



Sustaining Legacy

.... of Innovative, Inclusive, and
Resilient Growth

ALKEM LABORATORIES LIMITED
Sustainability Report 2022-23



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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.

About the report

We are delighted to introduce our maiden 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 Environment, Social, and Governance (ESG) parameters for FY 2023. Through this report, we intent to demonstrate and communicate our commitment to purpose driven and future ready sustainable operations.

Reporting Principles

This Report has been prepared in accordance with Global Reporting Initiatives (GRI) Universal Standards, 2021, and complies to its nine (9) requirements for reporting on disclosure from (GRI) 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021. It also emphasizes on our dedication to supporting the United Nations Sustainable Development Goals (UN SDGs).

Requirement 1	Apply the reporting principles
Requirement 2	Report the disclosures in GRI 2: General Disclosures 2021
Requirement 3	Determine material topics
Requirement 4	Report the disclosures in GRI 3: Material Topics 2021
Requirement 5	Report disclosures from the GRI Topic Standards for each material topic
Requirement 6	Provide reasons for omission for disclosures and requirements that the organization cannot comply with
Requirement 7	Publish a GRI content index
Requirement 8	Provide a statement of use
Requirement 9	Notify GRI

Scope and Reporting Boundary

The reporting period for this Report is FY 2022-23, i.e., from 1st April 2022 to 31st March 2023. The Report includes all the activities and operations of Alkem Laboratories Limited, India, i.e., on a standalone basis. The Report covers the sustainability performance disclosures of the manufacturing plants spread across six locations, namely, Ankleshwar, Baddi, Daman, Indore, Mandva, Sikkim, and Research and Development (R&D) units at Taloja and Mandva. The scope and boundary of the Report are defined within these business segments.

Materiality

The contents of the Report are centred on material topics that are crucial for our Company's long-term growth. These topics have been chosen after extensive stakeholder engagement process. We focus on stakeholder inclusivity as they strengthen our ability to deliver long-term value for all our stakeholders. 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 the long-term growth of our Company.

Management responsibility statement

Alkem Laboratories' Management has internally reviewed the contents of this Sustainability Report, and they undertake the responsibility for the integrity of the information presented in 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.

Message from Chairman



Our resilience serves as a testament to our unwavering commitment towards long-term success in a rapidly changing world.



Basudeo N. Singh,
Executive Chairman

Dear Stakeholders,

I hope this message finds you well. We are feeling immensely proud to present our very first Sustainability Report, highlighting our ongoing commitment towards our sustainable practices and the progress we have made in this vital area. Sustainability is oriented at the core of our organization's vision for a better future. We recognize the urgent need to address the challenges posed by climate change, resource scarcity, and social inequality. As a responsible corporate citizen, it is our duty to minimize our environmental footprint, enhance focus on social responsibilities and drive positive change within our communities. In this year's Sustainability Report, you will find comprehensive information about our key initiatives and achievements across various sustainability dimensions. Our collective efforts have resulted in significant milestones, and I want to take a moment to acknowledge and express my gratitude to each and every one of you who contributed to these accomplishments.

With great pleasure, I introduce the theme for this year's strategic focus: "Sustaining the Legacy of Innovative, Inclusive, and Resilient Growth." While sustainability has always been a part of how we operate, we reaffirm our commitment to building a sustainable future for our organization and the communities we serve. Since our beginning five decades back, we have thrived by embracing change, challenging the status quo, and continuously pushing the boundaries of what is possible.

To continue our endeavours on the path of sustainability, we have formalised a ESG Policy thereby strategizing our focus and efforts on the most important topics through a well-structured roadmap. The report highlights the key pillars of the sustainability strategy and lays down the roadmap of our journey towards becoming a more resilient and sustainable organization.

As we move forward, we understand that innovation is paramount in an ever-evolving business landscape. Inclusivity is another core value that we hold dear. We firmly believe that diversity and equal opportunities are not only the right thing to do but also essential for driving creativity, fostering collaboration, and unlocking new perspectives.

Resilience is a quality that has been put to the test time and again. In the face of challenges and disruptions, we have shown remarkable resilience by adapting and thriving even in the most adverse circumstances. With a steadfast spirit and innovative approaches, we demonstrate perseverance to navigate through turbulent times, emerging stronger and more resilient than ever before.

The theme of sustaining the legacy of innovation, inclusive, and resilient growth reflects our aspirations for the future. It embodies our commitment to building



We have deepened our engagement with local communities, focusing on initiatives that foster social development, education, and empowerment.



on our strengths while embracing new opportunities, finding creative solutions to complex problems, and ensuring inclusivity at all stages.

We firmly believe in enhancing carbon efficiency in our operations and encourages sustainable practices to reduce the Green House Gas (GHG) emissions. Robust systems are implemented to monitor our energy consumption. During FY 22-23, through sustainable measures, we have successfully reduced our greenhouse gas emissions by 14.5% compared to the previous year. This is a testament to our commitment to combat climate change and transition to a low-carbon future. We are proactively escalating on our renewable energy transition, as we have made remarkable strides in adopting renewable energy sources to power our operations. Through strategic partnerships and investments, we have sourced 39,390 GJ of electricity from renewable sources, ensuring a cleaner and more sustainable energy mix.

We have implemented robust sustainability standards across our supply chain, promoting responsible sourcing, ethical labour practices, and environmental stewardship. This approach ensures that our products and services are produced and delivered in a manner that respects people and the planet.

We firmly believe that by embracing diversity in all its forms, we can unlock the true potential of our organization and create a vibrant and dynamic workplace where everyone feels valued, respected, and empowered. We at Alkem focus on promoting gender equality across our business operations, bridge the gap in pay disparities, and create opportunities for women to thrive in leadership positions. We have 25 % women representation in our Board, and we

continue to increase women participation across levels within the organization. We have aligned our policies and practices to ensure they are inclusive, non-discriminatory, and provide equal opportunities for all our stakeholders.

Alkem Foundation has signed an MoU with Tata Memorial Centre for the establishment of an Advanced Radiotherapy Block in Homi Bhabha Cancer Hospital and Research Centre (HBCHRC) in Muzaffarpur with a commitment of ₹ 100 crore in a phase-wise manner. Until FY 22-23, through various other partnerships and volunteer programs, we have positively impacted the lives of 40,04,109 individuals and made a difference where it matters most.

However, while we celebrate these achievements, we must also recognize that sustainability is an ongoing journey. Going forward, we continue to:

- ▶ **Innovate and Collaborate:** We will continue to drive innovation and seek collaborative partnerships to develop and implement sustainable solutions. By harnessing the power of collective intelligence, we can tackle complex challenges more effectively.
- ▶ **Empower Employees:** We believe that sustainable practices start with our people. We continue to invest in training and awareness programs to empower our employees to have positive impact in their professional and personal lives.

Safety is paramount for our organization. Our Environment, Health, and Safety (EHS) initiatives recognize that safeguarding the well-being of our employees, protecting the environment, and ensuring the highest standards of safety are paramount to our success and long-term sustainability. Over the past year, we have implemented several

initiatives aimed at upholding excellence in EHS across our operations. In FY 22-23, our sites at Baddi, Sikkim & Daman are ISO 14001 & 45001 certified.

We continue to provide comprehensive training programs to enhance EHS awareness among our employees. By equipping them with the knowledge and skills to identify and mitigate potential risks, we create a safer work environment for everyone.

Our Sustainability Report serves as a transparent account of our journey towards a more sustainable future. Together, we have the power to shape a more sustainable world, and I have every confidence that we will rise to the challenge.

Let us work hand in hand to sustain our legacy of innovation, inclusive practices, and resilient growth. Together, we can overcome challenges, seize opportunities, and create a lasting positive impact on our organization, our stakeholders, and the world at large.

Thank you for your unwavering dedication and commitment to our shared vision. I am excited about what we can achieve together as we embark on this new chapter of our journey.

With warm regards,



Basudeo N. Singh,
Executive Chairman

Message from Managing Director



Our commitment to reducing greenhouse gas emissions, achieving water neutrality, promoting gender equality, and fostering resilient communities is not incidental; it is an intrinsic part of who we are.



Sandeep Singh,
Managing Director



The inauguration of a training center at our Daman site speaks volumes about our commitment to enhancing skills and empowering our workforce.



Dear Esteemed Stakeholders,

It is with great pleasure that I present to you our inaugural Sustainability Report, a testament to our deep commitment to responsible and sustainable practices. This report stands as a powerful reflection of our journey towards addressing global challenges such as climate change, resource scarcity, and social disparities.

At the heart of our corporate philosophy lies an unshakable belief that businesses possess the remarkable potential to drive meaningful and lasting change. We firmly believe that success should not be confined to financial gains alone; it must encompass a broader commitment to the well-being of our planet, our communities, and our stakeholders. ESG encapsulates this ethos, serving as our guiding compass as we navigate the complex terrain of modern business.

Our conviction in ESG is further underscored by our firm implementation of a comprehensive strategic framework

that permeates every facet of our operations. We are resolute in our pursuit of sustainable growth that is firmly rooted in environmental responsibility, social progress, and ethical governance. This strategic framework isn't a mere proclamation; it is a living testament to our dedication, manifest in the tangible strides we have taken and the ambitious targets we have set.

As we delve into the contents of this Sustainability Report, you will witness the concerted efforts we have made to weave ESG into the fabric of our organization. Our commitment to reducing greenhouse gas emissions, achieving water neutrality, promoting gender equality, and fostering resilient communities is not incidental; it is an intrinsic part of who we are. The pursuit of these goals isn't just a transient endeavor; it is a solemn pledge that guides our actions and decisions today, with a resolute commitment to creating a better tomorrow.

This year's report bears witness to our collective efforts and achievements, echoing the theme, "Sustaining the Legacy of Innovative, Inclusive, and Resilient Growth." This theme underscores our unwavering dedication to nurturing innovation, championing inclusivity, and demonstrating remarkable resilience in an ever-evolving landscape.

Our strides in sustainability have yielded remarkable accomplishments across various dimensions:

In the realm of environmental stewardship, we are proud to have achieved a 14.5% reduction in greenhouse gas emissions compared to the previous year. This milestone reflects our resolute commitment to combat climate change. Furthermore, our adoption of renewable energy sources has reached an impressive 16.75%, reinforcing our pledge towards a low-carbon future. Additionally, the ISO 14001 and ISO 45001 certifications earned by our sites in Baddi, Daman, and Sikkim are a testament to our commitment to responsible operations. We are dedicated to achieving water neutrality by FY 2030, taking a significant step towards responsible water management.

Our dedication to social impact has been resounding. The inauguration of a training center at our Daman site speaks volumes about our commitment to enhancing skills and empowering our workforce. Additionally, reporting zero fatalities in FY 2022-23 is a testament to our unyielding commitment to prioritizing the safety and well-being of our workforce. Our governance

practices are built on a foundation of ethics and accountability. Achieving zero complaints related to discrimination, harassment, or human rights violations underscores our unwavering dedication to fostering a safe and inclusive work environment. We have set our sights on several governance targets that further reinforce our commitment to responsible and ethical practices. These include integrating ESG risk considerations into our Enterprise Risk Management (ERM) framework. Moreover, our commitment to data security and technology innovation is exemplified by our goal to obtain ISO 27001 certification by FY 2026.

As we chart our path forward, our strategic roadmap unveils ambitious targets that underscore our commitment to sustainable growth. We pledge to reduce Scope-1 and Scope-2 GHG emissions by 42% by FY 2033 from the baseline of FY 2023, contributing to the global fight against climate change. We also commit to ensuring more than 90% reuse and recycling of non-hazardous waste, contributing to our responsible waste management practices. Through community engagement and positive impact, we strive to enrich the lives of those we serve, foster responsible supply chain management, and drive innovation to create solutions that address complex challenges.

In conclusion, I extend my heartfelt gratitude to our dedicated team, partners, and stakeholders for their unwavering support in our sustainability journey. Together, we hold the power to shape a future that thrives on innovation, embraces inclusivity, and navigates change with resilience. As we

remain determined to work on these targets, we seek your continued support and understanding. Creating a better tomorrow and society will undoubtedly require substantial effort, but with unity of purpose and unwavering commitment, we can make significant strides towards a future we can all be proud of.

Thank you for your commitment to our shared vision.

With warm regards,

Sandeep Singh,
Managing Director

Board Profile



STANDING - LEFT TO RIGHT:

Dr. Dheeraj Sharma | Mr. Srinivas Singh | Mr. Mritunjay Kumar Singh | Mr. Sujjain Talwar | Mr. Narendra Kumar Aneja | Mr. Sarvesh Singh

SEATING - LEFT TO RIGHT:

Mr. Arun Kumar Purwar | Ms. Sudha Ravi | Mr. Basudeo N. Singh | Mr. Sandeep Singh | Ms. Sangeeta Singh | Mrs. Madhurima Singh

Mr. Basudeo N. Singh Executive Chairman



Mr. Basudeo N. Singh has over five decades of experience in the Indian pharmaceutical industry and is also a co-founder of the Company. He holds BA (Honours) and MA in political science from Patna University. In the period extending 2007-2008, Mr. Singh had a stint as President of the Indian Drug Manufacturers' Association. He was the recipient of 'Business Leader of the Year 2014' at the 7th Annual Pharmaceutical Leadership Summit and the Pharma Leaders Business Leadership Awards 2014. He was also named 'EY Entrepreneur of the Year in Life Sciences' in the year 2016. On 20th January, 2018, he was named 'Chief Mentor of the Year' by the Indian Drug Manufacturers' Association. He is also a member of the Executive Council of the Indian Pharmaceutical Alliance.

Mr. Sandeep Singh Managing Director



Mr. Sandeep Singh joined the Board in the year 2013; currently, he is serving the organization as its Managing Director. Mr. Singh has over 18 years of experience in the pharmaceutical industry. He spearheads the domestic as well as the international operations of the organization. In the year 2016, he was presented with the 'Emerging Pharma Leader of 2016 Award' by the Pharma Leaders in association with the Ministry of Health & Family Affairs, Government of India. In the year 2021, he was featured by 'ET AND SPENCER STUART 40 under 40'.

Mr. Mritunjay Kumar Singh Executive Director



Mr. Mritunjay Kumar Singh joined the Board in the year 1988 and he has been associated with the management of the Company for a period of over 33 years. He is also the Managing Director of the Company's subsidiary, Indchemie Health Specialities Private Limited. Mr. Mritunjay Kumar Singh heads Aura, Nexa, Nexgen, Altis, Alphamax, Diabetology, Aspiria, Metabolics, Metanext, Imperia, Hospicare (Intenza and Critica) and Eyecare divisions of the Company's domestic business. Additionally, he looks after the Strategy & Business Development and Procurement functions for the domestic business of the Company.

Mrs. Madhurima Singh Executive Director



Mrs. Madhurima Singh is an Executive Director on the Board of the Company having extensive experience in the fields of Legal and Compliance, Financial Management, Human Resource, Supply Chain Management and Marketing. She holds an MSc degree in Botany (distinction) from Ranchi University and Diploma in entrepreneurship from SVKM's, Mumbai. She has been actively involved in overseeing and managing the semi-chronic therapy SBU's of the Company's domestic business, manufacturing, distribution and supply chain, HR, CSR and Corporate Communications. She is additionally responsible for reviving and building Active Pharmaceutical (API) business of the Company.

Mr. Sarvesh Singh Executive Director



Mr. Sarvesh Singh has been associated with the Company since 2011 and joined the Board in the year 2019. He has over 10 years of experience in sales and marketing in the pharmaceutical industry and heads the Pentacare and Prizma divisions of the Company's domestic business.

Mr. Srinivas Singh Executive Director



Mr. Srinivas Singh aged about 34 years, holds a Bachelor's Degree in Science and has over 10 years of experience in the pharmaceutical industry. His key accountabilities include managing R&D projects, generics portfolio, cost optimization and saving, new product launches in Regulated Markets & Alternate Vendor Development, digitalization of sales team and also ensuring risk assessment of to be launched products.

Mr. Arun Kumar Purwar Independent Director



Mr. Arun Kumar Purwar joined the Board of the Company in the year 2015. He is the Chairman and Independent Director of IIFL Finance Ltd., Jindal Panther Cement, as well as ERoute Technologies Pvt. Ltd. He is

as an Independent Director in companies across diverse sectors like Finance, Pharma, Media, Engineering Consultancy, Investment Banking, Fintech. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India ('SBI') from 2002 to 2006, and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala, and has been associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare focused private equity fund as well as a non-banking finance Company focused on funding real estate projects as well as educational institutions. He has won a number of awards including the 'CEO of the Year' award from the Institute of Technology and Management (2004), 'Outstanding Achiever of the Year' award from the Indian Banks' Association (2004) and 'Finance Man of the Year' award by the Bombay Management Association in 2006.

Mr. Narendra Kumar Aneja Independent Director



Mr. Narendra Kumar Aneja inducted on the Board in 2020, is the Chief Executive of Aneja Associates, Chartered Accountants, India. He is a Fellow Chartered Accountant, Certified Internal Auditor, Certification in Risk Management Assurance (CRMA) and holds an MBA from the Wharton Business School. He is a Gold Medalist (ICWA), a Tata Scholar and was ranked on the Director's List at Wharton School (1978). He has over 30 years of experience in GRC (Governance, Risk and Compliance) Assignments and Management Consultancy.

