

EMBRACING SUSTAINABILITY

REVIVING | RESTORING | REJUVENATING





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About the Report

In our pursuit of commencing our journey in sustainable growth, we here at Alembic Pharmaceutical Limited, (hereafter referred as Alembic, the Company, our, or us) are immensely elated to bring you our maiden Sustainability Report, highlighting our story of **“Embracing Sustainability - Reviving, Restoring, Rejuvenating”**. This report unfolds our goals, performance, initiatives, and upcoming targets in all environmental, social and governance aspects

Towards Embracing Sustainability...

This year our strategic theme **“Embracing Sustainability - Reviving, Restoring, Rejuvenating”**, encircles our detailed outlook towards sustainability and our evolution of initiatives to reinvigorate our aspirations and objectives to create long term value for our stakeholders and organisation. Our visionary manoeuvre is restored by our perseverance and unflinching sense of duty towards our community and environment. This report offers our bold outlook of the operations that are pivoted to rejuvenate systems, surroundings, and potential for our sustainability priorities. In alignment with our theme, we aim to minimize our water footprint, conserve water resources, and contribute to groundwater recharge and restoration. Our groundwork towards water neutrality reflects our responsibility towards sustainable water management and ensuring the restoration and protection of local water sources.



Our priorities align with our ecosystem and environment for its protection and healthy restoration; hence, we consciously embrace sustainability principles throughout our business operations. All our operations and interventions are executed productively through our dynamic social aspect by mutual collaboration, accountability, and intention to serve our stakeholders. Our robust governance composition steers our ambitious decision-making processes and its implementation while exercising ethics and integrity throughout our operations and disclosures as well. Alembic has always been guided through its value driven sustainability practices; hence, this report is our absolute structured revelation of initiatives that are revived, restored and rejuvenated in resonance with global standards and practices.

Reporting Principles

The Report has been prepared in accordance with GRI Universal Standards, 2021. Our disclosures are complied with Global Reporting Initiatives 9 (Nine) requirement to report on disclosure from (GRI) 1: Foundation 2021, GRI 2: General Disclosures 2021, and GRI 3: Material Topics 2021, and United Nations Sustainable Development Goals (UNSDGs).

Requirement



Scope and Boundary

(GRI 2-2, 2-3)

The scope and boundary of our report covers entire business operations and activities of Alembic Pharmaceutical Limited – Panelav, Gujarat (Formulation 1,2 & API 1,2), Karkhadi, Gujarat (Formulation 3, Derma Division & API 3), Jarod Gujarat (Formulation 4), Sikkim, Assam (Formulation plant), Vadodara, Gujarat (ARC 1 & 2), Panchdevla, Gujarat (Kilo Lab) Hyderabad, Telangana (Research Centres) and corporate office in Mumbai and Vadodara for the reporting period of FY 2022-23, i.e., from 1st April 2022 to 31st March 2023.

Materiality

Our comprehensive materiality assessment systematically addresses all the concerns and priorities that fosters our growth in diverse aspects. This report is guided by our material topics which ensures harmony between development and growth of our business operations with our comprehensive

stakeholders' expectations to create long term sustainable value for everyone. Our intentions are pivoted towards respecting ethics and transparency principles throughout the disclosures.

Assurance

(GRI 2-5)

The report has been externally assured by Bureau Veritas, an independent third-party. The assurance process was conducted in accordance with the requirements of the ISAE 3000 Assurance Standard, Limited Assurance.

Contact Us

(GRI 2-3)

At Alembic, we welcome your feedbacks and suggestions regarding any information that is disclosed in the report. We would love to hear from you on your valuable suggestions. Please feel free to reach out to us at sushil.kharkwal@alembic.co.in / apl.investors@alembic.co.in.

Message from Chairperson



Dear Stakeholders,

I am elated to present our first sustainability report that depicts our bold journey and ambitions towards creating a shared value for everyone in our ecosystem. Our purpose-led ESG initiatives are coherent with our business performance and stakeholders' priorities. Alembic has always systematically integrated the culture of responsible operations throughout the processes and aspirations. We operate with a sense of understanding of our impacts that our operations have on the environment and society. This sustainability report is an extension of our on-going endeavours that are prominently uplifting our ESG performance. Demonstrating our commitment to embrace sustainability, our sustainability report adheres to various global standards and frameworks, namely, Global Reporting Initiatives (GRI), United Nations Sustainable Development Goals (UNSDGs) and United Nation Global Compact (UNGC) principles.

We have achieved multifaceted growth, with our revenue reaching ₹5,653 Crores in FY 2022-23. While delivering steady economic performance, we prioritize responsible practices in governance, social responsibility, and environmental stewardship. Our resilient business model ensures stable operations, supporting our long-term sustainable success. Our teams work collaboratively to serve our stakeholders both within and outside the Company. We recognize our impact on our workforce and communities and foster a culture of responsible output to create long-term value. Our human capital management, employee engagement initiatives, and occupational health & safety programs contribute to our thriving social approach.

Our commitment to safety extends beyond standard procedures, as we invest in safety training for our employees and workers. Our dynamic and robust Occupational Health & Safety Management system, that responsibly manages health & safety hazards and deploys mitigation measures helps in ensuring healthy practices and operations. Our total recordable work-related injuries (reportable and recordable) for both employees and workers has reduced by 22% in comparison to previous year.

We are conscious of our environmental impact and have implemented measures for energy, waste, water, and emissions management. Zero Liquid Discharge (ZLD) is practiced in all our API Units, and we continuously strive to minimize our carbon footprint. Our CO2 emissions intensity reduced by 25.68% from the previous year. We are systematically maintaining GHG inventory for both scope 1 and scope 2 emissions and adapting new renewable energy sources like solar energy and wind energy instead of conventional ones. Our ongoing efforts towards water management are reflected through our commitment to recycle water and decrease the freshwater intake, and help us achieve our target of water neutrality by 2027. We aim to balance our water usage by actively replenishing and restoring water resources through groundwater recharge wells.

We understand the potential of impact our operations have on environment. Our management of this element is pivoted on energy, waste, water, and emissions management. Our scope of monitoring extends over to the maintenance of biodiversity balance.

Patients, customers, and consumers are the focal points for our value creation. Being a pharmaceutical company, we persistently work in collaboration to serve them and upgrade their quality of life. We are judiciously investing in our R&D to strengthen its infrastructure which in turn is going to positively impact our product development and delivery which results in higher product acceptance and compliance in the market. All our steadfast manoeuvres have resulted in mutual trust development within our customers and consumers, and being in service since 1907, our stakeholders have nurtured legacies of trust within us. Community well-being is deeply embedded in our culture, and our Corporate Social Responsibility (CSR) policy reflects our commitment to creating a healthy, socially inclusive, and sustainable environment. During the reporting year, we allocated INR 21.58 crores to impact the lives of nearly 1,11,714 people through our CSR initiatives.

