to severe anaemic patients.



Description	Beneficiaries	UN SDG
-------------	---------------	--------

Awareness rallies and campaigns

Village campaigns provide a holistic solution for spreading awareness on anemia and mobilizing the community at a larger level. ASHA, AWW, Village facilitators, SHG members, adolescent girls, pregnant and lactating women, adolescent girls, and other inhabitants of villages participated in these village campaigns and rallies. Information shared during these rallies included symptoms and prevention of anemia, importance of nutritional diet, etc.

Total **30,641 beneficiaries** were covered under the **awareness campaigns** of which **9,830 beneficiaries** were catered to through **school awareness campaign**



Capacity Building of Mothers

Various interventions like GodBharai ceremony, recipe demonstration, Poshan thali competitions were organized to spread awareness on the benefits of consuming indigenous food.

341 mothers were part of godbharai ceremony and received the nutritional kits



Recipe demonstration is an intervention that promotes the consumption of local nutritional food items available in villages. Recipe booklets are prepared based on locally available nutritional ingredients. Along with this, **Poshan thali competitions** are also organized to spread awareness on consumption of nutritional food items to prevent anemia.

GodBharai ceremony is an initiative to emphasize on the importance of taking a nutritious diet during pregnancy. This intervention has played a major role in spreading awareness on different government schemes and promoting institutional delivery.

Behavioral and practice change approach

Positive approach towards anemia, change in eating habits, importance of Iron Folic Acid supplement, and improving hygiene practices were observed.

Behavior change of **7,486 beneficiaries** are observed till FY 2023-24



Wall Paintings

Wall paintings serve as an important tool for bringing behavioral change at the community level. These communicate desirable and positive social behavior to a large community.

Painting in schools and Aanganwadi centers communicated key messages on nutrition, anemia, and hygiene under this initiative.





CANCER CARE

Description	Beneficiaries	UN SDG
-------------	---------------	--------

Cancer outreach program in Buxar, Bhagalpur and Jehanabad

Objectives:

- Primary prevention of cancers by health education
- Secondary prevention which leads to the early detection and diagnosis of cancers

Concerted efforts are underway to empower grassroots health workers through capacity-building initiatives. Simultaneously, policy advocacy is underway by collaborating with State and District Administrations to implement campaigns like creating "No Tobacco Zones" in and around public spaces.

Additionally, proactive steps are being taken to raise awareness among the younger population.

Cancer awareness sessions have been conducted in schools to educate students about the detrimental effects of cancer, fostering a culture of prevention from a young age.

- Total coverage- **1,38,616 till FY 2023-24**
- Screening coverage- **1,32,552 till FY 2023-24**
- Health Promotion and Awareness- **26,487**
- Training of health professionals for capacity building- **6,064**
- Beneficiaries covered in school awareness sessions- **26,487**



Home Based Palliative Care

Home-based palliative care initiative aims to enhance the quality of life for patients with serious illnesses.

Activities in home-based palliative care includes pain and symptom management, psychosocial support, assisting patients for daily activities, medication management, and coordination with healthcare professionals to ensure holistic support for patients and their families.

542 Total patients enrolled under this initiative since inception.

700+ home visits were done throughout FY 2023-24.



Alkem Advance Radiotherapy Block

Provided support to construct an Advance Radiotherapy Block in Muzaffarpur, Bihar for providing specialized treatment to the underprivileged communities.

Major contribution made towards Non-Communicable Disease and National Cancer Control Program.



OTHER INITIATIVES

Description	Beneficiaries	UN SDG
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Health Center and Mobile Health Units

Alkem Foundation is committed to providing primary healthcare services, particularly to communities facing challenges in accessing healthcare.

Through health centers and mobile health vans, it addresses the primary healthcare needs of underprivileged communities in Maharashtra, Sikkim, and Himachal Pradesh. This initiative aims to bridge the healthcare gap, ensuring that individuals in these areas receive essential healthcare services regardless of their socio-economic background.

- **3,628** Females
- **3,195** Males
- **2,521** Children
- **7,747** Patients at Alkem health center
- **937** Health camp



Support for cochlear implants

Alkem Foundation supports cochlear implant surgery for children who were born deaf to help them hear. Partnering with I Hear Foundation. This collaboration aims to improve the quality of life for children suffering from hearing impairments, enabling them to communicate effectively and actively participate in society.