Ms. Sangeeta Singh Independent Director



Ms. Sangeeta Singh became a member of the Board in 2015. She serves as an Independent Director on the boards of several renowned companies. She has over 35 years of experience in Human Resources, Communications and Operations. She was previously a Partner & Head of Human Resources in KPMG India. She holds a Master Degree in Behavioral Psychology and certification in Strategic Human Resource Management from Harvard Business School.

Ms. Sudha Ravi Independent Director



Ms. Sudha Ravi is a management consultant with over 40 years of banking, non-banking and regulatory experience in India and USA. In the three decades in State Bank of India (SBI), she has held several important positions including key positions as General Manager, Enterprise Risk Management and as Chief Representative, Washington DC, USA. Later, joining the Ajay Piramal Group, Ms. Ravi set up the NBFC - Piramal Finance Ltd, and was with the Group's Financial Services business and a healthcare and life-sciences focused PE fund in various capacities including as CEO/ED/ CCO. Ms. Ravi has held position as an Independent Director in diverse sectors of the economy - Financial, Pharma, Automobile, Healthcare, Real Estate and continues to do so in many of the same. Ms. Sudha Ravi joined the Board in 2015.

Dr. Dheeraj Sharma Independent Director



Dr. Dheeraj Sharma joined the Board in 2017. He holds a Doctoral Degree with a Major in Marketing and a double Minor in Psychology and Quantitative Analysis from Louisiana Tech University, USA. His primary research interests are 'relationships' in the business domain. He is a Director at Indian Institute of Management, Rohtak. In the past, Dr. Sharma has served as a consultant or in advisory roles with Ministry of Home Affairs, Ministry of Defence, Ministry of Youth Affairs and Sports, Ministry of Commerce, Government of Gujarat, Government of Punjab and Government of Delhi.

Mr. Sujjain Talwar Independent Director



Mr. Sujjain Talwar recently inducted on the Board is a co-founding Partner of Economic Laws Practice (ELP), a leading Tier-1 full-service law firm in India with over 250 professionals in 7 cities in India. With over 30 years of experience, Mr. Talwar is a qualified Solicitor in India as well as England and Wales. His expertise covers M&A transactions, project finance and infrastructure law. Amongst others, Mr. Talwar also serves on Boards of companies in the Murugappa Group and Dubai Ports World.

Audit Committee

Nomination and Remuneration Committee

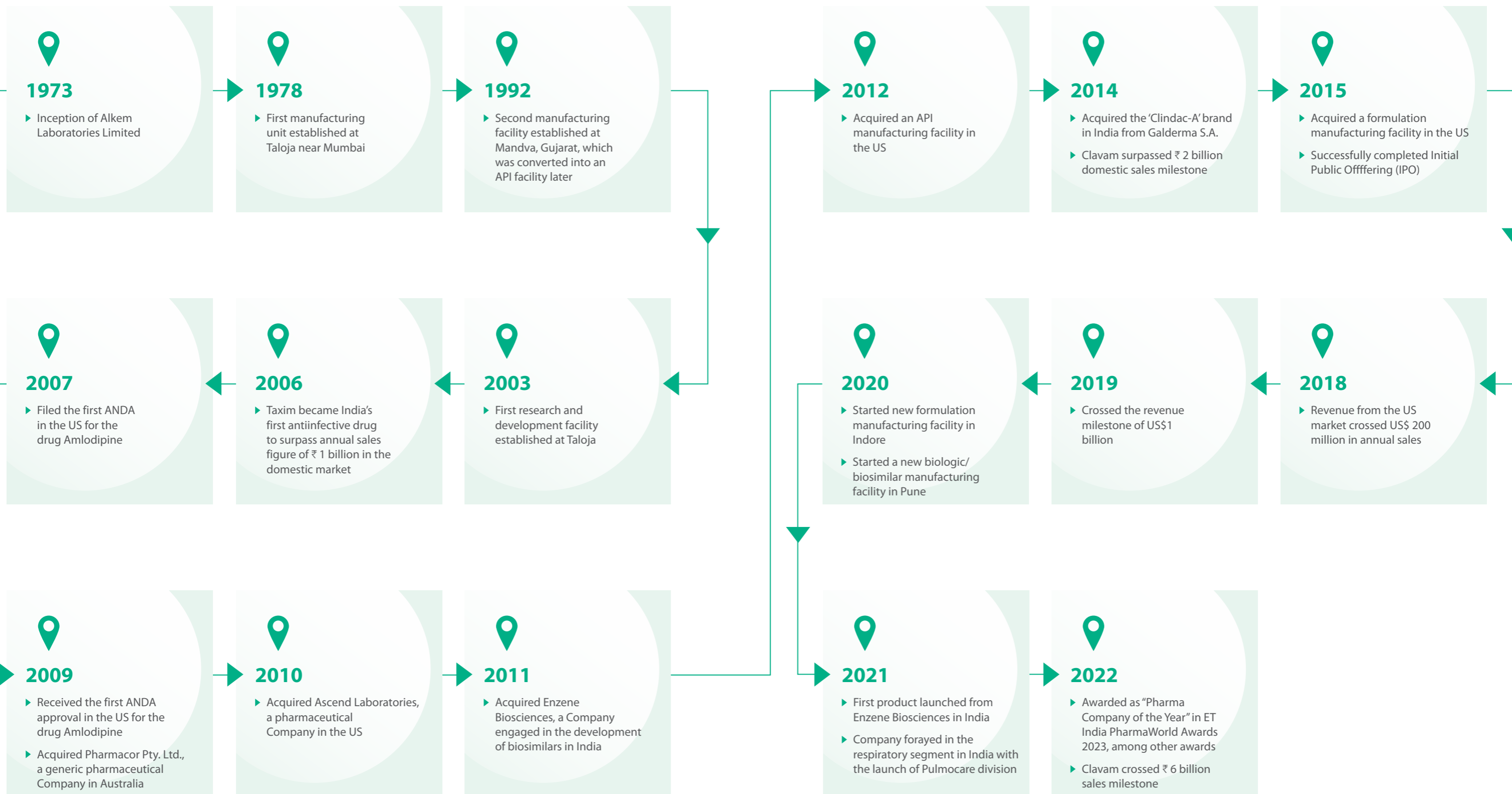
Stakeholders' Relationship Committee

Corporate Social Responsibility Committee

Risk Management Committee

stands for Member of Committee
 stands for Chairperson of Committee

Alkem's journey so far

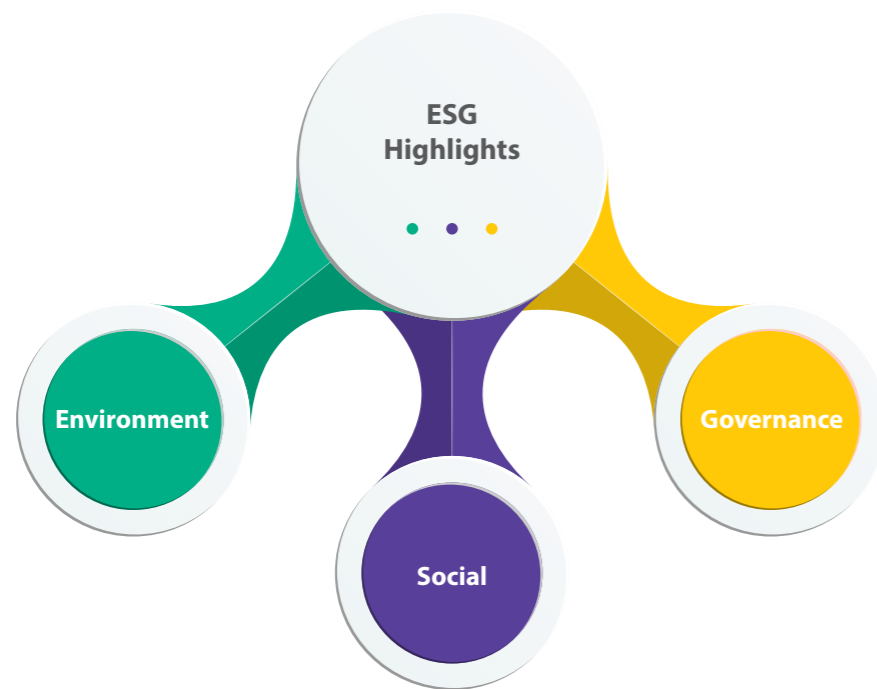


ESG Performance Highlights



Alkem Laboratories has prioritized the integration of environmental, social, and governance (ESG) aspects into its core business strategy and operations, driven by the goal of improving lives for a better future. Comprehensive ESG policy has been devised with focus on material topics. Our ESG policy is available at <https://www.alkemlabs.com/policies-new.php>

The key performance highlights in ESG for FY 2022-23 are presented below



Environment

- ▶ Reduction in GHG by 14.5% compared to previous year
- ▶ Rainwater Harvesting at Sikkim site
- ▶ Usage of Bio-Briquettes: 1,26,923 GJ of energy sourced from Bio-Briquettes
- ▶ 85% of Non-Hazardous Waste recycled in FY 2022-23
- ▶ Sites at Ankleshwar, Baddi, Daman, Mandva & Sikkim are ISO 14001 and ISO 45001 certified.
- ▶ 16.75% of energy sourced from renewable sources
- ▶ 4 sites are Zero Liquid Discharge



Social

- ▶ Zero complaints received related to discrimination, harassment or human rights for FY 2022-23
- ▶ Zero fatalities reported in FY 2022-23
- ▶ 796,073 No of individuals positively impacted through our CSR initiatives
- ▶ Lost Time Injury Frequency Rate (LTIFR) of 0.05



Governance

- ▶ 25% of Female representatives on Board of Directors
- ▶ Inauguration of training-centre at Daman site
- ▶ Nearly 70% of permanent employees & workers imparted with Skill upgradation training
- ▶ 100% of manufacturing sites are cGMP compliant
- ▶ Zero mid level and high level data breaches
- ▶ 29,376 hours of EHS training imparted

Awards and Accreditations



Awards & Recognition



Transformance L&D Vision & Innovation Summit and Awards 2023

- ▶ Best L&D Team of the Year
- ▶ Best Use of Gamification for Learning
- ▶ L&D innovation in Training and Development Programmes
- ▶ CLO of the Year



CSR Excellence Award by 9th National CSR Times Award (Felicitated by Kumari Pratima Bhoomik Hon' Minister of Social Justice & Women Empowerment, Government of India)



ET India Pharma World Awards 2023

- ▶ Pharma Company of the Year
- ▶ Excellence in CSR
- ▶ Excellence in Training and Development



TISS - LEAPVAULT, CLO Award-2022

- ▶ Silver Award in Best Sales Enablement Programme - Pharma
- ▶ Bronze Award in L&D Team of the Year - Pharma
- ▶ Bronze Award - CLO of the year - Pharma



Great Place to Work - "Best Workplaces in Asia 2022"



India's Best Workplaces in Pharmaceuticals, Healthcare and Biotech 2022



CSR Excellence Award by Global Business School, Amity Pune

Accreditations & Certifications



Regulatory Agencies

Alkem Laboratories possesses a broad distribution network in India and overseas, coupled with a diverse portfolio of 800+ brands. It operates 10 advanced manufacturing facilities spanning across India, which undergo regular audits and approvals from esteemed regulatory agencies such as US FDA, WHO, MHRA (UK), TGA (Australia), ANVISA (Brazil), MCC (South Africa) and regulatory agencies from other countries.



ISO 14001:2015 and ISO 45001:2018

Alkem has implemented an Occupational Health, Safety, and Environment Management System, with its manufacturing facilities in Baddi and Daman certified under ISO 14001:2015 for Environmental Management System and ISO 45001:2018 for Occupational Health & Safety Management System.



Current Good Manufacturing Practices (cGMP)

Our robust internal control framework has been instrumental in building the cGMP compliant manufacturing facilities. The facilities undergo routine inspections and audits by regulatory agencies from various countries, ensuring strict compliance with cGMP. Herein, Company invests in its people, processes and technology to remain compliant with evolving cGMP norms.

About Alkem Laboratories



Alkem Laboratories is a leading Indian Pharmaceutical company with global presence in more than 40 countries. Founded in 1973, the Company has grown to become one of the largest pharmaceutical companies in India. It works across value chain to develop, manufacture, and sell pharmaceutical and nutraceutical products globally.

The Company has a strong manufacturing footprint with 10 state-of-the-art facilities and 16,000+ employees to support production of over 800 brands across all major therapeutical areas such as gastro, pain management, vitamins, anti-diabetes, cardiac and dermatology. We are committed to quality and compliance, and the manufacturing facilities are approved by various regulatory authorities, including the US Food and drug Administration (FDA), UK Medicines and Healthcare products Regulatory Agency (MHRA), Australian Therapeutic Goods Administration (TGA) and regulatory agencies from various countries. To support a strong pipeline of products, the company has established two technologically advanced world-class R&D centres which has successfully filed 175 abbreviated new drug applications ANDAs (including New Drug Application (NDA)) with the US FDA

and 1,100 product registrations in other international markets. Out of the total filed applications, 134 ANDAs (including NDA's) and more than 750 dossiers in international market have been approved.

In India, Alkem is a dominant player in acute therapy areas such as Anti-infective, Gastro-intestinal, Pain management, and Vitamins/ Minerals/ Nutrients. Its product portfolio also includes megabrands such as Clavam, Pan, Pan-D, and Taxim-O, all of which rank among the top 50 pharmaceutical brands in India. In the anti-infective segment, the Company has maintained the top position for over a decade, and it is also one of the leading companies in the Indian trade generic segment. Alkem has been expanding its presence in chronic therapy areas such as Neuro/ CNS, Cardiac, Anti-diabetes, and Dermatology.

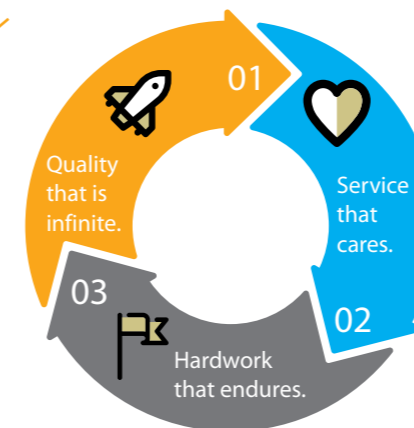


In India, Alkem is a dominant player in acute therapy areas such as Anti-infective, Gastro-intestinal, Pain management, and Vitamins/ Minerals/ Nutrients.



Vision

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



Company Values

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

Safety

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

Quality

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

Gratitude

Gratitude for all the benefits received.

Responsibility

Being responsible for our words and action and their consequences.

Adaptability

Proactive adaption to the ever-changing conditions and enduring success in all endeavours through harmony and nature.

Honesty

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

Respect

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

Compassion

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

Fairness

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



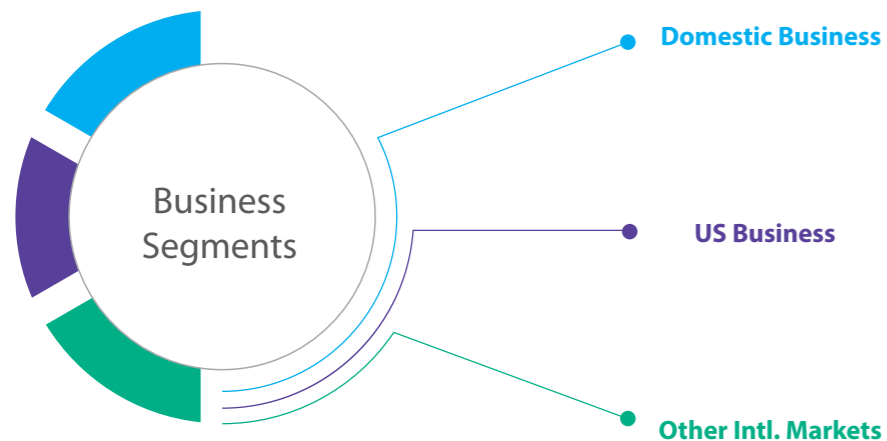
Shareholding Pattern

Alkem Laboratories Limited is listed on National Stock Exchange (NSE) and Bombay Stock Exchange of India (BSE). As on 31 March 2023, the Promoters hold around 57.16% of the Company and the rest 42.84% is traded in the stock exchange and owned by retail and institutional investors. For further details on the complete shareholding pattern of the Company, please refer to our website.



Business Segments

Alkem Laboratories has its business spread under three major business segments, i.e., Domestic business, US business and other international business. The company through its strategic initiatives is building a strong place in major domestic and international markets.



Domestic Business

Domestic business is the largest segment for the company and contributes nearly 81.8% of total revenues. The company has consistently grown over the years and become 5th largest pharmaceutical company by revenue in the domestic market. The growth is supported by a strong portfolio of 800+ brands and 1,300 Stock Keeping Units (SKU's) across a wide range of therapy segments in both chronic and acute areas. The segment is supported by a robust chain of distribution network of more than 7,500 stockists and 73 depots and carrying and forwarding agents (CFA) along with a large field force of 11,500 plus medical

representatives. Company's portfolio of acute therapies like anti-infective, gastrointestinal, vitamins/minerals/nutrients and pain management has outperformed its competition and drove the growth of the company maintaining its number one position in the anti-infective segment, and number two and three in vitamins / minerals & gastrointestinal/ analgesics & pain segment, respectively. Additionally, the company has established its strong presence in the chronic areas of anti-diabetic, neuro/CNS, and derma, surpassing market growth rates and gaining market share. Moreover, the company has launched 61 new drugs in

the past two years to fill in the portfolio gap and further strengthen the product offerings to the healthcare providers.