This year, we took a restorative and rejuvenating approach to revitalize and disclose our initiatives, targets, and performance, recognizing the significant opportunity to integrate ESG into our conduct and culture for a positive impact on our ecosystem. We sincerely thank all our stakeholders for their unwavering interest and support throughout our journey.

Warm regards,
Chirayu Amin,
Chairperson & CEO

Message from Managing Directors



Dear Stakeholders,

As a responsible corporate citizen, we recognize the urgency to address pressing environmental challenges and take decisive action. Therefore, our commitment of achieving Net Zero emissions by 2040 reflects our dedication for mitigating climate change by minimizing our carbon footprint through rigorous emission reduction strategies, renewable energy adoption, and exploring innovative technologies.

We are cognisant with the importance of our supply chain in achieving our sustainability goals. By fostering a strong partnership with suppliers who share our commitment to sustainability, we aim to drive positive change throughout the value chain and enhance our collective environmental performance.

Together, with the unwavering dedication of our talented team and the support of our valued stakeholders, we will strive towards these targets, continually raising the bar for environmental excellence and making a meaningful impact in the world. Thank you all for the support towards our commitment and vision as we embark on this transformative sustainability journey.

Sincerely,
Pranav Amin
Managing Director





Dear Stakeholders,

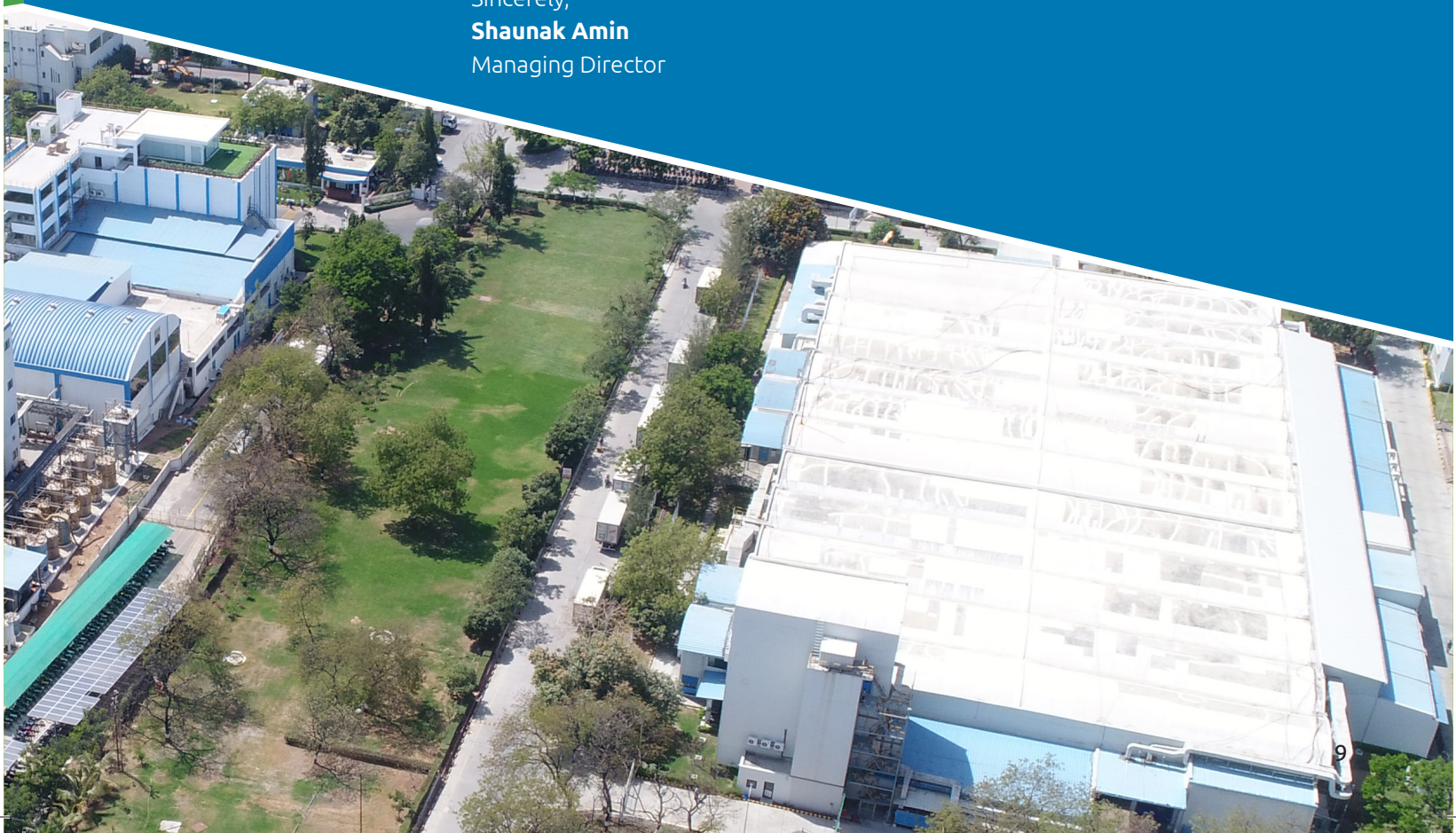
I want to emphasize the importance of Environmental, Social, and Governance (ESG) principles in our operations. ESG forms the foundation of our responsible business practices, ensuring that we contribute positively to society and the environment while maintaining strong governance standards.

In addition to our Net Zero commitment by 2040, I am proud to declare our goal of achieving water neutrality by 2027. Recognizing the importance of water as a precious resource, we are dedicated to minimizing our water consumption, optimizing our processes, and implementing innovative water management solutions.

Furthermore, we are resolute in our mission to tackle plastic waste and promote a circular economy. By 2026, our target is to recycle 95% of plastic waste generated within our operations. This commitment entails implementing comprehensive waste management systems, partnering with recycling experts, and driving innovation to reduce plastic consumption and enhance recyclability. Through these efforts, we aim to minimize the environmental impact of plastic waste, protect ecosystems, and contribute to a more sustainable and circular economy.