68 cochlear surgeries, hearing aid implantation, and upgrades



Support for Cataract Surgery in identified locations

Alkem Foundation recognizes the fundamental right of every individual to see the world through their own eyes.

By supporting cataract surgeries in Bihar, the foundation has restored sight of many and improved their quality of life.

Total **198 were screened** for eye problems out of which **28 patients were detected and treated** with cataract surgery.



Dental Health check-up camp

Dedicated to raise awareness about sanitation, health, and hygiene, Alkem Foundation organized dental health check-up camps in government schools, promoting oral care and hygiene.

These camps aim to educate children about the importance of dental health and provide them with basic dental care. By spreading awareness on these crucial aspects, the foundation contributes to improving overall health and well-being in communities.

114 students were benefited



Support for Construction of Pediatric Hospital

Alkem Foundation extended its support for phase-wise construction of a hospital dedicated to the economically marginalized section of the society.





Education

Description	Beneficiaries	UN SDG
-------------	---------------	--------

Alkem Yuva Pathshala

Alkem Foundation is supporting school transformation projects. Under this initiative, Jehanabad District, Bihar, became the first district in Bihar to equip government schools with Smart Class. Using digital content in the form of videos and picture books, teachers can now help students to visualize their learnings.

Digitally transformed 240 schools in the district till FY 2023-24



Shri Samprada Singh Scholarship Program

Alkem Foundation aims to mitigate the impact of COVID-19 pandemic on vulnerable communities, particularly lower-middle-class children at risk of orphanhood. This initiative funds the entire education journey of eligible children, from primary school to college, eliminating financial barriers and securing a brighter future for deserving students.

48 Children were benefited



Support for Early Childhood Education in government school

Alkem Foundation has collaborated with Muktangan to support an initiative dedicated to fostering early childhood education, recognizing its pivotal role in shaping a brighter future. By supporting quality preschool programs, we empower young minds and lay the Foundation for lifelong learning.

90 Children were benefited



Support to Inclusive Education

Alkem Foundation generously handed over a range of essential resources to support a conducive learning environment at The Bombay Institution for Deaf & Mutes, which holds the history of being Asia's oldest institute for deaf & mute children. The contribution included renovation of a community hall, an innovative Dr. Speech software for audio therapy of students, hearing aids and a sound system.

Additionally, the Foundation also supported the educational needs of disabled students studying in government schools in Mumbai.



Description	Beneficiaries	UN SDG
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Support for Educational Needs of Visually Impaired children (NAB)

Alkem Foundation is extending its support to the Integrated Education (I.E.) program for aiding the educational needs of Visually Impaired children. Under this program, visually impaired (V.I.) children reside with their families and attend the nearest regular school along with their sighted counterparts. The V.I children are provided with a variety of support services, right from pre-school stage up to Std. XII, enabling them to cope-up with the school environment and the curriculum.

48 Children were benefited



Remedial Centers

The Alkem Foundation supports remedial centers in slums, targeting children with irregular study patterns and requiring additional support. Comprehensive assistance is provided to these children in collaboration with a non-profit organization.

90 Children were benefited



The centers employ innovative teaching methods to enhance learning outcomes. By offering personalized support, the Company aims to improve the educational prospects of these children, empowering them to overcome challenges and succeed in their studies.

Aagaz+







Alkem Foundation launched a project to promote Water, Sanitation and Hygiene (WASH) practices in the government schools of Sikkim. The intervention primarily aims to promote WASH knowledge, attitude and behavior change among targeted beneficiaries.

500+ Children were benefited





Rural Development

Description	Beneficiaries	UN SDG
<p>Project Roshani</p> <p>Alkem Foundation illuminated the areas near our manufacturing units in Sikkim, Daman, Mandva, Ankleshwar, Baddi and R&D at Taloja with solar streetlights. It also assumes the responsibility for operation and maintenance for these street lights for a 5-year period. This eco-friendly initiative not only enhanced safety but also reflected our dedication to a greener future.</p>	<p>250 solar streetlights installed</p>	 
<p>Project Swavlamban</p> <p>This initiative aims to uplift the underprivileged youth by imparting livelihood training for nursing assistant, fashion design, and other industry-relevant skills. Through these trainings, the project fosters self-reliance and empowerment, envisioning a future where disadvantaged youths transcend the socio-economic barriers for sustainable livelihoods.</p>	<p>100 students enrolled out of which 70% were placed</p>	
<p>Alkem Aatma Nirbhar Gram Project</p> <p>The Company has partnered with a like-minded organization to train the SHGs in Noodle and Gyathuk making, along with mushroom cultivation. The project aims to develop entrepreneurial skills among women and hand-hold them to embark and thrive in their journey to alternate livelihood.</p>		
<p>Support and construction of Old-age home</p> <p>The Company contributes to the operational cost incurred by old-age homes in Sikkim and Maharashtra, in its endeavor to serve the lesser privileged. We are also supporting the construction of an Old-age home for needy people at a pre-identified location.</p>		 





Environment

Description	Beneficiaries	UN SDG
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Go Green Campaign

This initiative aims to sow the seeds of positive change by planting 50,000 saplings on the World Environment Day.