The Company remains optimistic about its prospects in the Indian pharmaceutical market, considering its strong position and strategic advantages. With a dominant presence in the acute segment, bolstered by market-leading mega brands, a robust field force, and an extensive supply chain and distribution network, the Company stands on solid ground within the domestic market.



US Business

The US business is the 2nd largest business segment contributing 13.6% of the total revenue for the company, as on 31 March 2023. During this fiscal, a substantial progress was noted in regulatory filings wherein 12 ANDA application were submitted before USFDA, 14 approvals were received from USFDA (including 7 tentative approvals). The US market holds a significant position of our Company, accounting for a considerable share of our total revenue.

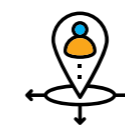
We are proud of our strong presence in the US market and our commitment to providing quality generic pharmaceuticals. Despite the challenges faced in the US generic pharmaceutical market during the fiscal year 2022-23, including the impact

of COVID-19 restrictions, heightened price erosion, and intensified competition, our US business remained resilient. During the year, we launched 12 new products showcasing our dedication towards innovation and growth.

In spite of intense competition and price erosion faced in the US pharmaceutical generics market, this geography remains an attractive and key market for growth. With these challenges, there has been an increased focus on profitability. We are prioritizing profitability by adopting measures which are cost-efficient, enhancing quality filing procedures to ensure regulatory compliance, and investing in research and development to expand its product portfolio while maintaining a profitable outlook.

Other International Markets

The company has strategically expanded in some of the key markets across the globe and is operating in more than 40 markets, apart from India and the US. It operates in key markets such as Australia, Europe, Southeast Asia, Latin America etc. The company operates through its subsidiaries and partner companies. This business segments contributes approx. 4.6% of total revenue of the company. The company established itself in these new markets through new product launches and strengthening the market share of existing products. The company is committed in building its worldwide presence in the pharmaceutical market and has filed over 1100 dossier and acquired more than 750 approvals across key international markets.



Geographical Presence

Alkem has established a strong manufacturing footprint along with a robust research capacity. As of reporting period, the company has 10 manufacturing facilities in India. Additionally, the company has established two research facilities in India, one at Taloja and another at Mandva.

INDIA			
Location	Manufacturing Facilities	Research Facilities	Focus Area
Baddi	1	-	Formulations of Tablet, capsules, and dry syrup
Daman	1	-	Formulations of Tablet, capsules, dry syrup & liquid
Sikkim	5	-	Formulations of Tablet, capsules, Injectables, dry syrup and liquid
Mandva	1	1	Active Pharmaceutical Ingredients (APIs)
Ankleshwar	1	-	Active Pharmaceutical Ingredients (APIs)
Indore	1	-	Formulations of Capsules, Tablets, Dry Syrup, Ointment
Tajola	-	1	Research and Development



ESG Strategy Framework



SP1: Trustworthy Stewardship

- ▶ R&D and Business Resilience
- ▶ Data Security and Technology Innovation



SP2: Environmental Stewardship

- ▶ Climate Action
- ▶ Energy Management
- ▶ Water and Waste Stewardship



SP3: Care for all

- ▶ Human Capital and Safety
- ▶ Community Welfare
- ▶ Product Safety and Patient Centricity
- ▶ Supply Chain Management



Our three strategic pillars are focused on our overall inclination towards integrated sustainable & business practices.

Trustworthy Stewardship

This pillar revolves around our ethical and sustainable leadership practices. At Alkem, we are evolving ourselves for building resilience in every aspect including strong leadership, effective risk management strategies, adaptable business models, and robust technology adoption and data security.

Environmental Stewardship

This pillar prioritizes environmental protection which pivots our focus towards climate change, protection of natural resources, water & waste management, energy management and creating a more sustainable future for all.

Care for all

This pillar revolves around our stakeholders and their interests, needs, and expectations. Our effective engagement supports us to develop effective strategies and policies in the interests of all stakeholders, and to build trust and strong relationships with them.

Strategic Roadmap & Key Targets

Focus Area R&D and Business Resilience	Target ESG risk integration in the Enterprise Risk Management (ERM) framework	Timeline FY 2024	Focus Area Data Security & Technology Innovation	Target Obtain ISO 27001 certification	Timeline FY 2026									
Focus Area Climate Action	Target To reduce Scope-1 and Scope-2 GHG emissions by 42% by the FY 2033 from the baseline of FY 2023	Timeline FY 2033	Focus Area Energy Management	Target Y-o-Y 1% of reduction in energy consumption achieved through energy efficient measures from base line of FY 2023	Timeline Till FY 2033	Target More than 70% of operating sites certified with ISO 50001	Timeline FY 2026							
Focus Area Water & Waste Stewardship	Target Ensure more than 90% reuse/ recycling of non-hazardous waste	Timeline FY 2025	Target Achieve water neutrality	Timeline FY 2030										
Focus Area Human Capital & Safety	Target Increase overall gender diversity to 5%	Timeline FY 2027	Focus Area Community Welfare	Target More than 75% sites certified with ISO 45001	Timeline FY 2026	Focus Area Product Safety & Patient Centricity	Target Quarterly engagement with local community	Timeline w.e.f. FY 2024	Target More than 75% domestic products (by sales value) to have QR Codes on primary packaging	Timeline FY 2026				
Focus Area Supply Chain Management	Target Screening of 90% new suppliers on ESG screening criteria	Timeline w.e.f. FY 2025	Target Sign-up for PSCI membership	Timeline FY 2024	Target Evaluation of identified critical suppliers in following manners:	<table border="1"> <thead> <tr> <th>10%</th> <th>35%</th> <th>70%</th> <th>> 90%</th> </tr> </thead> <tbody> <tr> <td>FY 2025</td> <td>FY 2026</td> <td>FY 2027</td> <td>FY 2028</td> </tr> </tbody> </table>	10%	35%	70%	> 90%	FY 2025	FY 2026	FY 2027	FY 2028
10%	35%	70%	> 90%											
FY 2025	FY 2026	FY 2027	FY 2028											

Stakeholder Engagement and Materiality Assessment



Stakeholder Engagement

At Alkem, we value our stakeholders and their priorities. As we are progressing, we are promoting our economic progress and sustainability agenda while fostering innovation, inclusivity, and resilience. This is in resonance with our theme this year i.e., Sustaining Legacy of Innovative, Inclusive, and Resilient Growth that consistently nurtures stakeholder inclusivity throughout our business operations. We actively acknowledge the perspectives and interests of employees, customers, suppliers, local communities, and other relevant stakeholders. This approach fosters collaboration and mutual trust, which can lead to more sustainable and meaningful growth. We understand the significance of our stakeholders' participation in the decision-making process. Their concerns and expectations positively influence and shape our outcomes to create long-term value which is relevant to everyone in the ecosystem.

We respect our stakeholders for their inputs and integrate them within our functions. Our strategic framework identifies the critical involvement of our stakeholders as one of the pillars which is reflected through our commitment of 'Enduring Quality Care and Innovation'. Our regular interactions with both external and internal stakeholders inculcate synergy and help us in mitigating the risks associated with them and our business.



Internal Stakeholders

Our workforce including employees and workers.



External Stakeholders

Shareholders, Regulatory bodies & government agencies, Customers, Local community, Suppliers & Contractors, Financial Institutions, Bankers & Lenders.

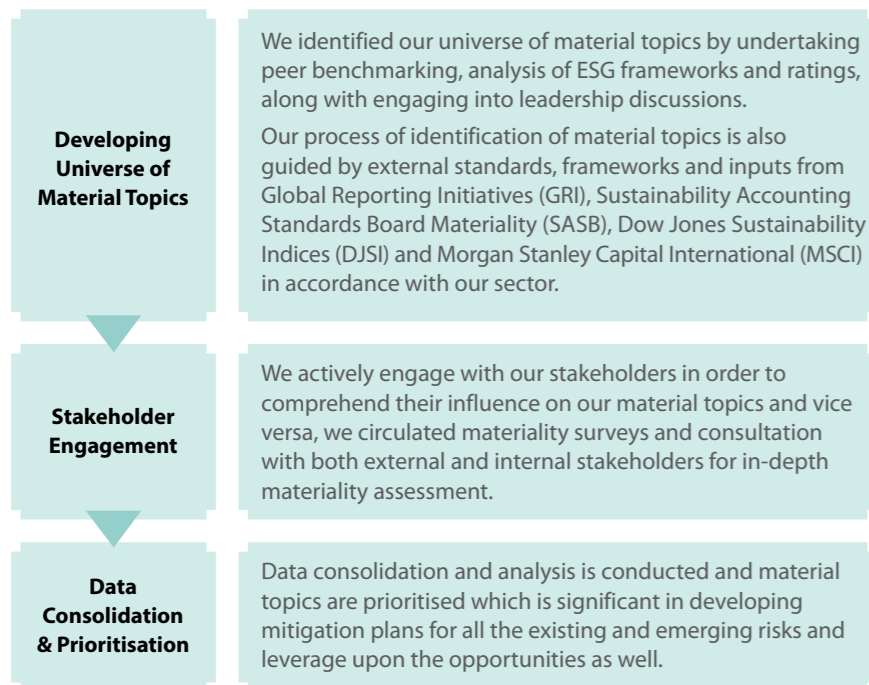
Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Business operations and performance Compliance with laws Economic value generated & distributed Long term value creation Socially & Environmentally Responsible
Regulatory Bodies & Government Agencies	No	<ul style="list-style-type: none"> Media releases Emails In Person Meetings Conferences Membership and Associations 	Need Based	<ul style="list-style-type: none"> Governance Discussion on various regulatory aspects
Financial Institutions, Bankers & Lenders	No	<ul style="list-style-type: none"> Annual reports Investor Meets Need basis during financial discussion meeting Emails 	Need Based	<ul style="list-style-type: none"> Good return on investment
Employees	No	<ul style="list-style-type: none"> Direct communication in form of emails, newsletters, one-to-one discussions, and Intranet 	Continuous	Employees are encouraged for discussion on following but not limited to: <ul style="list-style-type: none"> Diversity Quality of Work & Life Fair wages & Remuneration benefits Training & Development Career Growth Health & Safety
Customers	No	<ul style="list-style-type: none"> Video Conferencing Emails Customer Meets Website and Brochures 	Continuous	<ul style="list-style-type: none"> Product Quality Timely Delivery Building Customer Relationship Updating Company's latest product portfolio Competitive Cost Transparency in disclosure
Suppliers & Contractors	No	<ul style="list-style-type: none"> Supplier meets Supplier assessment Contract discussion meetings Performance review Emails 	Ongoing	<ul style="list-style-type: none"> Product Quality Cost Timely delivery Upcoming technologies or equipment Health & Safety
Local Communities	Yes	<ul style="list-style-type: none"> Regular engagement in person to understand concerns & requirement Community engagement during CSR initiatives Site visit Project specific meetings 	Ongoing	<ul style="list-style-type: none"> Support to communities for social upliftment with a focus on health, education, sanitation, and infrastructure development.

Stakeholder Engagement and Materiality Assessment



Materiality Assessment

In FY 2022-23, we worked holistically to integrate sustainability into all of our systems and processes. We conducted a robust materiality assessment to identify material topics specific to our business operations and associated risks, and opportunities.



We respect our stakeholders for their inputs and integrate them within our functions which nurtures our dynamic mutually beneficial relationship.

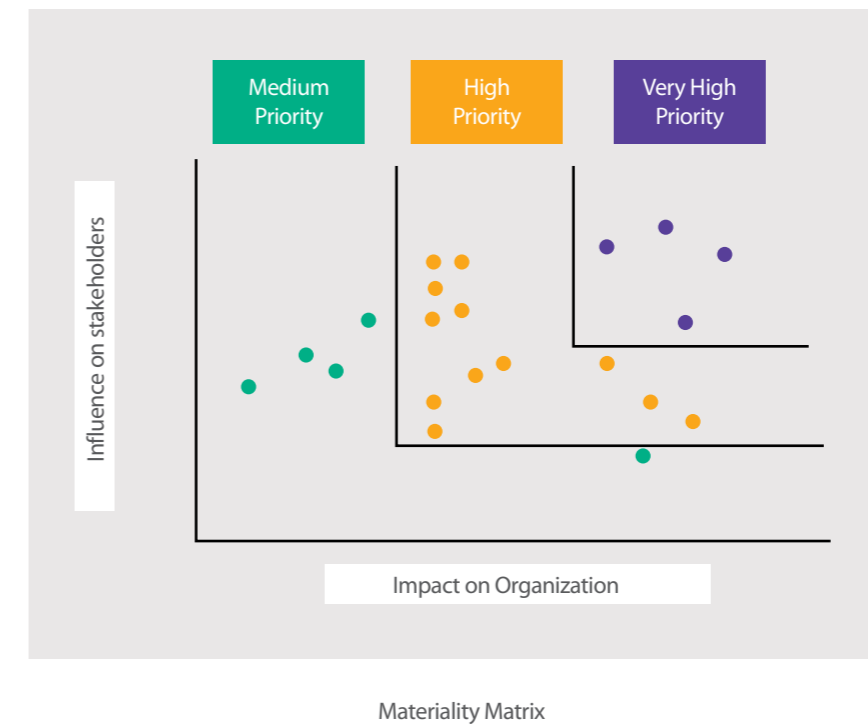


Approach towards Materiality Assessment

The material topics are categorised as medium priority, high priority, and very high priority on the grounds of the impact on organization and stakeholder influence on X-axis and Y-axis respectively. The 2-dimensional mapping of material topics after materiality assessment provides us with well mapped materiality matrix which directs our focus around key material aspects and serve as

a roadmap for us with regards to our ESG strategy.

Our 22 material topics cover diverse aspects related to our business and navigate our focus around serving the stakeholders as well. Our sustainability agenda of 22 material topics are thoroughly mapped through United Nations Sustainability Development Goals (UNSDGs).



Very High Priority

Product Quality and Patient Safety, Human Resource Development, R&D and Innovation, Availability & Affordability of Medicines.

High Priority

Sustainable Supply Chain, Corporate Governance & Business Ethics, Water Management, Waste Management, Energy Management, Climate Change & GHG Emissions, Occupational Health and Safety, Data Privacy and Cyber Security, Sales & Marketing Practices, Combatting Counterfeit Medicines, Clinical Trial Conduct, Resilient Business Performance, Business Continuity.

Medium Priority

Environmental Compliance, Human Rights, Community Engagement, Biodiversity, Pharmacovigilance.

Stakeholder Engagement and Materiality Assessment



ESG Strategy Linkage with Business

Our Purpose	Strategic Pillars	Focus Areas	Material Topics	Sustainable Development Goals (SDGs)
"Enduring Quality Care and Innovation"	Trustworthy Stewardship	R&D and Business Resilience & Compliance	Resilient Business Performance	Goal 8- Decent Work and Economic Growth Goal 9-Industry Innovation and Infrastructure
			Corporate Governance & Business Ethics	Goal 8- Decent Work and Economic Growth Goal 16- Peace Justice and Strong Institutions
			Business Continuity	Goal 8- Decent Work and Economic Growth Goal 9-Industry Innovation and Infrastructure Goal 16- Peace Justice and Strong Institutions
			Sales & Marketing Practices	Goal 3- Good Health and Well-being
			Data Security & Technology Innovation	Data Privacy & Security Goal 9- Industry Innovation and Infrastructure Goal 16- Peace Justice and Strong Institutions

Our Purpose	Strategic Pillars	Focus Areas	Material Topics	Sustainable Development Goals (SDGs)
"Enduring Quality Care and Innovation"	Environmental Stewardship	Climate Action	Environment Compliance	Goal 8- Decent Work and Economic Growth Goal 9-Industry Innovation and Infrastructure Goal 13- Climate Action
			Biodiversity	Goal 14- Life below Water Goal 15- Life on Land
			Climate Change & GHG emissions	Goal 7- Affordable and Clean Energy Goal 13- Climate Action
		Energy Management	Energy Management	Goal 7- Affordable and Clean Energy Goal 12- Responsible Consumption and Production
			Water & Waste Stewardship	Waste Management
		Water Management		Goal 6- Clean Water and Sanitation Goal 14- Life below Water
	Care for All	Human Capital & Safety	Human Rights	Goal 8- Decent Work and Economic Growth Goal 10- Reduced Inequalities Goal 16- Peace Justice and Strong Institutions
			Human Resources Development	Goal 8- Decent Work and Economic Growth
			Occupational Health & Safety	Goal 3- Good Health and Well-being
		Community Welfare	Community Engagement	Goal 10- Reduced Inequalities Goal 11- Sustainable Cities and Communities Goal 16- Peace Justice and Strong Institutions
			Combatting Counterfeit Medicines	Goal 3- Good Health and Well-being
		Product Safety & Patient Centricity	Pharmacovigilance	Goal 3- Good Health and Well-being
			Product Quality & Patient Safety	Goal 3- Good Health and Well-being
			Clinical Trial Conduct	Goal 3- Good Health and Well-being
Availability & Affordability of Medicines	Goal 3- Good Health and Well-being 			
R&D Innovation	Goal 3- Good Health and Well-being Goal 9- Industry Innovation and Infrastructure 			
Product Safety & Patient Centricity	Sustainable Supply Chain	Goal 8- Decent Work and Economic Growth Goal 12- Responsible Consumption and Production 		