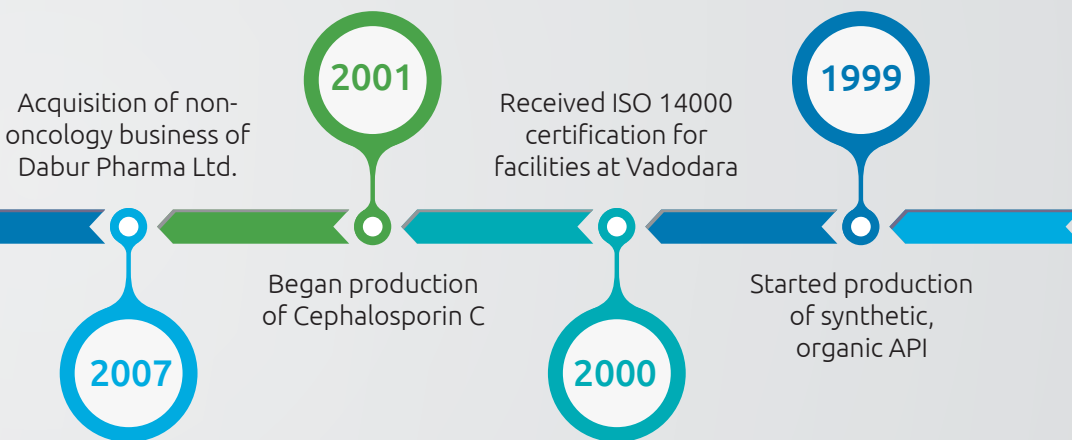
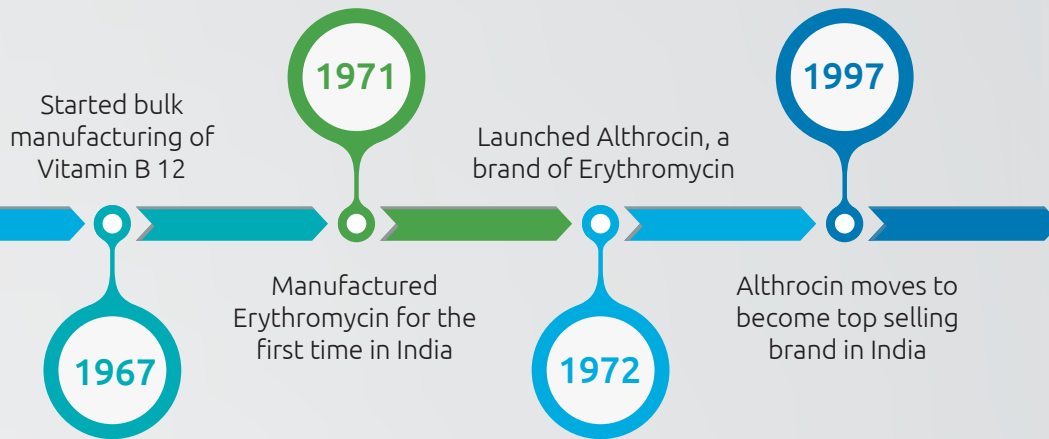
Together, our dedication to ESG principles enables us to make a meaningful and lasting impact. By integrating ESG considerations into our decision-making processes and operations, we strive to create long-term value for all our stakeholders while contributing to a sustainable and equitable future.

Sincerely,
Shaunak Amin
Managing Director



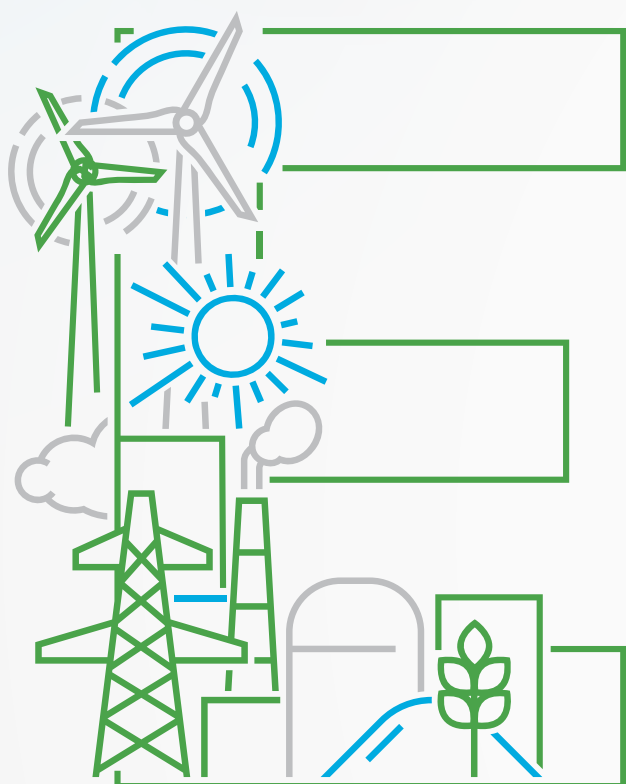
Alembic's Journey so far





ESG Performance

Highlights, and Targets



Environment

Scope 1 Emissions for FY 2022-23

48,679 tCO₂e

Scope 2 Emissions for FY 2022-23

88,833 tCO₂e

Total Water Consumption for FY 2022-23

5,74,988 KL

Total Energy Consumption for FY 2022-23

10,22,342 GJ

2,62,041 KL

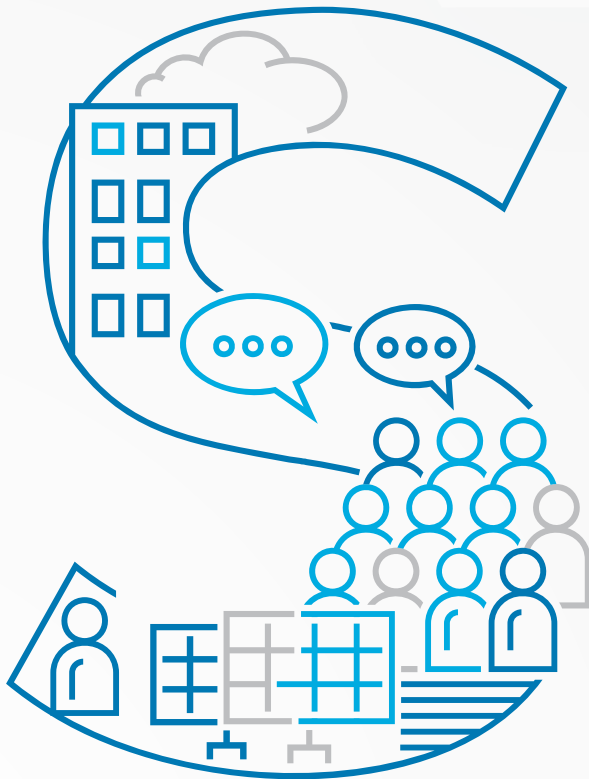
of rainwater recharged through recharge wells in FY2022-23