1,10,341 saplings planted till FY 2023-24



Swachh Gram Project

The Alkem Foundation has launched an initiative to promote cleanliness in a village in Sikkim, encouraging community participation in the Swachh Bharat Abhiyaan. This effort includes promoting the Swachh Gram initiative and engaging with the villagers to instill a sense of responsibility and ownership amongst them for maintaining cleanliness, ultimately contributing to a cleaner and healthier environment for all.



Maintenance of Gardens

The Company promotes development and maintenance of public spaces. As a part of this initiative, we have renovated and are maintaining community gardens in identified location.



Support to Flood-affected communities in Gujarat and Sikkim

Gujarat: In the wake of heavy discharge from the Sardar Sarovar Dam causing floods in Gujarat's Ankleshwar district, Naugama village faced significant challenges. Alkem Foundation swiftly responded by providing crucial aid to the affected communities.

Sikkim: Distributing essential kits to those in need, the Foundation reached out to the distressed residents, offering vital supported Sikkim grappled with a devastating flood triggered by a cloud burst and heavy rains, impacting Gangtok and Namchi districts.



Sports

Alkem Foundation aims to support the Olympic Gold Quest (OGQ), an initiative by the Foundation for the Promotion of Sports and Games, to enhance training and capacity-building for 271 athletes and **para-athletes**. Through this initiative, the Foundation seeks to provide support for aspiring athletes, including those with disabilities, to excel in their respective sports. By fostering their talent and providing the necessary resources, the Foundation aims to contribute to the overall development of sports in the country. This partnership underscores its commitment to promoting sports excellence and inclusivity on a global scale.

Alkem Foundation extended its support to Sikkim Football Association by providing sports kit to all eligible sports personalities for participating in various events organized by the State/Central Government as well as Sports Authority of India.

Future Plans

In compliance with regulatory mandates, we have meticulously crafted an Annual Action Plan for FY 2024-25 concerning our CSR initiatives. This detailed plan is readily accessible on our website for public viewing. Beyond our immediate commitments, we are proactively developing a forward-looking CSR strategy that will shape our social responsibility endeavors for the next five years. This long-term vision reflects our dedication to sustainable impact and corporate citizenship.

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INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by ALKEM laboratories Limited (Corporate Identity Number CIN - L00305MH1973PLC174201, hereafter referred to as 'ALKEM' or 'the company') to undertake an independent assurance of ALKEM sustainability/non-financial disclosures in its Sustainability Report (hereafter referred as 'Report') for the period 1st April 2023 to 31st March 2024. The disclosures have been prepared by ALKEM in reference with the requirements of the Global Reporting Initiative (GRI) sustainability reporting standards 2021

DNV has carried out the assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's VeriSustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards.

The intended user of this assurance statement is the Management of ALKEM

DNV carried out a Limited level of assurance for Alkem. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of ALKEM and of the Assurance Provider

The Management of ALKEM has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. ALKEM is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work is the limited level of assurance of the non-financial disclosures in the Sustainability Report included information on non-financial performance which were disclosed in the report prepared by ALKEM based on GRI Topic-specific Standards. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the sections 'About the Report' and 'Reporting Scope and Boundary' section of the report.

Boundary covers the performance of ALKEM operations in India/Global that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers the ALKEM ESG indicators that encompass its across all locations in India Alkem Laboratories Limited, i.e. data covers 13 Sites (including manufacturing plants and R&D spread across seven locations, namely, Ankleshwar, Baddi, Daman, Indore, Mandva, Sikkim and Taloja and Mandva), 3 Offices and 7 fully owned Depots.

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV does not take any responsibility of the financial data reported in the audited financial reports of ALKEM
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.