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

Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial impact (Negative or Positive)
Resilience Business Performance		For a pharmaceutical company, it is important to always serve the market without being impacted by uncertainties. The strategy of the Company is to generate long-term economic growth with a focus on sustainability and value creation for all stakeholders. Prudent capital allocation is key to profitable growth.	The Company is focused on operating with stable generation of revenue through multiple streams by benefitting from sustainable supply chain, technology adoption and business continuity plan.	Positive implications due to smooth operations.
Climate Change & GHG Emissions		Due to rapidly growing focus on climate change and responsible operations, the Company is proactive towards climate change and management of their emissions, which is a complex process.	The Company's initiatives and actions are guided by its ESG policy that serves as an enabling framework to fulfill its business responsibilities and objectives. The policy drives the establishment of a robust enforcement mechanism to ensure that the Company's commitments are translated into actions.	Positive impact due to improved energy efficiencies and stakeholder output.
Biodiversity		In order to be a responsible corporate citizen, it is important for the Company to operate in a sustainable manner with respect to the community so that both aspects thrive mutually.	The Company works consistently to manage their impact on their surroundings and grow with them in a cooperative manner.	Negative implications due to the protection of biodiversity
Energy Management		Responsible management of energy and environment burden is necessary for a Company in terms of monetary impact and nonmonetary as well. It is important to transit from conventional energy sources like fossil fuels towards modern and efficient fuels. Energy consumption is a significant concern for the Company's business. The Company's operations are energy-intensive and consume a high amount of fuel and electricity. Therefore, upgrading to new technologies, improving processes, increasing system efficiency, and adopting green energy sources such as bio briquettes will immensely benefit the Company's operations and profitability.	The Company is working through multiple initiatives for improved energy management, some of them are: <ul style="list-style-type: none"> At some sites PNG Gas is used in boilers instead of furnace oil. To minimize the use of nonrenewable fuels, Biomass Briquette Boiler, solar panels have been installed at some sites. Installation of Variable Frequency Drive (VFD) Replacement of non-efficient Air Handling Unit (AHU) with new efficient AHU 	Negative impact is due to cost incurred for the capex of energy efficient equipment; however, positive financial impact contemplated in long run due to lower cost of energy.
Waste Management		Poor waste disposal, unsafe discharge practices, irresponsible waste handling impact adversely on the environment. In order to be compliant with regulatory norms the Company should adopt responsible waste management practices.	The Company emphasis on waste minimization is reflected in their adoption of 3R principle: Reduce, Reuse, Recycle. The Company has also tied up with an approved agency to support in the collection, recycling / co-processing of plastic base waste.	Negative impact is due to cost incurred in handling and management of waste.
Water Management		The regulatory constraints are strict on water resource due to its decreasing availability. Responsible usage and discharge ensure stakeholder entrustment and operational continuity.	The Company focus is pivoted on decreasing freshwater intake by monitoring of water consumption, educating workforce for exercises in saving in water consumption and auditing on raw, effluent, and treated water. Rainwater harvesting is adopted at Sikkim site and effluent treatment plants are adopted across all sites.	Negative impact is due to cost incurred in handling and management of water.
Occupational Health & Safety		Due to the nature of the industry, the workforce is exposed to hazardous chemicals and substances. The health & safety management is a continuous improvement process to mitigate ever-evolving challenges. A robust EHS management system combined with thorough hazard identification, mitigation strategies, root cause analyses of reported occurrences, and related corrective action plans will highlight the Company's strategy and persistent commitment to employee health and safety	<ul style="list-style-type: none"> The Company is focused on its 'Zero Harm' approach – Zero Harm to People, Asset and Environment. The Environment, Health & Safety (EHS) policy is applicable across the all the sites and Baddi and Daman manufacturing sites are ISO 45001 certified. The Company carries periodic EHS audits on the sites to identify the gaps and address them. The culture of health & safety is promoted through extensive employees and workers trainings. Multiple initiatives are deployed to ensure Process safety and Control of chemical exposure. 	Negative implications are due to cost incurred on safety trainings and protective gears.
Human Resource Development		The industry demands human capital which is knowledge and skill driven. The productivity and efficiency of the human resource provides better asset integrity and business growth.	The Company has a dynamic HR policy framework. The HR team provides strategic and skill development trainings to foster a balance of personal and professional growth of every employee.	Positive implications due to increased productivity of workforce.
R&D Innovation		Due to rapid increase in demand of healthcare, it is important to innovate solutions and products to serve the market. Further, having the advantage over R&D provides efficient and accuracy excellence in work product.	The Company has a strong team of scientists that steers the R&D operations. The R&D infrastructure has six technologically advanced and internationally accredited R&D centers spread across India and the US. The Company invests some percentage of their revenue into R&D to innovate to provide better solution.	Positive impact due to new product development
Sustainable Supply Chain		To operate with continuity and always serve the customers, it is important to decrease the dependence on single source supplier and trans-border supplier engagement and procurement. The Company can enjoy auxiliary benefits in both monetary and reputational terms due to a resilient and sustainable supply chain.	Strong inventory management, robust planning, and alternative vendor development and assessment for critical materials is supporting the Company in mitigation of risk.	Negative implications are observed due to cost incurred in suppliers' assessment.
Human Rights		It is important for a Company to promote a healthy culture of respect towards human rights. Violation of these practices harm the reputational image of the Company and trust within stakeholders.	The Company has well structured Human Rights policy which is applicable for all employees across all grades and locations and stakeholders. The Company also have a specific code of ethics for all suppliers, vendors, and contractors to guide ethical practices.	Negative implications are found due to cost incurred to ensure strict inclusivity of fundamentals of human rights in systems and processes



Material Issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial impact (Negative or Positive)
Community Engagement		For a Company to thrive with community entrustment, it is important to grow with the community priorities and align the 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.	The Company address and support the immediate and long-term needs of the community and focus on creating major positive impact to uplift the community in diverse ways. The initiatives are impacting the community in healthcare, education, rural development, environment, and sports aspects.	Positive implication due to good will and reputation among the local communities.
Data Privacy and cybersecurity		With an increasing focus on data security and privacy, it is important for a Company to safeguard the data and prevent any breach that could harm their reputation and may lead to loss on both financial and non-financial ends.	The Company has enforced Information Security Policy in accordance with Microsoft Active Directory. The Company is investing adequately in IT tools for data protection. Any data loss or leakage is closely monitored through VAPT and IT audits.	Negative implications are due to cost incurred for hardware and software needed for data security management system
Availability and affordability of medicines		Being a pharmaceutical Company, it is important to provide and place product in the market where they are accessible and affordable for the customers. The medicines should be made available and affordable so that the Company can enjoy competitive edge while maintaining a suitable margin.	The Company's R&D facilities are working to innovate solutions to ensure affordability and accessibility of products without compromising the quality.	Positive implications in longer run due to increased market share and development.
Clinical Trial Conduct		The conduct of clinical trial is significant for any pharmaceutical Company to ensure safety and efficacy of their products. Violation of regulatory norms and unethical practicing in clinical trial harms the Company on both financial and non-financial ends.	The Company adheres to all protocols and regulatory constraints to incorporate ethical conduct in clinical trials.	Negative implications are due to cost incurred in adhering with regulations and ethical processing.
Product Quality and Patient Safety		With increasing regulatory restrictions and protocols, it has become significant for the Company to be compliant with them and ensure customer centricity. Non-compliance may lead to reputational damage, fines, or penalties along with loss of customers' trust.	The Company adheres to cGMP guidelines strictly which are enforced by regulatory agencies for manufacturing processes, hence, ensuring quality assurance. The Company conducts periodic quality control checks across facilities for all machinery and equipment to identify and address the non-compliance and reducing quality risk significantly.	Positive implications due to customer acceptance and loyalty.
Pharmacovigilance		It is important for a pharmaceutical Company to track the effects of their products upon administration and monitor any side effects elicited through them.	A dedicated portal has been established for consumers to report any adverse event through multiple options.	Negative implications are due to additional cost incurred in monitoring and tracking.
Environmental Compliance		Imposition of regulations by monitoring & governing agencies have challenged the companies. It is essential for the companies to adhere to the norms to avoid getting penalized. Being compliant with all applicable regulatory requirements ensures continuous business operations without disruptions and adverse findings. A smooth integration of corporate governance and business ethics in a company is essential for ensuring ethical conduct within its operations. The company relies on a standard framework and strategic guidance to navigate the ever evolving corporate ecosystem. The primary focus of governance is on how the organization is managed and whether it adheres to best practices in terms of transparent and ethical leadership. Operating in an unethical manner not only undermines the company's reputation but also has the potential to cause significant harm, leading to potential litigation or reputational damage.	The Company is consistently operating mindfully and some of the sites are also certified with ISO 14001:2015. And comply with local laws and regulations of pollution control board as well.	Negative implication due to cost incurred on systems and processes to ensure strict compliance.
Corporate Governance & Business ethics			The Company has a robust corporate governance with dedicate committees and policies to steer the operations ethically and effectively.	Positive implication as good governance leads to ethical actions and stronger stakeholder relationships.
Business Continuity		It is important for a pharmaceutical Company to thrive through uncertain times like natural or manmade disasters. Well-structured business continuity plan ensures resilient operations.	The Company has adopted robust business continuity and emergency response plans for sites to deal with different scenarios.	Negative implications due to expenditure on preparedness measures.
Sales and marketing practices		For a Company, to impact consumer behavior, it is important to create influence on them through ethical sales and marketing practices.	The Company is working towards building skilled marketing workforce through multiple trainings and workshops. They are investing resources in effective digital marketing campaigns as well. The information disclosed on labels of the products are designed according to the regulatory norms.	Positive implications due to increased customer acquisition and retention.
Combating counterfeit medicines		Presence of counterfeit products in market harms the Company in multiple aspects. The prevalence of spurious product impacts revenue generation and customer loyalty as well.	The Company is deploying technology interventions with Anti-counterfeiting Security features.	Negative implications are due to cost incurred in mitigation plan.



Trustworthy Stewardship



Governance Targets

Focus Area	R&D and Business Resilience	Data Security & Technology Innovation
Target	ESG risk integration in the Enterprise Risk Management (ERM) framework	Obtain ISO 27001 certification
Timeline	FY 2024	FY 2026

Corporate Governance and Business Ethics

Alkem is committed to good corporate governance and believes that it is essential for achieving long-term corporate goals and to enhance stakeholders' value. The Company places great emphasis on principles such as empowerment and integrity of its employees, safety of the employees & communities surrounding our manufacturing facilities, transparency in decision making process, fair & ethical dealings with all stakeholders and society in general. Guided by our 9 core values at Alkem Laboratories: Quality, Adaptability, Responsibility, Respect, Gratitude, Fairness, Honesty, Safety and Compassion enables us to make informed decisions. Our business relies on the importance of codes, guidelines and policies to achieve sustainable growth. Our policies and codes function as guiding forces that steer our business conduct and shape our norms of behaviour. Details on our policies and codes are available at our website: [Alkem Laboratories \(alkemlabs.com\)](http://AlkemLaboratories(alkemlabs.com))

Our Board comprises of 12 members, including an Executive Chairman, a

Managing Director, 4 Executive Directors and 6 Independent Directors. The Board has 25% of women as a balanced mix of Executive Directors with one-woman Executive Director and Non-Executive Directors with two women Independent Directors having rich experience and expertise. The Independent Directors acquire a comprehensive understanding of the Company's operations through their interactions with senior management and Executive Directors. They obtain valuable knowledge in various areas during Board meetings and other engagements. This includes being aware of industry

and market trends, understanding regulatory matters such as pricing and FDA regulations, evaluating the Company's performance in comparison to competitors, and being familiar with the strategies employed by the Company. These insights enable the Independent Directors to make informed decisions and provide effective oversight in their role. During FY 2022-23, a total of 7 (seven) Board Meetings were held. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the SEBI LODR Regulations and are independent of the Management.

Members of Board of Directors

	Designation / Director Category	Name
Board of Directors	Executive Chairman	Mr. Basudeo N. Singh
	Managing Director	Mr. Sandeep Singh
	Executive Director	Mr. Mritunjay Kumar Singh
	Executive Director	Mrs. Madhurima Singh
	Executive Director	Mr. Sarvesh Singh
	Executive Director	Mr. Srinivas Singh
	Independent Director	Mr. Arun Kumar Purwar
	Independent Director	Mr. Narendra K Aneja
	Independent Director	Ms. Sangeeta K. Singh
	Independent Director	Ms. Sudha Ravi
	Independent Director	Dr. Dheeraj Sharma
	Independent Director	Mr. Sujain Talwar

Board Committee (Statutory)

Board Committees are essential components of the Company, 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. Consequently, the table below shows the various board committee compositions.

Board Committees

Committees	Designation	Name of the Director
Audit Committee	Chairperson	Mr. Arun Kumar Purwar- Independent Director
	Member	Mr. Sandeep Singh- Managing Director
	Member	Mr. Mritunjay Kumar Singh- Executive Director
	Member	Ms. Sangeeta Singh- Independent Director
	Member	Mr. Narendra Kumar Aneja- Independent Director
	Member	Dr. Dheeraj Sharma- Independent Director
Nomination & Remuneration Committee	Chairperson	Dr. Dheeraj Sharma- Independent Director
	Member	Mr. Basudeo N. Singh- Executive Chairman
	Member	Mr. Arun Kumar Purwar- Independent Director
	Member	Ms. Sudha Ravi- Independent Director
Corporate Social Responsibility Committee	Chairperson	Mr. Arun Kumar Purwar- Independent Director
	Member	Mr. Basudeo N. Singh- Executive Chairman
	Member	Mr. Sandeep Singh- Managing Director
	Member	Mrs. Madhurima Singh- Executive Director
	Member	Ms. Sangeeta Singh- Independent Director
	Member	Ms. Sudha Ravi- Independent Director
Stakeholders' Relationship Committee	Chairperson	Mr. Sujain Talwar- Independent Director
	Member	Mr. Mritunjay Kumar Singh- Executive Director
	Member	Mrs. Madhurima Singh- Executive Director
	Member	Mr. Srinivas Singh- Executive Director
Risk Management Committee	Chairperson	Mr. Mritunjay Kumar Singh- Executive Director
	Member	Mr. Sandeep Singh- Managing Director
	Member	Mr. Srinivas Singh- Executive Director
	Member	Ms. Sudha Ravi- Independent Director
	Member	Dr. Dheeraj Sharma- Independent Director
	Member	Mr. Narendra Kumar Aneja- Independent Director

Details on our Board of Directors and responsibilities of Board Committees is available in our Annual Report.

Trustworthy Stewardship



ESG Governance

We are committed to consistently improving our business performance to produce shared value for all Company stakeholders while also contributing to sustainable development. 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. To ensure long-term business sustainability, our objective is to develop a sustainable competitive business advantage via environmental, health, and safety (EHS) leadership and excellence. The EHS policy is in accordance with Indian norms as well as international standards. This guarantees that EHS frameworks and EHS risk management practices are given equal weight.

We have incorporated best practices related to environmental, social, and governance (ESG) issues into our business strategy and operations. To accomplish this, ESG policy serves as a guiding framework for meeting our business responsibilities and objectives. The policy drives the establishment of a robust enforcement mechanism to ensure our commitments are translated into actions. We value social and environmental factors equally and are committed to implementing its business practices ethically. To put this into action, we follow the 5R guiding principles: Reduce, Reuse, Recycle, Renew, and Respect.

Ethical Business Conduct

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 Code of Ethics for Employees and Code of Business Conduct and Ethics for Directors and Senior Management to promote highest standard of ethical conduct in all of our business activities. Directors and senior management of our company are required to avoid and reveal any conflicts of interest, whether actual or perceived, as part of their responsibilities. During FY 2022-23, no complaint has been received regarding violation of human rights.

Risk and Opportunity Management

A Risk Management Committee has been established by the Board of Directors to oversee the various risks (strategic, operational, and financial) that the organisation faces. Additionally, this group makes sure that the right safeguards are put in place to properly manage these risks. A Risk Management framework has been developed and put into place by Alkem Laboratories to allow for the identification, assessment, monitoring, mitigation, and reporting of significant internal and external risks that may obstruct the accomplishment of its strategic objectives.

Risk Management Framework

Risk Appetite	The Risk Management Committee 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
Risk Identification	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.
Risk Assessment and Risk Rating	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.
Risk Prioritization	The Risk Management Function is responsible for prioritizing key risks after completing the risk assessment, focusing on addressing high-risk concerns categorized in the red zone as a priority.
Risk Mitigation Process	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.
Risk Assurance and Reporting	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.
Risk Register	To consolidate material risks with Business Heads to review the outputs of multiple risk identification and assessment processes. These inputs are then aggregated in a Risk Register, which includes key risks, mitigating controls, and other relevant details. The company is required to maintain a Risk Register in a prescribed format, listing all identified risks.
Internal Controls and Risk Management	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 their effectiveness for these units.
Risk Management Requirement	The Company's Board of Directors have established a Risk Management Committee (referred to as the "Risk Committee"), which will regularly review the Company's Risk Management Policy. This review will consider the evolving complexities and changing industry dynamics.