Target to plant **50,000** trees by FY 2027

Targeted Net Zero by **2040**

Targeted Water Neutrality by **2027**



Social

Total Employees
for FY 2022-23

13,875

Zero (0)

Fatalities reported
for FY 2022-23

Nearly

1,11,714

beneficiaries impacted
through CSR Initiatives

44 hours

of trainings provided
to every employee in
FY 2022-23



Governance

Turnover for FY
2022-23

**INR 5,149
Crores**

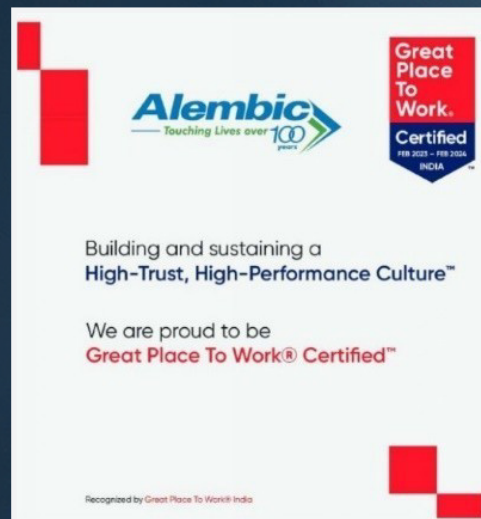
Female
Representatives
on Board of Directors

10%

Awards and Accreditations



Alembic CSR Foundation, in association with the Nutrition Campaign of the Government of India launched the Alembic Suposhan initiative aimed at reducing the increased bouts of malnutrition and anemia in 26 villages around Alembic’s operations. The Foundation is working tirelessly children below the age of 5, teenagers, pregnant women and lactating mothers to achieve the desired results. The project received the award under the category of ‘Public Health Program Initiative of the Year 2022-23’ at the Indian Social Impact Awards ceremony held in Delhi on 21st Jan 2023.



Great Place to Work Certified

Alembic was recognised for its high trust and high-performance culture at workplace by Great Place to work and ranked among the top 10 under the category of the size of pharmaceutical companies by the people

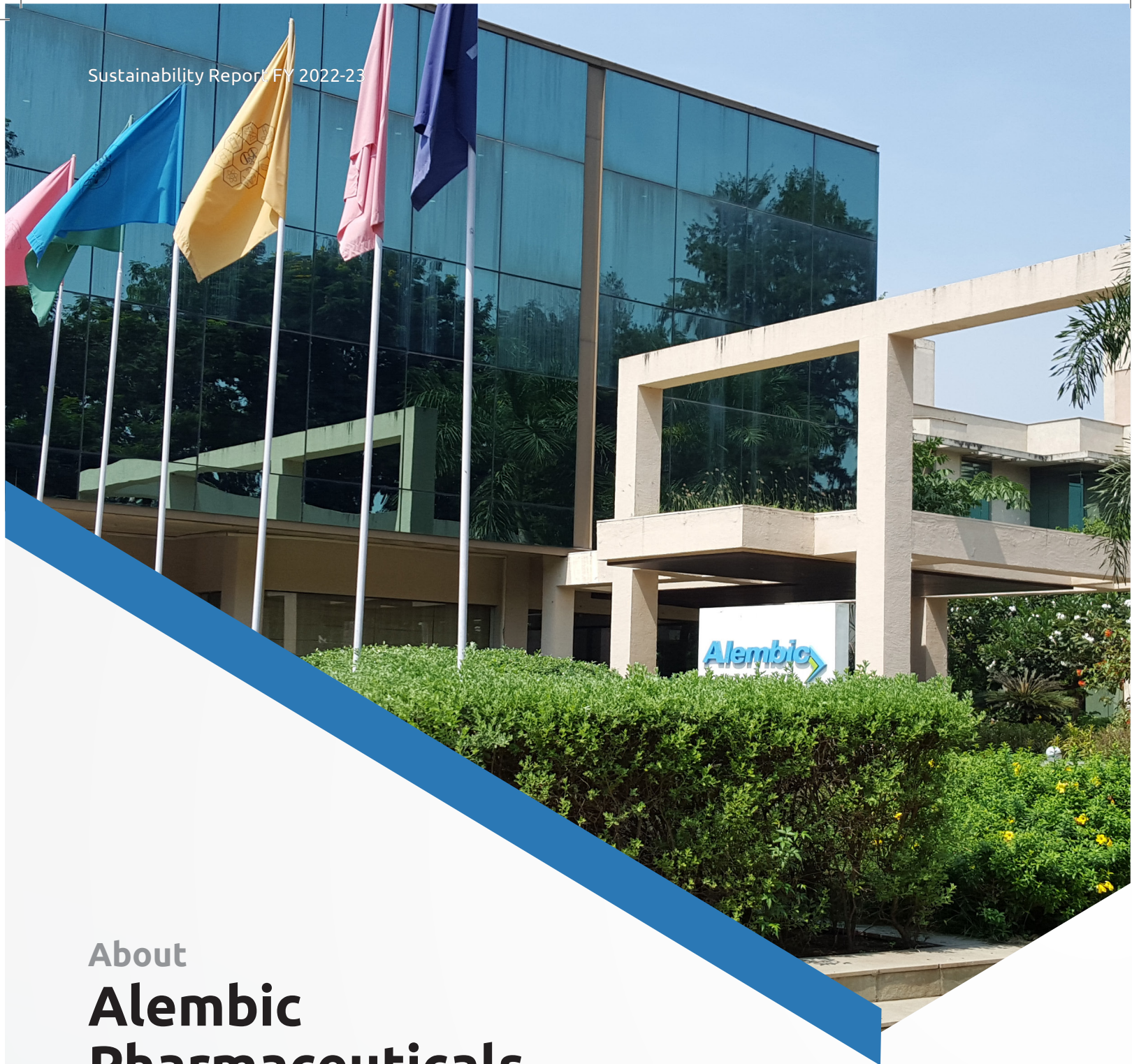


Alembic got 2nd runner up award for its excellent learning and development initiatives at SHRM Event



Alembic was recognised for its “Best HR Practice in Healthcare” in 7th edition of Nation award for excellence in healthcare.