DNV Headquarters, Veritasveien 1, P.O.Box 300, 1322 Høvik, Norway. Tel: +47 67 57 99 00. www.dnv.com

- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy, or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of ALKEM as mentioned in Annex II. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited Level of Assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes, and controls for collecting, managing and reporting the non-financial disclosures in report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

Opinion and Observations

Based on the limited level of assurance undertaken, nothing has come to our attention to suggest that the Report together with referenced information does not properly describe ALKEM' adherence to the GRI Standards, including the GRI 2: General Disclosures 2021, GRI 3: Material Topics 2021 and the Topic Disclosures related to the GRI Standards as mentioned in Annex I.

1. Stakeholder Inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the stakeholders who have been identified as significant to ALKEM, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

2. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for ALKEM business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality

3. Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness. However, going forward ALKEM may, based on its strategic priorities, identify and articulate its medium and long-term sustainability targets and report its performance against these targets.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

4. Reliability/Accuracy

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through onsite and remote assessments with ALKEM management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability and Accuracy.

5. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

6. Neutrality/Balance

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out the disclosures related to ALKEM performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

7. Sustainability Context

The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems. The Report brings out the key performance metrics, surveys and management processes used by to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context.

Conclusion

Limited Level of Assurance

On the basis of the limited level of assurance undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - *Conformity assessment - General principles and requirements for validation and*

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verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of ALKEM

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV Business Assurance India Private Limited

<p>Panda, Tapan Kumar</p>	<p>Digitally signed by Panda, Tapan Kumar Date: 2024.09.17 14:30:56 +05'30'</p>	<p>Kakaraparthi Venkata Raman</p>	<p>Digitally signed by Kakaraparthi Venkata Raman Date: 2024.09.17 14:45:08 +05'30'</p>
<p>Tapan Kumar Panda Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.</p>	<p>Kakaraparthi Venkata Raman Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.</p>		
<p>Karthik Ramaswamy (Verifier)</p>			

17/09/2024, Bangalore, India.

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>
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Annex I

Verified disclosures.

- GRI 201: Economic performance 2016 - 201-1**, 201-2, 201-3, 201-4
- GRI 202: Market Presence 2016 - 202-1
- GRI 204: Procurement Practices 2016 - 204-1
- GRI 205: Anti-Corruption 2016 - 205-3
- GRI 206: Anti-Competitive Behaviour 2016 - 206-1
- GRI 207: Tax 2019 - 207-1, 207-2, 207-4
- GRI 301- Materials 2016 - 301-1, 301-2, 301-3
- GRI 302: Energy 2016 - 302-1, 302-3, 302-4
- GRI 303: Water and Effluents 2018 - 303-1, 303-2, 303-3, 303-4, 303-5
- GRI 305: Emissions 2016 - 305-1, 305-2, 305-3, 305-4, 305-5, 305-7
- GRI 306: Waste 2020 - 306-1, 306-2, 306-3, 306-4, 306-5
- GRI 308: Supplier environmental assessment 2016 - 308-1
- GRI 401: Employment 2016 - 401-1, 401-2, 401-3
- GRI 403: Occupational Health and Safety 2018 - 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9
- GRI 404: Training and Education 2016 - 404-1, 404-2, 404-3
- GRI 405: Diversity and Equal Opportunity 2016 - 405-1, 405-2
- GRI 406: Non-discrimination 2016- 406-1
- GRI 407: Freedom of Association and Collective Bargaining 2016-407-1
- GRI 410: Security Practices 2016- 410-1
- GRI 415: Public Policy 2016 - 415-1
- GRI 416: Customer Health and Safety 2016- 416-2
- GRI 417: Marketing and Labelling 2016- 417-1, 417-2, 417-3
- GRI 418: Customer Privacy 2016 - 418-1

Note:

* Scope 3 emissions (GRI 305-3) cover Purchased goods and services, Capital goods, Fuel- and Energy-Related Activities, Upstream Transport and Distribution (Inbound + Outbound logistics), Waste generated in operations, Business travels, Employee commuting, processing of sold products, End of Life treatment of sold products and investments for the reporting year

**GRI-201-1- Economic performance - Financial data reported are audited by Alkem appointed third party

Annex II

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Sites selected for On-site/Remote audits.

S.no	Site	Location
1.	Corporate office	Mumbai - Onsite audit
2.	India Offices	Mandva - Onsite audit Ankleshwar - Onsite audit Baddi - Onsite audit Daman - Onsite audit Sikkim - Onsite audit Siliguri - Remote audit