Alkem Laboratories is committed to meeting the needs of the market while navigating uncertainty. The company's strategy is to focus on long-term economic growth, sustainability, and value creation for all stakeholders. To mitigate future risks and strengthen the business, Alkem Laboratories has incorporated ESG risks into the terms of reference of the Risk Management Committee. This includes identifying and assessing both internal and external risks based on ESG parameters. Demonstrating a commitment to sustainability can enhance the company's reputation, attract socially responsible investors, and cultivate stakeholder engagement. Through regular reviews and updates, Alkem Laboratories ensures its risk management framework remains aligned with evolving sustainability challenges and industry best practices. The following is a list of the key risks that have been identified and the suggested mitigating measures:

Trustworthy Stewardship

Principal Risks	Impact	Mitigation
Competition Risk	Intense competition from multiple competitors poses a threat to revenue from that particular product and impacts the competitive advantage position of the Company.	<ul style="list-style-type: none"> The Company's strong focus on R&D enables it to develop differentiated products that are difficult for the competitors to replicate. The Company keeps a close watch on the prevailing market trends through its Business Development Team, and accordingly plans new drug / molecule launch.
Quality Risk	Inadequate control on internal processes, people, and systems which may impact product quality and adversely impact the Company's brand equity and attract undesired liabilities, fines, or penalties.	<ul style="list-style-type: none"> 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 reduce quality risk significantly.
Pricing Risk	The Company's revenue flow and earnings may get adversely impacted in the event of adverse pricing regulations of key products.	<ul style="list-style-type: none"> Strong cost control measures ensure high operational efficiency, insulating impact on earnings. Operating leverage through a diversified portfolio and focus on high-volume growth.
R&D Risk	The Company invests significantly in R&D to develop molecules/drugs ahead of competition, keeping in line with current market trends. New drug development cost is very sensitive to changes in science and technology, shifts in the kinds of drugs under development and changes in the regulatory environment, impacting the Company's revenues and earnings prospects.	<ul style="list-style-type: none"> 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 optimisation of both existing products and new launches.
Manufacturing Facility Risk	Most of the domestic production is done at the Sikkim facility. Any disruption in production or supply chain, due to natural or manmade causes, may have a direct bearing of earnings.	<ul style="list-style-type: none"> To ensure steady and uninterrupted production, the Company is looking to set up alternative in-house manufacturing facilities and forge contract manufacturing partnerships.
Regulatory Risk	The Company is governed by several rules and regulations by various governing bodies. Non-compliance or misinterpretation may lead to inadequate observance. Also, the Company needs to be prepared to follow any new rules introduced or modifications brought about in existing laws.	<ul style="list-style-type: none"> Compliance and integrity form the main pillars of the Company's organisational values. Strict adherence to all applicable rules and regulations is ensured through various policies and review mechanisms. Strong internal control framework has earned the Company strong brand equity 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.	<ul style="list-style-type: none"> Microsoft Active Directory enables the Company to enforce Information Security Policy. Any data loss or leakage is closely monitored through frequent VAPT and IT audits and adequate investment in required IT tools.
People Risk	Human capital is a key resource for the Company's growth, thus making it imperative to attract and retain quality talent.	<ul style="list-style-type: none"> Specialised pharmaceutical courses are designed and offered by the Company via strategic tie-ups with reputable institutions, enabling it to attract skilled talent. Employee retention is attained through several learning and skill development programmes and employee engagement initiatives that enable the Company to motivate the employees and increase loyalty.

Resilient Business Performance

a. Economic Performance

Alkem Laboratories achieved resilient business performance by focusing on stable revenue generation through multiple streams. We leveraged on sustainable supply chain practices, advanced technologies, and robust business continuity plans. Our revenue from operations stood at ₹ 90,546 million, with India business contributing nearly 81.8% of the revenues. Balance 13.6% is pertaining to US markets and 4.6% from other international markets. Company owes this impressive performance to strong and dedicated team of marketing representatives.

Furthermore, the company expanded its influence within chronic therapy areas, including anti-diabetes, neurology/CNS, and dermatology, surpassing the rates of market growth and acquiring a larger market share. Notably, the company exhibited impressive growth, exceeding the market growth rate by over two times in these chronic therapy domains, resulting in an increased market share and an improved ranking in key segments.

Alkem Laboratories actively participates in employee welfare programs, including provident fund contributions. As per regulatory requirements, the company is obligated to contribute a defined percentage of salary costs to various government funds such as the Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, and Employee State Insurance. Both the employees and the company make monthly contributions to these funds, equivalent to a specific percentage of the employee's covered salary.

Employment and Other Long-Term Benefits

1. Defined Contribution Plan: The Company's annual contribution to defined contribution retirement benefit schemes is recorded in the Statement of Profit and Loss. Additionally, the company's contributions to the provident fund are classified as a defined contribution plan, wherein the company makes monthly contributions.

2. Defined Benefit and Other Long Term Benefit Plans: The Company earmarks liability towards unfunded Gratuity and Compensated absences and provides for payment to vested employees.

The most recent Actuarial Valuation of the present value of the defined benefit obligation for gratuity was carried out as on 31st March 2023 by an independent actuary. The present value of defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

₹ **712.8** million

Contribution to Provident Fund

₹ **17.7** million

Contribution to Employee State Insurance Corporation

b. Research & Development

In 2003, we embarked on our Research and Development (R&D) journey, with a primary focus on developing Abbreviated New Drug Applications (ANDAs). As part of this endeavour, we established our first R&D facility in Taloja, Navi Mumbai. This facility is equipped with a comprehensive range of state-of-the-art equipment's ensuring a steady and relevant pipeline of new products in the market.

The products developed by our R&D Centre have led to the submission of 175 ANDAs to the US FDA and over 1,100 dossiers in various other countries including Brazil, South Africa, Canada, Chile, and several regions worldwide. These achievements have contributed to our business success and have strengthened our esteemed reputation for quality and expertise.

Our R&D centres have undergone rigorous audits and obtained approvals from esteemed international regulatory bodies such as the US FDA, European authorities, Australian authorities, and others, highlighting the high standards of our research capabilities.

Technology and Innovation

Technology and innovation play a crucial role in the growth and success of Alkem Laboratories and Enzene Bioscience. Alkem Laboratories prioritizes innovation and technology across its business segments. We invest in research and development for new drugs and therapies, employing advanced manufacturing techniques, quality

control systems, and regulatory compliance measures through investment in innovative technologies, digitalization, automation, and data-driven decision-making.

The Company invests in advanced technologies and collaborates with research organizations to drive scientific advancements. In FY 2022-23, Alkem invested ₹ 5,394 million, which is 4.7 % of its revenues on R&D, as compared to ₹ 5,674 million, which is 5.3 % of its revenues in FY 2021-22. Alkem Laboratories excels in world-class active pharmaceutical ingredient (API) research, development, and manufacturing. We boast advanced facilities that utilize state-of-the-art manufacturing methods to produce top-quality products.

Enzene Bioscience is a subsidiary of Alkem Laboratories that focuses on leveraging innovation and advanced technologies in the field of biopharmaceutical research and development. They employ cutting-edge techniques and equipment to enhance their manufacturing processes and product quality. This includes the utilization of state-of-the-art bioreactors, purification systems, and automation technologies. The company's Cell Line Engineering (CLE) department specializes in creating high-expression microbial strains and mammalian cell lines for antibodies and challenging proteins. They utilize in-house expression vectors and host systems, and their CLE lab is equipped with cutting-edge equipment, including automated clone selection systems, biosafety cabinets, incubator shakers, qPCR and PCR systems, cell imaging systems, spectrophotometers, and bioinformatics software.

The Company recently launched Cetuxa, the first biosimilar of Cetuximab for head and neck cancer treatment, demonstrating their commitment to accessible and affordable healthcare. Alongside, Enzene received marketing authorisation to commercialise other biosimilar products in India, namely, Adalimumab and Bevacizumab. In FY 23-24, Enzene plans to launch 2 more products in India and is in final stages of completing trials and submitting marketing authorisations.

Both Enzene Bioscience and Alkem Laboratories collaborate with external partners, including academic institutions and research organizations, to stay abreast of the latest scientific advancements. They also foster a culture of innovation within their organizations, encouraging employees to explore new ideas and approaches to address medical challenges and improve patient care.

Environmental Stewardship



ENVIRONMENTAL TARGETS

Energy Management

KPI	Energy Efficiency
Target	Y-o-Y 1% of reduction in energy consumption achieved through energy efficient measures from base line of FY 2023
Timeline	Till FY 2033

ISO 50001 certification
More than 70% of operating sites certified with ISO 50001
FY 2026

Climate Action

KPI	Scope 1 & Scope 2 GHG Emissions
Target	To reduce Scope-1 and Scope-2 GHG emissions by 42% by the FY 2033 from the baseline of FY 2023
Timeline	FY 2033

Water and Waste Stewardship

KPI	Freshwater withdrawal
Target	Achieve water neutrality
Timeline	FY 2030

Non-Hazardous waste disposal
Ensure more than 90% reuse/ recycling of non-hazardous waste
FY 2025

Environmental management

Alkem Laboratories is an environmentally conscious organization and understands the importance of environment and is committed to protecting it by focusing on reducing adverse impacts of its operations. The Company has developed a robust ESG strategy to start its journey towards sustainable future. The company is committed to achieving its purpose of "Enduring Quality Care and Innovation" and has developed a holistic road map to improve its performance under its three strategic pillars. The strategic pillar of Environmental Stewardship is dedicated to improving its performance in three key focus areas of Climate Change, Energy Stewardship, Water and Waste Management. The following section will detail out initiatives taken by company to improve its impact in the focus areas.



Environmental Stewardship

Energy Management

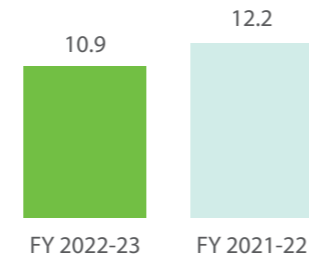
At Alkem Laboratories, we believe in efficient usage of energy, which brings agility and resilience to our business operations, enhances value creation for our stakeholders, and improves competitiveness. Therefore, we focus on optimising our system, procedures, and processes to enhance efficiency of our business operations, thereby, improving specific energy consumption. It becomes imperative for the company to effectively manage energy consumption to reduce its emission footprints. The energy consumption has a direct impact on the cost of its operations and impact overall business growth.

Alkem recognizes the changing regulatory landscape and understands the importance of implementing sustainable energy practices to improve its environmental performance and meet the evolving stakeholder expectations. The main source of energy is from burning of fuels such as High-Speed Diesel (HSD), Coal, Light Diesel Oil (LDO), Natural Gas and Furnace Oil (FO) and consumption of grid electricity across our manufacturing plants. The company has been conscious about the effective energy management and implemented various initiatives like installing variable frequency drives (VFD's) and LED lights across plants, replacing old non-efficient equipment's with new efficient system, installing energy efficient systems in brine plants and implementing condensate recovery system to effectively utilize the condensate heat. Additionally, the company has installed motion sensors for controlling lighting system and automated control values at utility input to reduce wastage of utilities due to manual operations.

The company has initiated its journey towards sustainable future with a robust ESG strategy which focuses on improving its performance across various aspects of ESG. One of the focus areas under ESG strategy is energy management under which various KPI's and targets have been taken by the company to improve its energy efficiency and decrease its overall energy consumption.

Energy Intensity

(GJ/ million ₹)



The company is continuously working towards increasing the share of renewable energy in its energy consumption portfolio. It has invested extensively to develop renewable energy company across its manufacturing plants to reduce its overall carbon footprint.

During the reporting year, we have sourced 30,390 GJ of electricity from renewable sources which is significantly higher than the 2,792 GJ sourced in previous year.

Energy Mix

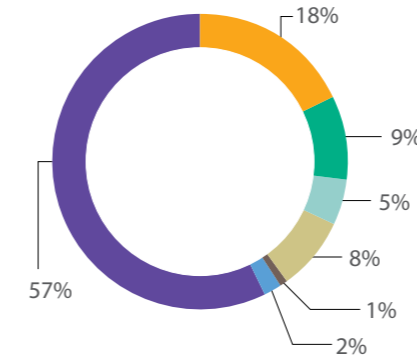
Source of Energy (GJ)	FY 2022-23	FY 2021-22
LDO	60,393	71,166
HSD	34,813	52,132
Coal	56,074	63,447
Natural gas	9,507	10,658
Furnace oil	10,675	33,232
Purchased Electricity	3,90,238	4,11,910
Steam	2,64,772	2,96,635
Bio-briquettes	1,26,923	1,30,728
Renewable Energy	39,390	2,792
Total	9,92,785	10,72,700



Energy Intensity

(GJ/ million ₹)

FY 2022-23



- Bio-briquettes
- Light Diesel oil (LDO)
- High Speed Diesel (HSD)
- Coal
- Natural Gas
- Furnace Oil
- Purchased Electricity

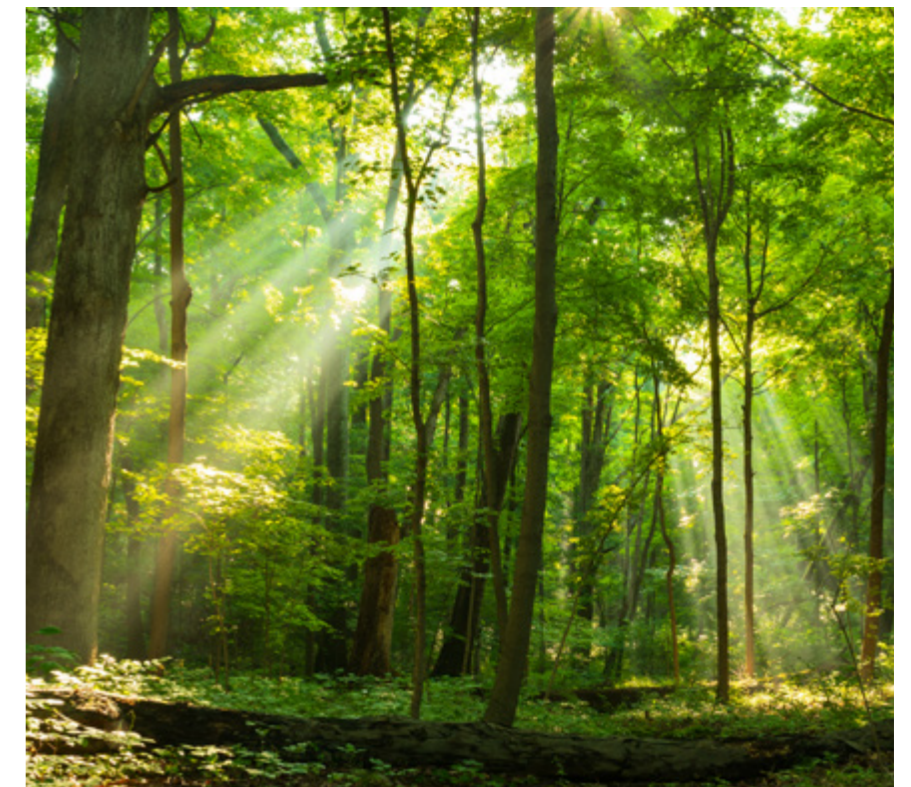
Climate Action

Alkem is committed to build a holistic strategy through its ESG roadmap to monitor, reduce and control the release of GHG emissions into the atmosphere. It has planned to implement initiatives that uses latest technology to mitigate emissions and minimize their impact on climate change. The company's plans are in sync with the national and global goals of emission reduction to achieve net zero emissions.

At Alkem, the main source of direct emissions (Scope-1) includes emissions from stationary combustion of diesel, coal, natural gas and furnace oil within the boundaries of Alkem. However, the indirect emissions (Scope-2) include emissions from purchased grid electricity and purchased steam. The company is committed to measure its holistic emission footprint and will take Scope-3 emissions accounting in the coming years.

Continuous efforts to optimize energy use...

Alkem is focused on optimising its operation through continuous improvements across its operations. It has identified and rectified HVAC system which was running at low efficiency due to poor performance of condenser and cooling tower circuits. Several initiatives were taken to modify the cooling tower headers, monitoring of loading patters and temperature and as a result the company was able to optimize its HVAC operations and achieved a 6 % reduction in energy consumption.



Environmental Stewardship

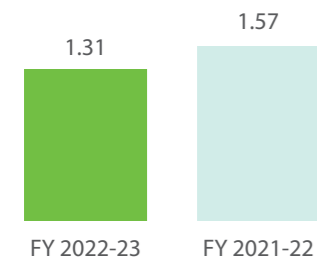
Calculation Methodology

We have created a semi-automated data management tool to collect relevant data from all data handlers across sites and the data was further processed using emission factors from the IPCC guidelines for GHG inventories (2006) for direct energy and from Indian Central Electricity Authority's (CEA) Baseline Dioxide Emissions Database for calculating emissions from indirect energy.

Emission Source (tCO ₂ e.)	FY 2022-23	FY 2021-22
Scope 1	26,461	31,367
Scope 2	91,817	1,07,033
Total emissions	1,18,278	1,38,400

Emission intensity

(tCO₂e/₹)



Pathway to Emission Reduction

The company has developed a holistic sustainability roadmap to increase its pace to adapt latest technology to decrease its emissions footprints over the years.