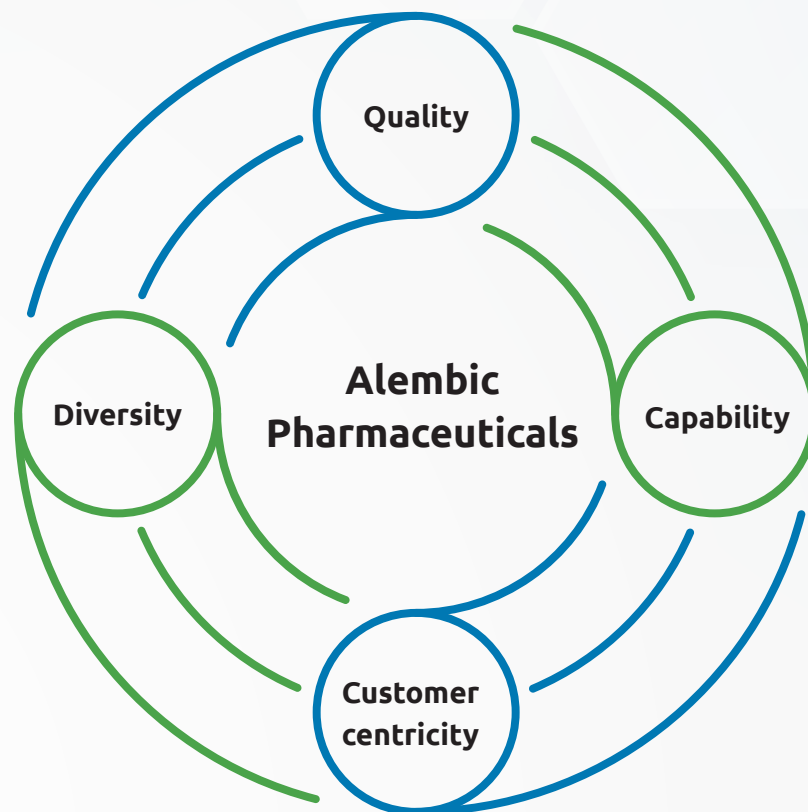


About **Alembic Pharmaceuticals**

(GRI 2-1, 2-6)

Alembic Pharmaceutical Limited (Alembic) is a leading Indian pharmaceutical company headquartered in Vadodara, Gujarat with a global presence. It is a vertically integrated company with capabilities to develop, manufacture and market Indian Formulations, International Generics and Active Pharmaceutical Ingredients (API).

We have a mission “to improve healthcare with innovation, commitment, and trust” and this mission statements governs our actions in the business. To effectively achieve our mission, we have adopted a 4-pillar value system, which drives our business towards being a global leading healthcare brand.



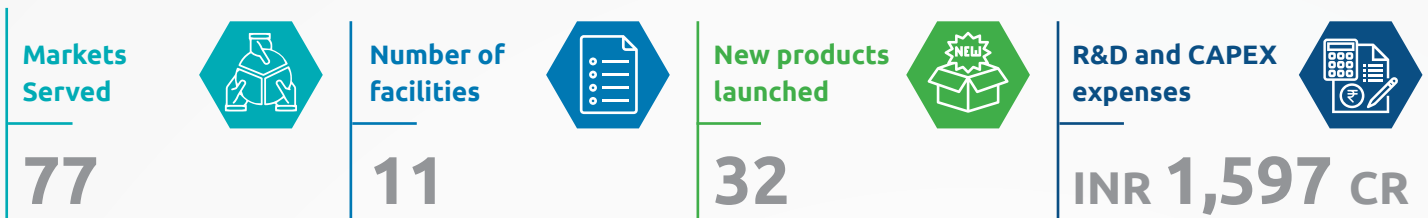
4-Pillar Value System of Alembic Pharmaceuticals

Working along these pillars, we have invested in our people through a set of skill enhancing trainings and workshops along with upgrading our facilities to maintain unmatched quality of products being produced by our state-of-art facilities. Furthermore, we are expanding our manufacturing capabilities to prepare us for the anticipated product demand in the future, which will be derived from our robust pipeline of new products supported by the strong R&D capabilities. Through our customer centricity pillar, we are focused on building products that solves complex customer demands at scale. We leverage our strengths in research and manufacture products as a response to new and changing customer demands. The Company is constantly taking new initiatives in product development to introduce new range of diverse product to fuel its mission of becoming a leading pharmaceutical company.

The Company spends more the 13% of its revenue on Research and Development (R&D) activities to

develop a range of products that are delivering quality healthcare across globe. The Company works on the strategic roadmap to sustain its journey of profitable growth and strengthen its position across markets. It has devised plans for 3 targeted areas of US, India, and Rest of World, to establish a meaningful footprint across these pharma markets by introducing new and relevant products.

The Company has established a strong value chain for its upstream and downstream operations to ensure uninterrupted supplies to its customers. It maintains multiple vendors for every raw material to ensure business continuity in case of any adverse situation. The Company has established more than 500 suppliers across globe and more than 50 % of them are API-intermediates for producing specific formulations. Multiple audits and due diligence are conducted within the supply chain to evaluate the capability of vendors and long terms contracts are made to ensure uninterrupted supplies of raw materials.



Shareholding Pattern

Alembic is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of India. The promoters of the company hold around 69.61% of the company and the rest 30.39% is traded in the stock exchange

and owned by retail and institutional investors. For further details on the complete shareholding pattern, please refer to [Shareholding Pattern](#).

Geographical Presence

Alembic has its presence across the globe with nine (9) state-of-art manufacturing facilities across India along with two (2) R&D centres in Vadodara & Hyderabad.

Details of the manufacturing locations is represented in the map below:

List of Manufacturing Facilities:

International Business Units:

Panelav, Gujarat:

Two Formulation Plants (F1 and F2) and Two API plants (API 1&2)

General and Oncology oral solids and Oncology Injectable

Jarod, Gujarat:

One formulation Plant (F4)

General oral solids and oral suspension

Karkhadi, Gujarat:

One Formulation (F 3), One API Plant (API 3) and Derma Division

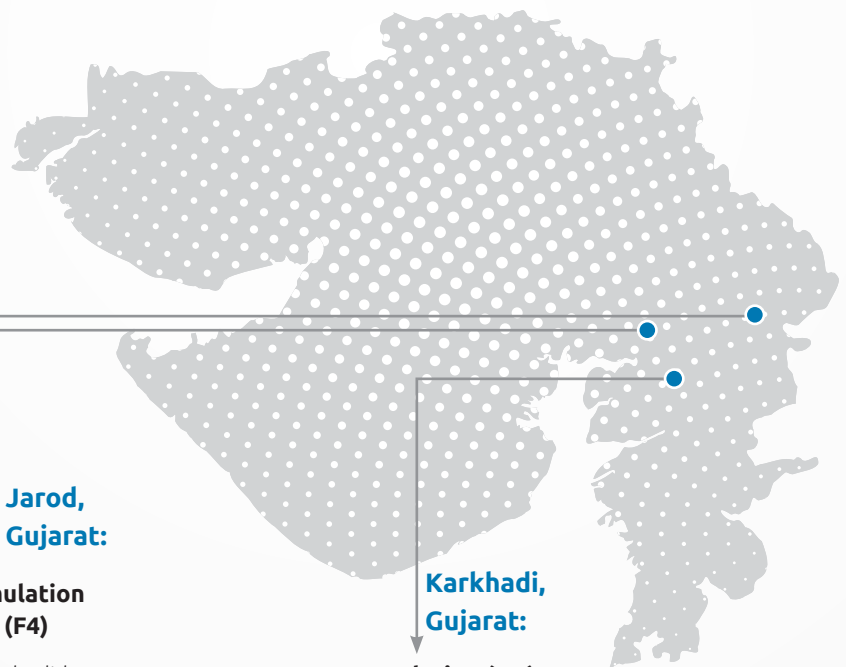
General Injectable
Ophthalmic and Dermatology products