Air Emissions

As a result of our resilient business operations, we release emissions such as oxides of nitrogen, sodium, particulate matter, volatile organic compounds etc. We are making continuous efforts to reduce these emissions and have a holistic stock monitoring system to maintain emissions below the levels prescribed by the regulatory authorities and norms. We are using initiatives such as facility designs, closed operations and use of emission control devices including scrubbers, dust collectors and filters to control the emissions going to environment. Emissions for FY 22-23 are as under

195.73 MT
SOx (Sulphur Oxides)

196.57 MT
NOx (Nitrogen Oxides)

214.84 MT
PM (Particulate Matter)

1.1621 MT
ODS (Ozone depleting substance)



Water and Waste Stewardship

Water Management

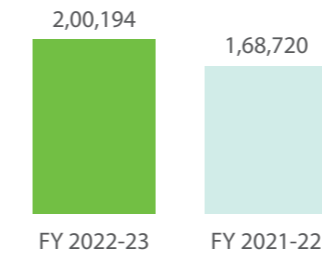
Alkem considers water management a crucial aspect of its operations and prioritizes efficient and sustainable use of water resource throughout its facilities. The company believes that effective water management is vital for long-term sustainability and success of its operations and will help to conserve resources, protect the environment, and improve operational efficiency to ensure compliance with regulations and meeting the ever-changing stakeholder expectations. Alkem uses treated water at every feasible place to reduce the freshwater intake and has implemented water management initiatives such as monitoring water consumption, educating workforce in water conservation initiatives, and auditing raw, effluent, and treated water. The company has implemented systems such as rainwater harvesting at Sikkim site and effluent treatment plants across all sites to better manage water consumption.

The main source of water at Alkem's manufacturing plants is a mix of ground water, surface water and third-party water.

Water Withdrawal

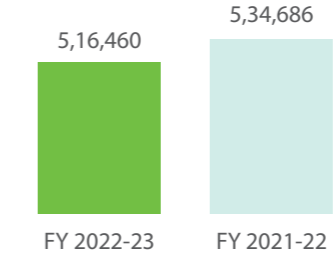
Surface water

(KL)



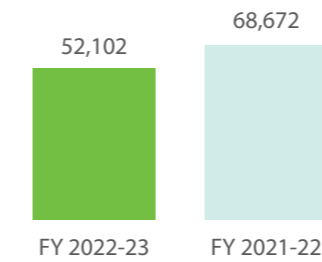
Ground water

(KL)

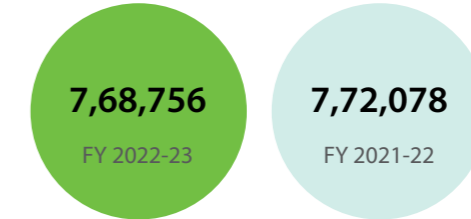


Third-party water

(KL)



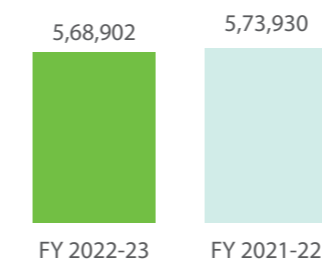
Total water withdrawn



Wastewater is generated as a result manufacturing processes, recirculating cooling water, R&D activities, and sewage generation. The company has implemented a proper system for recycling and treatment of wastewater generated by these streams in its manufacturing facilities. Treated water is reused for multiple purpose like gardening and cleaning, within factory premises which help in reducing the consumption of water.

Water Consumption

(KL)



Environmental Stewardship

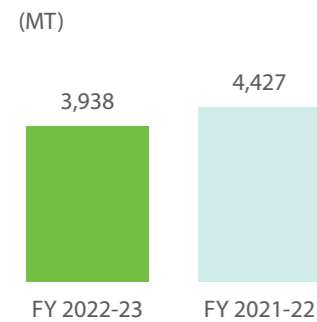
Waste Management

We generate waste as result of business operations. However, the Company has implemented responsible and sustainable waste management practices to ensure that the waste generated is handled safely and has implemented multiple processes to safely handle, store and dispose the waste generated in a responsible manner. The main source of waste generated by Alkem includes date expired products, Off Specific product, Chemical Sludge, Metal Scrap, Wood & Paper waste, and glass waste.

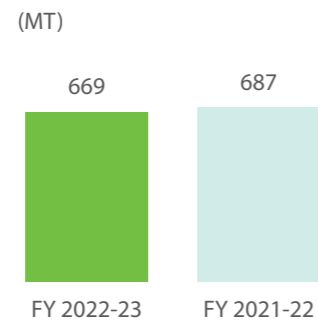
The company follows all regulatory requirements for waste disposal and takes initiatives on a regular basis to reduce waste generated due to production. It has implemented initiatives to prevent waste going to landfill by properly segregating the waste within dedicated categories to take specific action like recycling/co-processing and disposing off in an environmentally responsible manner based on the characterises of the waste. Additionally, the company ensures that the waste generated is sent through proper channels for incineration as the hazardous waste requires appropriate disposal mechanism.

Waste generated

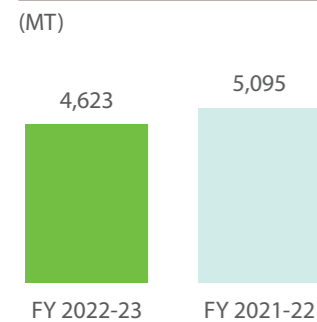
Non-Hazardous Waste



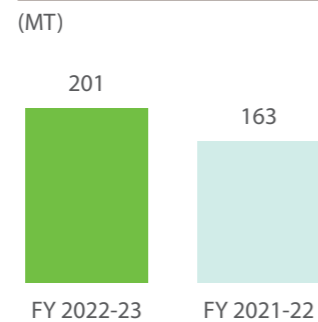
Hazardous Waste



Total Waste Generated

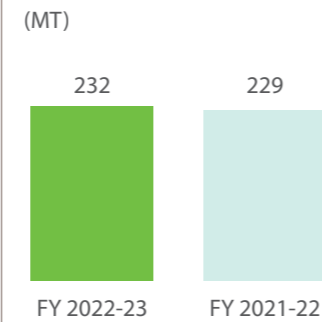


Waste sent to landfill

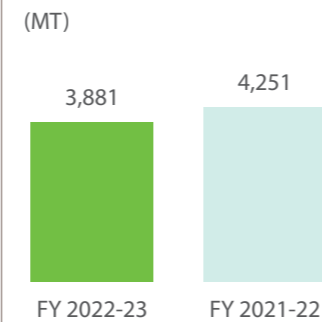


Waste diverted from land fill

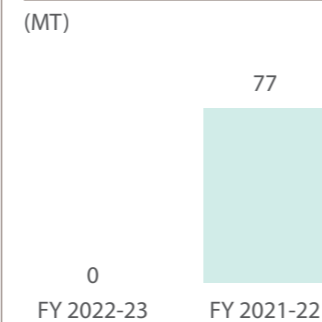
Incineration



Recycle



Reuse



Operational Excellence initiatives

The company on regular basis takes initiatives to improve its overall efficiency and achieve operational excellence across its operations. During the reporting year following initiatives were taken.

As a part of company's energy saving drive, there were initiatives to arrest the leakages within the compressed air distribution system, which resulted in reducing the load by 15 % on the three compressors being used in the site

The company has integrated two B-max blister machines on a single autocartanator on packaging line to increase overall productivity and this has resulted in an annual savings of ₹ 70.6 lakhs.

1
2
3

The company has successfully decreased the cooling time at a food block packing unit through installation of heat exchangers, which has resulted in decreasing the overall cooling time from 16 hours to 8 hours and thus increasing the throughput from 20,000 bottles to 50,000 bottles. This initiative has resulted in an annual savings of ₹ 44 lakhs.

The company through its process improvement initiatives has increased a throughput of a product and reduced the cycle time from 12 hours to 8 hours and achieved an annual savings of ₹ 9.2 Lakhs.

4
5
6

The company has introduced multipin punches for tablet compression for one of its products, which has resulted in reduction of compression time and achieved an annual saving of ₹ 0.6 Lakh

Modification of cooling tower headers and close monitoring of loading pattern & temperature etc at chillers used to run to cater plant HVAC requirement has led to approx. 6% energy savings.

Care for All



Social

Focus Area	Human Capital & Safety		Community Welfare	Product Safety & Patient Centricity
Target	Increase overall gender diversity to 5%	More than 75% sites certified with ISO 45001	Quarterly engagement with local community	More than 75% domestic products (by sales value) to have QR Codes on primary packaging
Timeline	FY 2027	FY 2026	w.e.f. FY 2024	FY 2026

Focus Area	Supply Chain Management					
Target	Screening of 90% new suppliers on ESG screening criteria	Sign-up for PSCI membership	Evaluation of identified critical suppliers in following manners:			
			10%	35%	70%	> 90%
Timeline	w.e.f. FY 2025	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028

For Alkem, our social aspect is about the impact that we have on our corporate ecosystem including employees, customers, suppliers, local communities, and society as a whole. We are committed to creating value for our people dedicatedly as reflected through our ESG purpose 'Enhancing Lives Sustainably' which encompasses our strategic pillar 'Delighted Stakeholders- Enhancing Lives'. This pillar incorporates various aspects such as human rights, health & safety, community engagement, customer satisfaction & product safety, philanthropy & social responsibility into our initiatives which enhances the trust of our stakeholders in us and our reputation as a socially responsible business.



Human Capital Management

At Alkem, we acknowledge the significance of our workforce as they are the ones who carry out the day-to-day operations of our business and provide valuable insights and perspectives that boost our business to grow, innovate and stay competitive. We collaborate mutually to achieve common goals and objectives by nurturing practices of knowledge and skills sharing and supporting one another that fosters a positive and productive work environment. Our workforce embodies the values and mission of our business and promotes the creation of a sustainable and cohesive workplace, which is a combination of resonating technical skills, personal qualities, and work ethics.

We encourage the engagement of our proactive employees by promoting agility and entrepreneurship in every system and function. We identify and solve problems, improve processes, and drive innovation with our workforce that reflects our skills of adaptability and reliability. Our sustainable agenda is put forward with our collective initiatives with our workforce which have exposure to diverse opportunities and new challenges across multiple geographies. We are delivering our ethically driven work produce which is customer centric leading to enhanced stakeholder entrustment.



We have been again certified as one of the Best workplaces in Biotechnology & Pharmaceuticals in India for FY 2022-23. In the list of our recognitions for our work, Alkem has made a debut in the prestigious 'Top 50' list of companies to work for across various industries, with a rank position of 31st.



Best Workplaces Asia 2022

In its 3rd consecutive year of Great Place to Work Certification, Alkem was recognized as one of the Best Workplaces In Asia 2022 by Great Place To Work (GPTW) Institute. GPTW Institute undertakes a combination of meticulously designed Employee Surveys (Trust Index) and audits of HR practices (Culture Audit) to evaluate an organization. Trust Index covers the 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.



Care for All

Alkem's Employee Value Proposition

Our employee value proposition statement is a clear reflection of our intention of fostering a positive workplace which is purpose driven and customer centric. Our healthy corporate ecosystem creates opportunities for everyone that assist our workforce in achieving their highest potential. Our EVP statement is as follows:

"We at Alkem contribute towards the purpose to build a healthier world. With Alkem family, you embark on an exciting growth journey that encourages entrepreneurial mindset and agility. As an Alkemite, you experience the caring culture that values people and become part of a team that nurtures individuals into strong leaders for tomorrow."



Our well-structured governance and ambitious leadership have empowered our initiatives with their expertise in execution and management. Their bold endeavours have always encouraged us to reach new heights in terms of growth and sustainability. Our diverse Board of Directors and committees have navigated our actions while maintaining our integrity and ethics. 25% of our Board of Directors are women and which are involved in Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee as well.

Our remuneration and salaries are structured on a merit and grade basis. We adopt fair remuneration practices and nobody is paid lesser than the regulated minimum wage. Any type of discrimination for remuneration on the grounds of caste, gender, religion, ethnicity, language, disability, etc is strictly prohibited at Alkem Labs. Our Nomination & Remuneration policy can be accessed at our website: www.alkemlabs.com.

Employee Engagement

We offer our employees with 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 counselling in case of need.

Learning & Development

The learning and development of employees are essential to ensure their ongoing growth, skill development, and ability to keep up with ever evolving technology and processes. In today's rapidly changing business environment, employees must be able to adapt to new technologies, processes, and strategies. Learning and development initiatives can help our employees to keep up with these changes and stay relevant in their roles.



Employee Connect and Engagement

To promote the culture of peer-to-peer appreciation and instant recognition, Alkem has launched an online rewards and recognition portal, known as 'Extra Mile'. The Company also continued with its Reward & Recognition through various platforms like the Hall of Fame, Service Awards, Applaud Awards, and Star Awards. Additionally, various employee events were organized at different locations around the year to celebrate the spirit of Alkem.



Our workforce of total 16,871 people collectively works towards a sustainable vision. Our diverse talent pool strives upon their knowledge and skillset concerning our operations. We strictly adhere to equal opportunity grounds at the time of hiring, and we do not discriminate based on caste, sex, religion, place of birth, ethnicity, disability, in terms of hiring new talent.

As of 31st March 2023, we have a total of 16,871 permanent employees in the Company out of which 2.4% are women.

Number of employees hired (New Hire) during FY 2022-23

S.No.	Category	Age Group			Gender	
		<30	30-50	>50	M	F
1.	Non-field employees	551	197	10	637	121
	a) Corporate	84	88	2	124	50
	b) Manufacturing	418	66	2	444	42
	c) R&D	48	41	1	61	29
	d) Others, please specify	1	2	5	8	-
2.	Field Employees	3,280	1,013	8	4,291	10

Employee Turnover during FY 2022-23

S.No.	Category	Age Group			Gender	
		<30	30-50	>50	M	F
1.	Non-field employees	332	508	26	761	105
	a) Corporate	34	88	3	85	40
	b) Manufacturing	270	330	17	570	47
	c) R&D	28	86	4	100	18
	d) Others, please specify	-	4	2	6	-
2.	Field Employees	1,970	1,509	17	3,479	17

Enhancing Capabilities

At Alkem, we have continued our capability development initiatives to support business objectives and employee growth. In addition to traditional classroom methods, the Learning and Development (L&D) function implemented digital learning tools to facilitate continuous learning at employees' own pace and preferences. One such tool is known as 'Video-Based On-The-Job Training (VBOJT)', which was utilized to assess and enhance communication proficiency among the field force, involving their line managers on a monthly basis.

To upskill high-potential sales leaders, Alkem maintained its partnership with S.P. Jain Institute of Management and Research (SPIJMR) and organized the "Advanced Program in Pharmaceutical Sales Management" (APSM), an 8-month modular program for the 2nd consecutive year. The marketing team also benefited from an interactive "Building Big Brands workshop" to enhance their skills in brand management.

Following a successful launch in the previous fiscal year, the Massive Open Online Courses (MOOC) platform eDX was extended to all middle managers and above during the reporting period. This platform offers a wide range of functional and behavioural courses, enabling employees to learn topics of their choice and further develop their skills within the organization.

The Company expanded the role-based competency model to manufacturing and related functions, introducing Alkem's Competencies for Manufacturing Excellence (ACME). Through highly interactive ACME workshops, employees in manufacturing and quality functions underwent training aligned with this competency framework. Over time, this framework would be utilized for recruitment, assessment, and development of employees in manufacturing. The sales force competencies were also reviewed and revised to align with evolving market dynamics and role expectations.

In order to enhance technical capabilities, the Company established the Technical Training Academy at its Daman site. This academy caters to the training needs of employees involved in manufacturing, quality, and related functions across all sites. The academy introduced a Role-Based Training Management process for employees within the Manufacturing organization, offering programs such as Advanced Machine Learning training through On Job Training (OJT) and utilizing Virtual Reality (VR) technology to simulate machine handling in a 3-D environment. Additionally, the academy launched various programs for different roles, including Batch Manufacturing Record Lifecycle, OOS & Investigation Boot Camp, Auditing Skill Certification, Technical Report Writing Skills, and Quality Culture, among others.

Offering learning and development opportunities to employees demonstrates investment in their career growth and development and it also assists them in achieving their personal development goals. It also drives creativity and innovation within the processes by exposing our workforce to new ideas and approaches.

Labour Management Relations

Labour relations are an essential aspect of the employment relationship. Employers and employees must work together to establish effective collective bargaining agreements, address grievances, comply with labour laws, and foster positive communication and workplace culture. We acknowledge unions which represent employees in collective bargaining and other employment matters. For FY 2022-23, Alkem has not entered into any collective bargaining with any employee unions.

Care for All



Occupational Health & Safety

Our Occupational Health and Safety (OHS) system is focused on the prevention of workplace injuries, illnesses, and fatalities. It involves identifying and managing workplace hazards to ensure the health and safety of our employees and workers. Regular risk assessments and implementation of appropriate measures to mitigate those risks is significant for our sustainable agenda. We have implemented relevant safety programs and procedures to promote a safe work culture, this includes establishing policies and procedures to manage workplace hazards, ensuring compliance with occupational health and safety regulations, and providing appropriate personal protective equipment.

Our sustainability driven vision of 'Zero Harm' approach – Zero Harm to People, Asset and Environment – guides the EHS roadmap. Our commitments and initiatives towards OHS are reflected through our compliance with Indian Regulations as well as International Standards viz. ISO 14001 and ISO 45001. Our Corporate Environment, Health and Safety Department provides and monitors overall EHS scenario at Alkem and our site EHS Department(s) monitor site-wise activities. Our holistic safety focused trainings are necessary to deliver appropriate training and education on workplace hazards, safety procedures, and emergency response plans. The aspects that are covered in the trainings are:



To promote EHS and to create awareness among our employees and associates, we celebrate various events like National Safety Week, world environment Day, Earth Day, Red-cross Day, Energy Conservation day, National Fire Service Week etc. in which we conduct various awareness activities viz. trainings, competitions, reviews, exhibitions; street plays etc. Even we conduct few events in near-by schools, small factories to create EHS awareness in the society.

Being a pharmaceutical company, it is important for us to be cognisant with the impact of exposure chemicals have on our workforce. We undertake all the necessary measures to secure our workforce like:

- ▶ Engineering control
- ▶ Close operations
- ▶ Administrative controls
- ▶ Mandated personal protective equipment (PPE)
- ▶ Implementation of Emergency Response Mechanism

Proper execution of OHS requires the active participation of employees in identifying hazards and implementing safety measures. We encourage and facilitate employee participation in health and safety programs. We strictly maintain records of workplace injuries, illnesses, and fatalities, and report incidents for future learning and risk mitigation. Our periodic EHS audits is another measure to ensure implementation of occupational health & safety management system and bridge the gaps that are identified. Both Internal and external audits are conducted. Our Baddi, Daman, Sikkim manufacturing sites are ISO 14001 and ISO 45001 certified. Additionally, sites at Ankleshwar and Mandva which are API manufacturing sites are also ISO 14001 and 45001 certified in FY 24

Product Quality and Patient Safety

Quality Assurance

Quality assurance is a critical aspect of our dynamic as a pharmaceutical industry, it ensures the product safety, effectiveness, and compliance with regulatory standards. Quality assurance is responsible for developing and implementing quality management systems and procedures to ensure that our work produce meet the desired quality standards. The key aspects of quality assurance at Alkem:

- ▶ Developing and implementing quality management systems 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 and professionals with global work experience.
- ▶ Performing product quality reviews and trending analysis
- ▶ Investigating and resolving quality issues
- ▶ Providing training to employees on quality management systems and procedures
- ▶ Ensuring that the company's quality policies and objectives are communicated and understood by all employees

Our quality assurance is backed by our strong industry experience, robust quality standards, and proven capabilities in research, manufacturing, and distribution, which ultimately enhance the quality of life – helping people live longer, better, and fuller. We operate in a regulated industry. It is significant for us to ensure the quality of our systems and processes along with our supply chain. We regularly conduct initial and regular periodic audits for qualification and re-qualification of the vendors to assure the quality of resources procured from the vendors and suppliers. Timely and regular quality control checks across manufacturing facilities for all machinery and equipment reduce quality risk significantly.

Quality Strategy

Our quality strategy focus on ensuring that all our products and processes meet the highest quality standards. This requires a comprehensive approach to quality management that covers all aspects of the product lifecycle, from research and development to manufacturing, distribution, and post-market surveillance.



Key aspects of quality strategy:

- ▶ Compliance with all applicable laws and regulations related to pharmaceuticals, including Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP), and Good Clinical Practices (GCP).
- ▶ Robust risk management system in place to identify and mitigate potential risks to product quality and patient safety.

Care for All



Quality Strategy

- ▶ Continuous review and improve its processes and systems to ensure compliance with the highest quality standards and are aligned with best practices.
- ▶ Fostering a culture of quality throughout the organization, with all employees committed to ensuring that 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 data related to its products and processes, including data from clinical trials, manufacturing, and post-market surveillance.
- ▶ Robust supplier management program in place to ensure that all suppliers and vendors meet the same high-quality standards as the company itself.

Quality Process

Our quality process ensures the safety, efficacy, and reliability of our products that we manufacture. Our key components of quality processes:

- ▶ **Quality Management System (QMS):** We have a well-established and robust QMS that outlines the processes, procedures, and responsibilities for quality-related activities. The QMS serves as a framework for ensuring compliance with regulatory requirements and industry standards.
- ▶ **Current Good Manufacturing Practices (GMP):** We adhere to CGMP guidelines to ensure the consistent production of our safe and high-quality products.
- ▶ **Our Record-keeping:** We maintain comprehensive records of all activities, including batch manufacturing records, standard operating procedures (SOPs), equipment calibration records, validation reports, and analytical test results.
- ▶ **Risk Management:** We have deployed risk management strategies to identify, assess, and mitigate potential risks associated with our processes and products. This includes conducting risk assessments and implementing risk control measures.

- ▶ **Quality Control and Quality Assurance:** Quality control involves testing and analyzing raw materials, in-process samples, and finished products to ensure they meet predetermined specifications. Quality assurance focuses on activities that ensure the integrity of the quality process, such as conducting internal audits, managing deviations and non-conformances, and implementing corrective and preventive actions (CAPAs).
- ▶ **Continuous Improvement:** We thrive with continuous enhancement in the quality processes. This involves analyzing data, monitoring key performance indicators (KPIs), conducting management reviews, and implementing measures to enhance efficiency, reduce errors, and increase overall quality.

Right First Time (RFT)

We adhere to 'Right First Time' which is a quality management principle that emphasizes the importance of doing things correctly the first time, rather than relying on correction or rework to fix errors. The principle applicable to all aspects of our operations, from product design and development to manufacturing, sales, and customer service. The idea is to prevent quality issues from occurring in the first place, which can save time, money, and resources in the long run.

By focusing on doing things right the first time, we are enhancing our overall quality and customer satisfaction, reduce waste, and increase efficiency. Closely monitoring production lines and quality control labs by a highly skilled and experienced team of professionals with global work experience ensures that any potential quality issues are identified and addressed promptly. This approach helps to minimize the risk of product defects and ensures that the products meet the highest quality standards.

Regulatory Compliance

Maintaining high quality standards which complies with regulatory standards in product development, manufacturing, and distribution is crucial for us, especially being a pharmaceutical industry. Our commitment of compliance with applicable laws and regulations is essential to ensure the safety, efficacy, and quality of our products. Strong adherence to CGMP guidelines enforced by leading regulatory agencies for manufacturing processes leads to quality assurance.

Inspection highlights

All the manufacturing facilities of Alkem comply with the regulatory norms of the respective countries like Schedule M for India, various sections of Chapter 21 of Code of Federal Regulations (21CFR) for USA, GMP requirements for European Union (EU) as defined in Eudralex, World Health Organisation guidance for GMP compliance (WHO-GMP), Orange Book guidance of UK MHRA, TGA guidance for Australia, and other relevant applicable guidance for rest of world countries. Inspections are periodically performed for the different manufacturing facilities of Alkem by various regulatory agencies of different countries of the world as per the relevant cGMP guidelines. Our manufacturing sites are inspected by CDSCO, USFDA, MHRA - UK, BfArM-Germany, Medicines authority - Malta, BDA - Bulgaria, SAHPRA - South Africa, TGA - Australia, ANVISA - Brazil, WHO - Geneva, ISP - Chile, TPD - Health Canada, PPB - Kenya, NDA - Uganda, MOH - Sudan, INVIMA - Colombia, TFDA - Tanzania, Zimbabwe, & Other Africa, Asian & CIS Countries



Adverse Event Reporting

We have a strong commitment towards manufacturing quality products. We are proactively ensuring patient safety, especially when it comes to the use of pharmaceutical products in specific patient populations. The safety profile of a drug in certain populations such as the elderly, children, or pregnant women is still sensitive. We have a dedicated dashboard on our website where our patients can report any adverse event due to administration of our pharmaceutical products at <https://www.alkemlabs.com/adverse-event-reporting.php>



Patient Safety

Patient safety is a crucial aspect of our business that 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.

Being a pharmaceutical company, pharmacovigilance is important aspect of our functioning, it is related with the science and activities of detection, assessment, understanding, and prevention of adverse effects or any other drug-related problem. We actively promote collection and reporting adverse events, monitoring the safety profile of drugs, analyzing data to identify safety signals, and taking appropriate actions to minimize risks to patient safety. It involves collaboration among various stakeholders such as regulatory agencies, healthcare professionals, patients, and pharmaceutical companies to ensure that the benefits of drugs and medical devices outweigh their risks.

Alkem responsibly works during the clinical development stage, the Alkem's Data and Safety Monitoring Board (DSMB) reviews the benefit/risk balance of investigational medicinal product, and the protection of patient welfare. For marketed products, Alkem's Drug Safety Review Committee (DSRC) monitors the benefit/risk balance of medicines.

Care for All

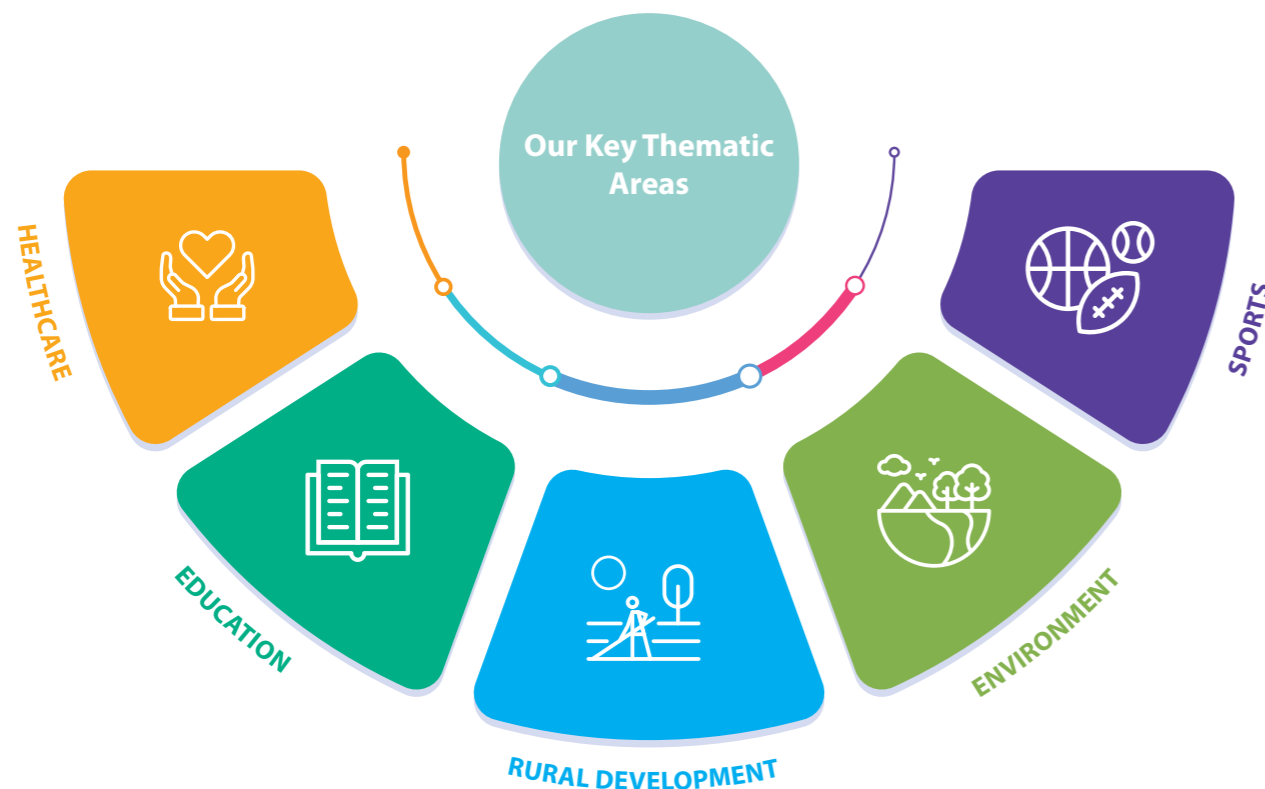


Community Engagement

Our commitment towards ethical and sustainable operations encircles the interests of our stakeholders, including customers, employees, communities, and the environment. Through our Corporate Social Responsibility (CSR) initiatives we acknowledge our responsibility and impact on society towards social, environmental, and economic conditions. As a responsible company we operate with integrity, honesty, and transparency in all of our business dealings. This includes adhering to ethical principles and values, such as honesty, fairness, and respect for human rights. We contribute to the well-being of society by supporting local communities, promoting diversity and inclusion, and investing in social programs that benefit the public.

By prioritising CSR initiatives, we are creating long term sustainable value for our stakeholders and create impact on the communities in which it operates.

Our key thematic areas are namely Healthcare, Education, Rural Development (which includes development of infrastructure facilities, skill building and promotion of sustainable livelihood and improvement in the socio-economic status of women and youth), Environment & Sports.



HEALTHCARE

We are consistently working to provide quality and affordable healthcare service for vulnerable, marginalised and economically weaker sections of the society. Along with healthcare services, we are creating health awareness in the community and supporting health infrastructure as well.

a) Maternal & Child Care Initiatives

The Foundation recognised the significance of a designated feeding area ensures that mothers have the option to breastfeed discreetly, so they partnered with Indian Railways and deployed Baby Feeding Centres in identified railway stations in Maharashtra to provide a place for the infant and the mother for feeding in privacy. During 2022-23, the Foundation took the initiative to establish a baby feeding centre at Sir JJ Hospital and Cama & Albess Hospital in Mumbai to facilitate a positive and supportive feeding experience.

b) Cancer care

Cancer care is a comprehensive approach that addresses the physical, emotional, and social needs of individuals with cancer and their families. By providing timely and appropriate diagnosis, treatment, and supportive care, healthcare professionals can help individuals with cancer achieve the best possible outcomes and maintain the possible quality of life. Breast, cervical, and oral cancer are the most prevalent forms of cancer in India, collectively accounting for approximately 34% of all cancer cases. Among the states in India, Bihar stands out as a leader in total cancer cases, with an annual count of nearly 1.4 lakh cases. However, only a small proportion of these cases, around 30,000, receive treatment.

Home-based Palliative Care Unit

A Home-based palliative care unit, also known as a home hospice, provides specialized medical care, comfort, and support to individuals with serious illnesses and their families in the comfort of their own homes. The Foundation collaborated with Tata Memorial Centre to support beneficiaries in Muzaffarpur with home-based Palliative Care.

The initiative received praise from the Bihar Government, which not only commended it but also granted approval to the Tata Memorial Centre to establish additional palliative care units in different districts. The funding for these units would be provided by the Bihar Government.

Cancer Awareness and Early Detection Campaign

The Foundation collaborates with Tata Memorial Centre to operate cancer screening units in the districts of Buxar, Bhagalpur, and Jehanabad in Bihar. Moreover, the Foundation is actively engaged in enhancing the knowledge and skills of grassroots health workers regarding cancer awareness.

On National Cancer Day, the Foundation further demonstrates support by organizing workshops involving medical professionals and esteemed individuals from the Bihar Government. These workshops aim to raise awareness about the latest advancements and research in the field of cancer diseases.

Construction of Canopy for Patient Seating

The Foundation recognised the need of comfortable seating for patients. The Foundation helped in the construction of a canopy for patient seating at Mahamana Pandit Madan Mohan Malviya Hospital, Varanasi with the objective of enabling a comfortable seating for the patients visiting the cancer hospital.

Recognizing the significance of this issue, the Alkem Foundation has taken proactive steps by signing a Memorandum of Understanding (MOU) with Tata Memorial Centre for establishing an Advanced Radiotherapy Facility in Homi Bhabha Cancer Hospital and Research Centre (HBCHRC) in Muzaffarpur, Bihar with a commitment of 100 crores in a phase wise manner.

c) Health Centre and Mobile Health Units

To address the healthcare needs of patients residing in areas with limited access to healthcare services, the Foundation introduced mobile health vans as part of its efforts to provide primary-level healthcare. These mobile health vans have been instrumental in extending essential healthcare services to underprivileged communities in several states including Maharashtra, Madhya Pradesh, Sikkim, Himachal Pradesh, and Gujarat. In addition to fixed health centers, the Foundation utilizes these mobile units to deliver primary healthcare services, ensuring that medical assistance reaches those who face challenges in accessing healthcare facilities. This initiative aims to improve the overall well-being of underserved populations and bridge the healthcare gap in these regions.

Care for All

d) Alkem Anaemia Mukti Abhiyaan (AAMA)

According to the findings of the National Family Health Survey-5, there has been a notable increase in the prevalence of anaemia cases in several states, posing a significant threat to the health of women and children. In response to this concerning issue, the Alkem Foundation introduced the 'AAMA' project in select states, specifically targeting a few panchayats, with the ultimate goal of establishing them as 'Anaemia Mukti Panchayats' (Anaemia-Free Villages). The pilot phase of this program was initiated during the fiscal year in states such as Gujarat, Maharashtra, West Bengal, Uttar Pradesh, Bihar, and Rajasthan. Through the 'AAMA' project, the foundation aims to address the challenge of anaemia by implementing comprehensive interventions and raising awareness about the prevention, management, and treatment of anaemia at the community level.

e) Support for Cochlear Implants

A cochlear implant is a sophisticated electronic medical device designed to replace the functionality of the damaged inner ear. While hearing aids amplify sounds, cochlear implants work differently by directly stimulating the cochlea and bypassing the damaged hair cells. This stimulation enables the transmission of sound signals to the brain, helping individuals with hearing impairment to perceive sound. Cochlear implants are particularly beneficial for children born with hearing loss, as they can significantly impact speech development and overall growth. However, these implants are expensive, making them unaffordable for many underprivileged families.