Domestic Business Units:

Sikkim

Domestic Formulation Unit

General oral solids and oral suspension





Business Segments

Alembic has a diverse base of customers across the world, and it operates through three main business divisions:

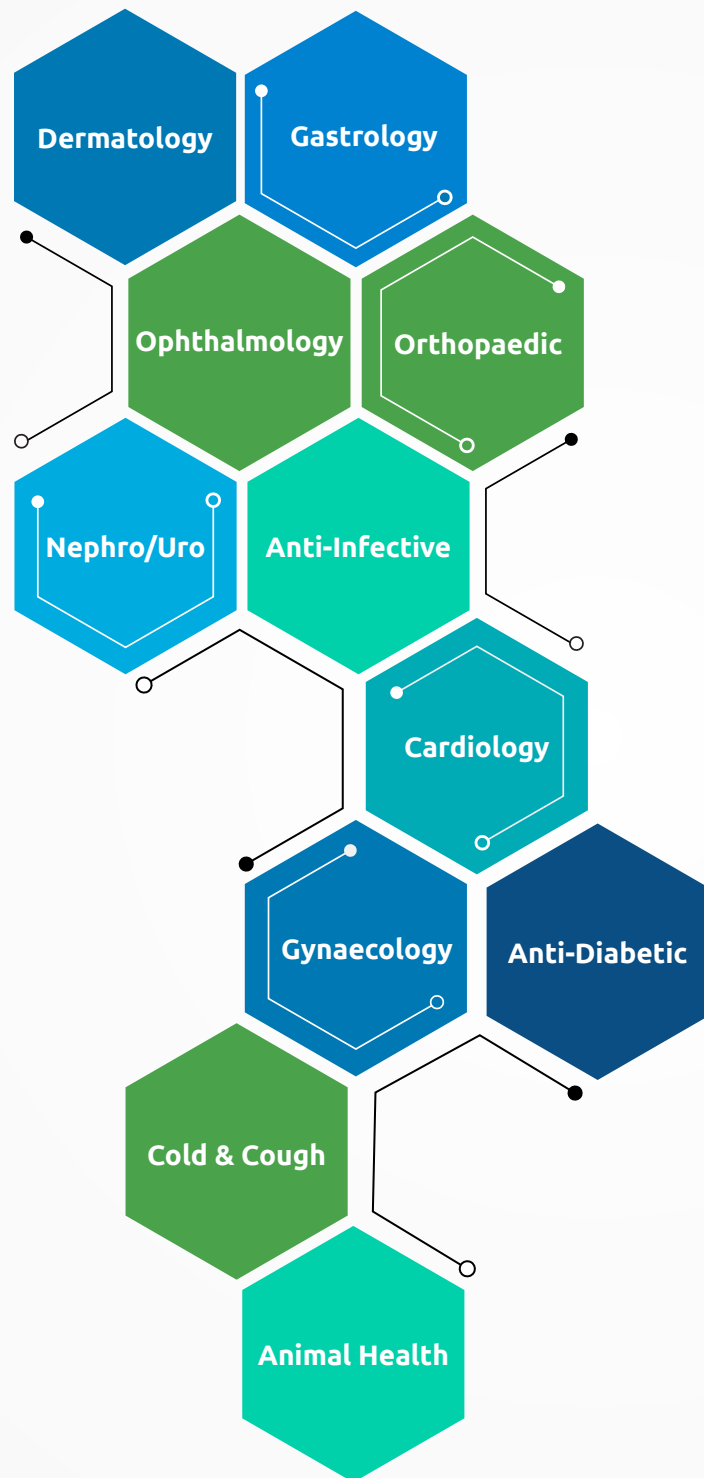
International Generics

The International generics business for Alembic caters to all key regulated markets and a host of pharmerging markets in the world. Over the years, the company has invested significant resources to develop new therapies and delivery platforms in Dermatology, Ophthalmology, Oncology, and injection formulations. As result of these development, we have added 18 new products across diverse therapeutic segments. Alembic has developed two dedicated teams in international formulations business to expand its business in the rapidly growing US markets and the other to explore & evaluate more opportunities in the other emerging economies. The Company markets a wide range of products in the US Market, as of FY 2022-23, a total of 179 cumulative approvals have been received by the company and 20 new ANDA's were filed in the FY 2022-23 alone.



Indian Formulation

The Indian formulation business is focused on manufacturing and marketing speciality formulations for chronic and acute therapies. It has developed healthcare products to cater around 11 therapeutic areas and has robust field team to influence more than 1.75 lakh doctors across India. The Company is very well accepted in the Indian market and enjoys more than 1.5 % of total market share. The Company was able to increase its footprints in the country during the covid waves as few of its medicines were helpful in remedying Covid -19 effects in the patients. We have more than 185 strong brands marketed in India through 18 marketing divisions. The key therapies covered under the division are:



Active Pharmaceuticals Ingredients (API)

The API Business is a critical division for Alembic as it generates more than 21 % of revenue for the company and opens its channels to the non-regulated markets. We manufacture approximately 100 API's which are marketed to key formulators in more than 60 countries. Furthermore, more than 32% of the niche APIs used by the formulations units are sourced

from the in-house API facilities. The Company has established itself as a significant player in the API business by providing quality products at scale. It has a spread of around 131 Drug Master file's (DMF's) which are manufactured in house at its world class facilities in Panelav and Karkhadi.





Business **Strategy and Performance**

Alembic is focused on serving societies across the world through its mission to improve healthcare with innovation, commitment, and trust. It is vertically integrated company with a skilled R&D team that provide a robust product pipeline and helps deliver

a diverse product basket addressing multiple niche therapies with global acceptance. The Company has implemented a holistic business strategy to accomplish its business objectives through four (4) key focus area.