Recognizing the importance of providing access to cochlear implant surgery for children in need, the Foundation offers support in this area. By extending financial assistance or sponsorships, the Foundation helps underprivileged children receive cochlear implant surgery, enabling them to overcome their hearing impairment and improve their overall development.

f) Support for Cataract Surgery

Cataracts are not solely a condition affecting older individuals; they can also impact younger people. Furthermore, if left untreated, cataracts can progress to the point of causing complete blindness. To address this pressing issue, the Alkem Foundation extends cataract support in selected locations within Bihar.

As part of this support program, the Foundation organizes free eye camps and provides surgeries for economically disadvantaged patients suffering from cataracts. In addition to surgical intervention, the program covers various aspects of patient care, including consultation, accommodation, spectacles, medications, transportation, and follow-up treatment. By offering comprehensive assistance, the Foundation aims to ensure that patients receive the necessary care and support for their cataract-related needs, thereby improving their vision and quality of life.

g) Project Pragati

The Alkem Foundation has launched a project with the primary objective of eliminating tuberculosis (TB) from identified locations in Sikkim. The project focuses on the detection and treatment of TB cases by targeting the backward classes, the Foundation aims to address the specific challenges and barriers they face in accessing healthcare services for TB. Through this initiative, the Foundation aims to contribute to the overall goal of eliminating TB and improving the health outcomes of the affected population in Sikkim.

h) Strengthening of Government Institutions

In both Sikkim and Daman, the Alkem Foundation has actively supported infrastructure development at primary health centres, aiming to enhance the facilities available at these healthcare facilities. The Foundation has provided assistance for renovation projects and supplied necessary equipment to improve the treatment and care provided to patients.

Furthermore, the Foundation has also taken up the responsibility of providing operational and maintenance support for public toilets. By engaging in this initiative,

the Foundation aims to ensure the availability of clean and functional toilet facilities in public spaces, contributing to improved sanitation and hygiene for the community.

i) Mega Health Check-up Camps and Dental Health Checkups

The Alkem Foundation has been actively supporting multi-specialty health check-up camps in various locations across Bihar. These camps are organized in collaboration with non-governmental organizations and government institutions. The main goal of this initiative is to make affordable healthcare accessible to underprivileged individuals who may face barriers to accessing medical services.

As part of this focus area, the Foundation has also organized dental health check-up camps specifically in government schools. Alongside providing dental check-ups, the Foundation aims to raise awareness about oral care and hygiene among the students and the community. By promoting oral health education and offering preventive dental services, the Foundation endeavours to improve the overall dental well-being of the underprivileged population in Bihar.

j) Voluntarily Blood Donation Camp

On July 27, 2022, we organized blood donation camps at all our sites. The campaign received an overwhelming response, and we are pleased to announce that a total of 957 units of blood were donated by our dedicated employee volunteers. This significant contribution reflects the commitment and generosity of our employees in supporting a noble cause and saving lives through blood donation. We are proud of the success of the campaign and grateful to all the volunteers who participated in this life-saving initiative.



EDUCATION

Education plays a crucial role in shaping individuals, communities, and societies, and contributes to the economic, social, and cultural well-being of a nation. The Alkem Foundation has implemented a comprehensive range of initiatives aimed at ensuring quality education for school-going children, with a particular focus on supporting irregular and academically weak students in selected government schools. We undertook the following initiatives to promote education:

a) Remedial Centre

Remedial centres are an essential component of the education system, providing critical support and resources to help students overcome learning challenges and achieve academic success. By providing early intervention, individualized support, and access to resources, remedial centres can help ensure that all students can reach their full potential and succeed in school and beyond. We have partnered with the government education authorities to establish remedial centres which support weak and irregular students. The children are enrolled after identification with the help of local school authorities, the students are taught using innovative 'play & learn' techniques by groomed teachers. Under the guidance of trained and experienced educationists, the Alkem Foundation has provided support by implementing various Teaching Learning Methods (TLMs).

b) Shri Samprada Singh Scholarship Program

The Alkem Foundation launched a program with the objective of providing support to vulnerable children who have been left without financial assistance for their further education due to the crisis caused by COVID-19, be it family-related or financial. Through this program, scholarships are granted to these children, ensuring continued support for their education until they graduate from their respective academic programs.

c) Support to Educational Institutes for Children in Special Need

The Alkem Foundation encourages blind children to live with their families and pursue education in mainstream schools. To facilitate their inclusion and support their educational journey, these students receive regular assistance from the national association for the blind. They are trained in various skills such as braille reading, using special devices, activities of daily living, sensory integration, and social skills, among others.

Furthermore, the Foundation extends its support to the Bombay Institution for Deaf & Mutes, contributing to the growth and development of children in the school. In collaboration with the institution, the Foundation provides necessary facilities and resources that enable optimal learning and progress for these children. This includes assistance in the form of speech software, hearing aids, and other essential equipment required to enhance their learning and overall development.

Through these initiatives, the Alkem Foundation actively works towards empowering and facilitating the education and growth of blind and deaf children, promoting inclusivity and equal opportunities for their educational journey.

d) Establishment of Smart Classes: Alkem Yuva Pathshala Project

Alkem Foundation has provided support to Jehanabad District in Bihar to become the first district in Bihar to implement Smart Class technology in its 15 government schools. Learning is a cognitive process that involves critical thinking, reasoning, and understanding. By incorporating digital content such as videos and interactive materials, teachers can assist students in visualizing and comprehending the concepts being taught. This has the potential to enhance conceptual clarity and improve learning outcomes.

Recognizing the significance of this digital transformation in education, the Foundation has extended its support to schools in Bihar. Through this program, the Foundation has established 15 Smart Classrooms in designated government schools, promoting digital learning and bridging the learning gap among students. By introducing these modern educational tools, the Foundation aims to enhance the quality of education and create a

more engaging learning environment for the students.

e) Infrastructural Support to Educational Institutions

The Alkem Foundation has prioritized providing infrastructural support at identified locations. In the fiscal year, the Foundation extended support for the construction of a Sainik School in Silvassa. Additionally, the Foundation has actively participated in the operation and maintenance of anganwadi centres and orphanages, ensuring the well-being and care of children in need. The Foundation has also taken initiatives to ensure the availability of quality drinking water in schools and other public spaces, prioritizing the health and hygiene of the community. These efforts reflect the Foundation's commitment to improving infrastructure and creating a conducive environment for the development and well-being of individuals in the areas.

f) Establishment of Library in Dharavi Slum

During the reporting period, our employees actively participated in a campaign aimed at collecting old and new storybooks, quiz books, play and learn books, and stationery items. The purpose of this campaign was to establish a library for the children of Dharavi Slum at their remedial centre. By collecting these educational materials, our employees contributed to creating a resourceful and engaging environment for the children, promoting literacy and educational development. The library will serve as a valuable asset, providing access to books and learning resources that can inspire and enrich the lives of the children in Dharavi Slum.

Through their active involvement in this campaign, our employees demonstrated their commitment to supporting educational opportunities and empowering underprivileged communities. Their efforts will have a lasting impact on the children, fostering a love for reading, and opening doors to knowledge and imagination.

Care for All



RURAL DEVELOPMENT

The significance of rural development is acknowledged by the Foundation in aspects of improving the economic, social, and environmental well-being of people living in rural areas. It involves creating sustainable livelihoods, skill development, improving infrastructure, providing access to basic services, and promoting social and economic empowerment.

Through skill development programs, individuals in rural areas are equipped with the necessary skills and knowledge to enhance their income-generating capabilities and entrepreneurial opportunities. The Foundation also focuses on strengthening rural infrastructure by undertaking projects such as road construction, footpath development, renovation of community gardens, and the construction of old age homes.

These measures not only contribute to the economic empowerment of rural communities but also enhance the overall infrastructure and living conditions in these areas. The Alkem Foundation remains dedicated to creating sustainable and positive changes in rural communities, enabling them to thrive and prosper.

a) Project Saksham

In collaboration with USHA International, the Alkem Foundation has initiated Project Saksham with the aim of promoting self-sufficiency among women. This program encompasses various components, including training women in basic and advanced stitching skills for apron-making. Furthermore, the Foundation instills entrepreneurial skills in these women, empowering them to become financially independent.

The Foundation conducted training sessions for women, which were broadcasted on NDTV's program 'Kushalta ke Kadam', allowing a wider audience to benefit from the program. Additionally, the Foundation operates 'Silai Shiksha Kendra', where regular stitching training is provided to women in selected locations.

Through Project Saksham, the Alkem Foundation seeks to enhance the skills and livelihood opportunities for women, enabling them to create sustainable sources of income. By promoting self-sufficiency and entrepreneurship, the Foundation contributes to the empowerment and economic independence of women in these identified locations.

b) Project Swavlamban

The Alkem Foundation has launched Project Swavlamban with the goal of providing employment

opportunities to 70% of the trained youth in the areas where it operates. This program focuses on supporting underprivileged youth by providing them with training, capacity building, and livelihood support. Under Project Swavlamban, the Foundation establishes training facilities that offer industry-driven programs in fields such as nursing, fashion design, and various construction-related skills. These training programs aim to equip the youth with the necessary skills and knowledge to secure employment in relevant industries.

By offering vocational training and capacity-building initiatives, the Foundation strives to enhance the employability and self-sufficiency of underprivileged youth. Through Project Swavlamban, the Alkem Foundation is dedicated to empowering the youth and improving their livelihood opportunities in the communities it serves.

c) Alkem Aatma Nirbhar Gram Project

The Foundation has entered into a partnership with another organization to provide training to self-help groups in the art of noodle and gyathuk making. Additionally, the training includes instruction on mushroom cultivation. This project was initiated with the goal of fostering entrepreneurial skills among women and providing ongoing support to establish alternative livelihood

platforms for underprivileged individuals.

Through this initiative, the Foundation aims to empower women by equipping them with the necessary skills and knowledge to engage in noodle and gyathuk production, as well as mushroom cultivation. By creating these alternate livelihood opportunities, the Foundation seeks to enhance the economic well-being and self-sufficiency of underprivileged individuals and communities. The Foundation remains committed to providing hand-holding support throughout the process, ensuring that the trained individuals receive the necessary assistance to establish and sustain their entrepreneurial ventures.

The Alkem Foundation has taken the initiative to launch cleanliness campaigns in selected locations. As part of these campaigns, the Foundation provides door-to-door garbage collection services to both rural and urban households. This helps in maintaining cleanliness and hygiene by ensuring proper waste management. In addition to collection, the Foundation also focuses on the safe disposal of the collected garbage, emphasizing the importance of proper waste management practices. Through these efforts, the Foundation strives to create a cleaner and healthier environment in the identified locations.

d) Infrastructural Support

The Alkem Foundation recognizes the importance of high-quality infrastructure in improving the lives of communities. In line with this understanding, the Foundation has partnered with state governments to support the construction of roads, enhancing accessibility for people in identified locations. Furthermore, the Foundation is dedicated to constructing footpaths in various localities within these areas, promoting safer and more pedestrian-friendly environments.

The Foundation also undertakes the construction of sheds for dairy animals, ensuring appropriate shelter and infrastructure for the well-being of these animals. Additionally, the Foundation provides infrastructure support to old age homes in selected locations, aiming to improve the living conditions and facilities available to the elderly residents.



ENVIRONMENT

At Alkem, environment protection has always been a top priority. The Alkem Foundation is committed to the 4R principles of recycle, reduce, reuse, and recovery. In collaboration with government and non-governmental agencies, the Foundation actively promotes environmental conservation programs and campaigns.

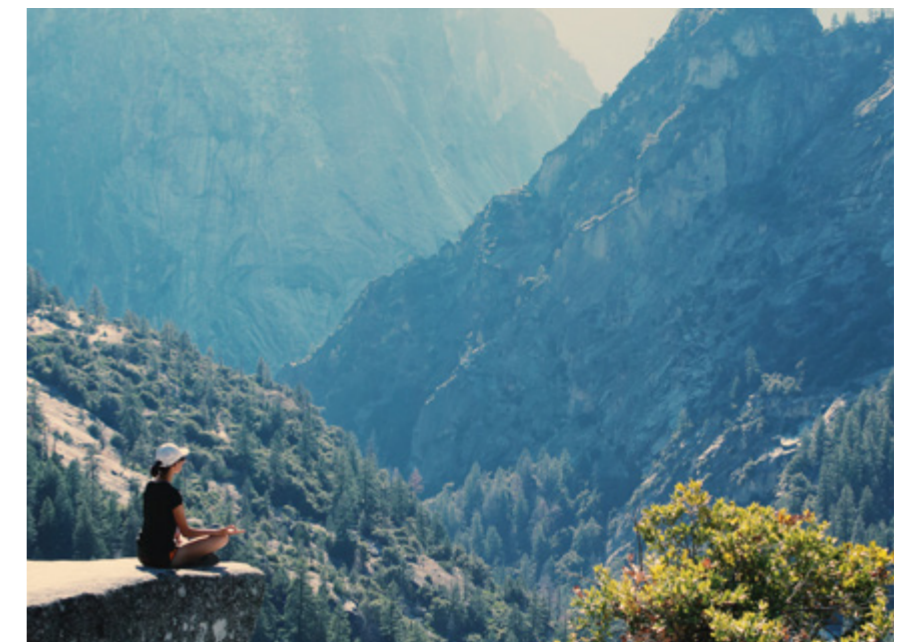
- ▶ Within the scope of environmental conservation, the Foundation provides support to farmers in drought-prone regions of Madhya Pradesh and Maharashtra. This support enables them to generate livelihoods through large-scale plantation of fruit-bearing plants, contributing to sustainable agriculture and environmental preservation.
- ▶ A significant initiative by the Foundation includes the planting of over one million trees in drought-prone areas of Maharashtra and Madhya Pradesh, aiming to combat desertification and restore green cover.

Additionally, the Foundation has installed solar streetlights in a village

and renovated and maintained community gardens in identified locations, promoting eco-friendly practices and enhancing the quality of public spaces.

Through these initiatives, the Alkem Foundation demonstrates

its commitment to environmental conservation, sustainable livelihoods, and the well-being of communities. By promoting green initiatives and supporting environmentally friendly practices, the Foundation contributes to a healthier and more sustainable future.

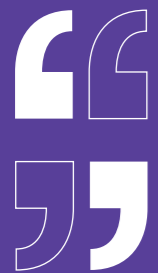


Care for All



SPORTS

The Alkem Foundation is dedicated to uplifting sports that often lack recognition and resources. In alignment with this focus, the Foundation has consistently provided support to over 163 sports personalities, ensuring access to improved training programs. By offering assistance to these athletes, the Foundation aims to enhance their skills, opportunities, and overall development in their respective sports. The Foundation recognizes the importance of nurturing and empowering athletes in sports and is committed to promoting a thriving sports culture.



During the Commonwealth Games 2022, the Alkem Foundation provided support for the training of 163 athletes. Out of these athletes, 23 represented India in the Games. Notably, 17 of these athletes made significant contributions to India's medal tally, bringing home medals in their respective events. As a result of their exceptional performances, India competed in 16 sporting events and secured a commendable fourth place in the overall medal standings, with a total of 61 medals. The Alkem Foundation's support and dedication to athletes played a crucial role in India's success at the Commonwealth Games 2022.

Such partnerships and initiatives not only provide financial support to athletes but also motivate and inspire them to perform their best at national and international levels.



Rudrankksh Balasaheb Patil

The youngest World Champion from India is one of the athletes the Alkem Foundation helped coach and develop. At the ISSF shooting world championship, he won the title of world champion in 10 metre air rifle shooting and secured a quota place For India in Paris Olympics 2024.



EMPLOYEE VOLUNTEERING

1. Journey of Smile (Support to make individual lives easier)

At Alkem, we strongly believe in the collective effort of every individual in contributing to society. To reinforce this belief, we have created an integrated platform called SMILE (Support to Make Individual Lives Easier) for our employees to actively participate in corporate social responsibility (CSR) activities. During the reporting period, our employees provided suggestions for the name of this platform, and we are proud to have named it SMILE.

Through SMILE, we encourage and empower our employees to engage in various CSR initiatives, making a positive impact on the lives of individuals in need. By volunteering their time, skills, and resources, our employees actively contribute to creating a better and more inclusive society. We believe that small acts of kindness and support can make a significant difference in improving the lives of individuals and communities.

2. Other Campaigns

Our employees demonstrated their active participation and commitment to social causes across all our sites. They engaged in various campaigns, including 'Har Ghar Tiranga 'Daan Utsav,' a campaign promoting the spirit of giving, as well as a signature campaign on World AIDS Day to raise awareness about HIV/AIDS. Furthermore, they actively participated in a Mangrove Cleanup Drive to protect and preserve the environment.

Our employees also played a significant role in raising funds through the procurement of donated books from established book fairs. This initiative not only promoted reading but also supported charitable causes. Additionally, our employees volunteered for diverse social activities such as training on Sahaj Yoga, fostering reading habits among students, spending time in old age homes and orphanages, participating in the 'Awarathon' organized for senior citizens, and participating in mass plantation drives.

The dedication and active involvement of our employees in these various social causes exemplify their compassion and commitment to making a positive impact on society. We are proud of their efforts in contributing to the betterment of communities and individuals in need.



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