Focus Areas



Expanding into new markets

The Company is focused and committed to expand its operations across Europe, Australia, South Africa, and other strategic areas. The Company is investing in creating strategic associations, building critical infrastructure to establish its presence in the Europe. The Company has successfully established its presence in the 20+ small nations in the Europe and is now focused on entering new markets through its strong business associations. Additionally, in the Australian market the Company continues to build strategic

tie-ups and associations with the established product distributor and has successfully introduced 23 product dossiers in the market. However, the Company is still working on establishing strong foothold in the new markets such as Latin America and South-East Asia through aggressive product filling and product registrations to build a strong and profitable presence in the emerging markets. We have established a subsidiary in Chile to further strengthen our position in the region.

Establishing a Strong Product Pipeline

The Company understands the importance of reliable and strong product pipeline to ensure healthy growth in sales and profit. It has established a strong Research and Development team through 3 World Class facilities that works round the clock to evaluate the ever-changing market and regulatory requirements

and develop a robust product pipeline that can cater to the diverse customers across different geographies. Due to the efforts of the R&D team, the Company continues to widen its product basket across different therapeutical areas.



Strengthening the US Business

The Company has comfortably established its operations in the US and has a strong market share because of its agile supply chain and diverse product presence. Due to the changing regime of import incentives in the pharma sector, the overall value generation was dented for the organization. The Company is now focused on capitalising high price opportunities and maintaining the sustainability of its business in the world's largest pharma market. The Company's generic injectable facility (Formulation 3) has received FDA approvals for producing 3 injectable products. Additionally, the Company has also received approvals for its oncology OSD & Injectable facility (Formulation 2). These approvals will help in meeting increasing demands for OSD owing to sudden spike of cancer patients across the world.

Operational excellence through technology implementation

The Company understands the importance of adapting new and latest technology to increase operational efficiency and decrease resource consumption. It is evaluating the possibilities of adapting latest technology within its plants and business operation to reduce its environmental footprint and achieve an agile manufacturing system that can respond to the changing market needs swiftly. The Company is integrating technologies like data analytics and artificial intelligence to efficiently improve its sales and motivate sales teams for better performance.



Stakeholder Engagement and Materiality Assessment







Stakeholder Engagement

(GRI 2-26, 2-29)

Any individual or group whose interest is affected or could be affected by our activities, we identify them as our 'stakeholders'. We endeavour to provide long term value to our stakeholders by establishing a mutually beneficial relationship among all of us. We identify their key priorities and analyse the impact of our businesses on them. Our motive is to create and share value with them and strengthen their trust with

our operations and principles. We maintain an open channel of communication with our stakeholders, that leads to our integrated growth. Several interactions are conducted periodically with each stakeholder to understand their concerns and take constructive feedback to improve business strategy and business plans.

Table 1- Our Stakeholder Engagement

Stakeholder Group	Channels of communication	Frequency of engagement	Needs & Expectations of stakeholders
Shareholders 	<ul style="list-style-type: none"> Annual reports Investor Meets Quarterly Results Company Website Reports to Stock Exchange 	Quarterly/Annual/ Need Basis	<ul style="list-style-type: none"> Economic value generated & distributed Long term value creation Transparency Good Governance High Reputation & Brand image
Regulatory Bodies & Government Agencies 	<ul style="list-style-type: none"> Conferences Membership and Associations 	Quarterly	<ul style="list-style-type: none"> Proactive compliance Implementation of compliance management system Governance at different levels
Financial Institutions, Bankers & Lenders 	<ul style="list-style-type: none"> Annual reports Investor Meets Need basis during financial discussion meeting Regular feedback through emails 	Annual	<ul style="list-style-type: none"> Good return on investment
Employees 	<ul style="list-style-type: none"> Leadership development interventions Performance Dialogue Continuous Feedback Employee Induction Employee Experience Town hall briefing Employee Engagement Survey Emails Quarterly/Publications Newsletters 	Quarterly	<ul style="list-style-type: none"> Diversity Quality of Work & Life Fair wages & Remuneration benefits Training & Development Career Growth Health & Safety
Customers 	<ul style="list-style-type: none"> Emails 	Annual	<ul style="list-style-type: none"> Quality & Timely Delivery Competitive Cost Responsible Production Transparency in disclosure
Suppliers & Contractors 	<ul style="list-style-type: none"> Supplier assessment MoU Agreements Contract discussion meetings Performance review 	Need basis	<ul style="list-style-type: none"> Product Quality Cost Timely delivery On time payment Ethical behaviour Upcoming technologies or equipment Health & Safety
Local Communities 	<ul style="list-style-type: none"> Regular engagement to understand concerns & requirement Community engagement during CSR initiatives 	Need basis	<ul style="list-style-type: none"> Local employment generation Development interventions

Materiality Assessment

(GRI 3-1, 3-2)

At Alembic, we recognised the importance of harmony between stakeholders and our business operations. It is important for us to work and deliver on the similar priorities that are relevant to our stakeholders. We identified the material topics by recognising our significant impact on economy, environment, and people, including impacts on human rights. Our identified material topics prominently affect us and our stakeholders as well. We understand significance of positive impacts created by us when we align our activities and business relationships accordingly.

We identify our material topics and analyse their mitigation measures and operations to have significant impact on our stakeholders. During the reporting year, we have conducted a comprehensive materiality assessment process, and have received 675 responses to our materiality assessment survey from our key stakeholder groups such as employees, suppliers, customers, industry associations, company leadership and government . Our process of material topics identification and assessment is illustrated below:

Process of materiality assessment at Alembic

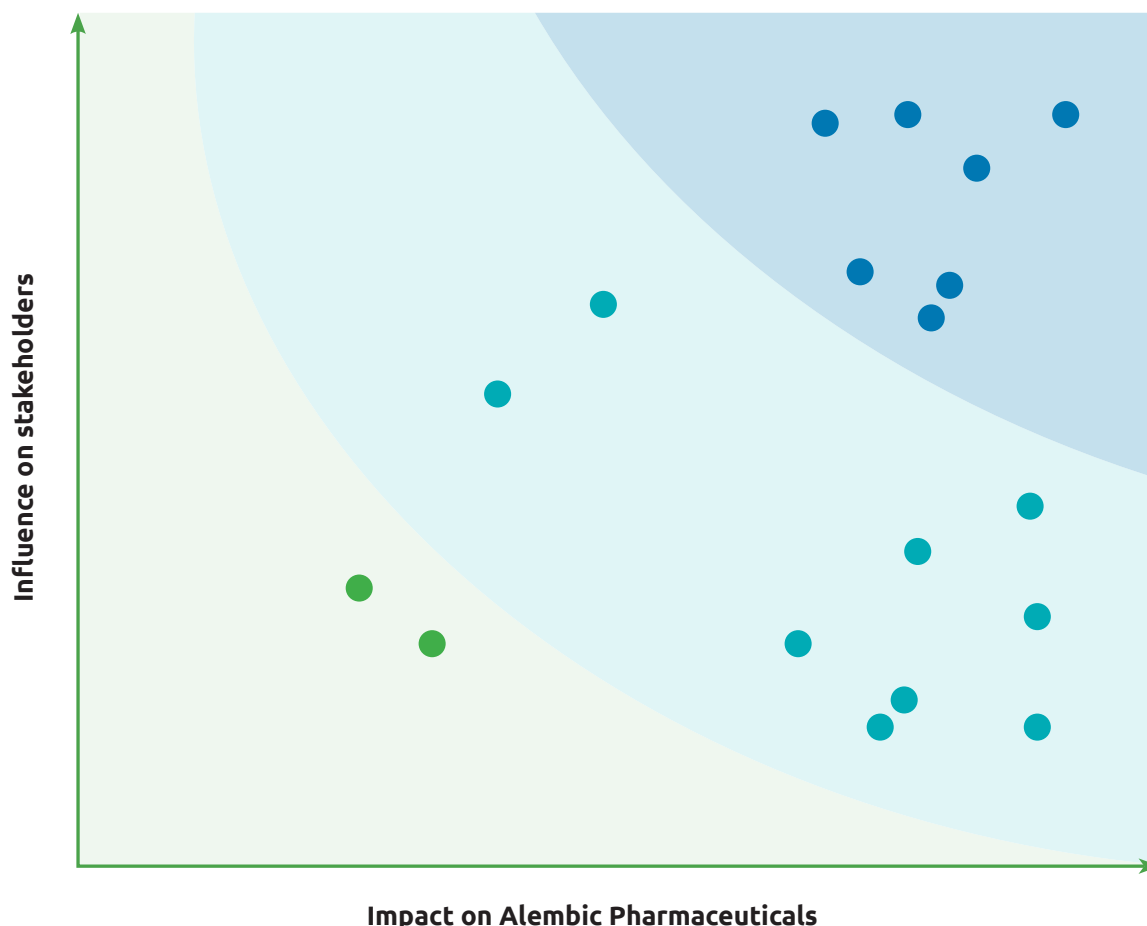


Materiality Matrix

We identified 18 material topics relevant to different aspects of our business including human resources, investor relations, procurement, and product development. We devised mitigation measures against by categorizing the material topics into very high

priority, high priority and medium priority. Our materiality matrix is drawn by considering the 'Impact on Organization' on horizontal axis (X-axis) and 'Influence on Stakeholder' on vertical axis (Y-axis), where the material topics are plotted relevantly.

Materiality Matrix of Alembic Pharmaceuticals



Very High Priority ●

Product Quality and Safety, Availability and Affordability of Medicines, Business Ethics and Corporate Governance, Human Resource Development, Water Management, Waste Management, Pharmacovigilance


High Priority ●


Sustainable Supply Chain, Climate Change & GHG Emissions, Energy Management, Employee Health and Safety, Clinical Trial Conduct, Digital Business Model & Digitisation, R&D Innovation, Resilient Business Performance, Community Engagement

Medium Priority ●


Biodiversity and Human Rights

Product Quality and Safety **Risk**

- 


Due to increased regulatory constraints on products' quality to ensure safety of consumers. It becomes highly critical to be compliant with them in order to ensure the consumer centricity as well.
- 


The Company consciously works for its quality commitments on a priority. They nurture an environment where everyone embraces culture of quality for a responsible work produce.

Alembic has progressively invested in quality enhancements initiatives across plants to comply with international standards of product quality and safety. Also, the management has ensured compliance with all applicable regulations.
- 


Positive implication due to customer loyalty and acceptance.

Availability and affordability of Medicine **Risk**




- 


The pricing and availability of medicines is a complex process due to multiple considerate variables. The medicines should be made affordable for the customer while retaining the competitive edge in the market.
- 

Alembic's is working consistently in improving health across the globe through its affordable and high-quality generic medicines.

Alembic continues to strengthen its Intellectual Capital with a focus on innovation, developing a portfolio of high-quality and affordable medicines.
- 


Positive implications in longer run due to increased market share and development.


 <p>Rationale for identifying risk/opportunity</p>	 <p>In case of risk, approach to adapt or mitigate</p>	 <p>Financial Impacts (Negative or Positive)</p>
---------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------




Business Ethics & Corporate Governance

Risk







The conduct of business within the organization and with external environment requires ethical and true to business standards practices.



The Company has the policy relating to ethics, bribery and corruption covering all the aspects of business conducts. The business model is built on the foundation of patience and perseverance of the team which encourages and inspires employees and partners to strive for excellence in what they do, keeping ethics, transparency and good governance practices in mind.

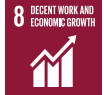




No Significant financial impact




Human Resource Development

Opportunity




With drastic change in the latest technology and availability of highly skilled and knowledgeable workforce. It becomes imperative for the organizations to develop and retain right talent for effective and profitable operations.




Alembic is focused on development of talent within the organization and has a robust learning management system that provides necessary training modules to all the employees.


The Company prefers inhouse development talent for leadership roles through skill upgradation trainings.




Positive implication due to increased productivity of the workforce



Rationale for identifying risk/opportunity



In case of risk, approach to adapt or mitigate



Financial Impacts (Negative or Positive)

Water Management

Risk

6
CLEAN WATER
AND SANITATION

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13
CLIMATE
ACTION

14
LIFE BELOW
WATER

Excessive consumption and toxic discharge are implications of faulty water management which poses risks of regulatory restrictions, stakeholder activism, and operational shutdown. Continual supply is necessary to support multiple activities like heating, cooling, washing, distillation and other manufacturing activities throughout the production process.

Alembic is working in multiple avenues for responsible water management.

- The Company has converted all its API site to Zero Liquid Discharge (ZLD) and all its formulation units uses their treated effluents in gardening and as process inputs.
- In its efforts to restore ground water, the Company has made numerous charging wells and is adding more every year.
- The Company effectively uses its wastewater by using domestic treated water in gardening and industrial treated water in boilers and chillers.

The company has Constructed Artificial Ponds at some sites for effective Rainwater Harvesting

Negative implication due to cost incurred in handling and safe disposal.

Waste Management

Risk

6
CLEAN WATER
AND SANITATION

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13
CLIMATE
ACTION

14
LIFE BELOW
WATER

15
LIFE ON
LAND

Due to their nature of industry, waste generation is unavoidable in operations. Irresponsible waste management including improper disposal, incineration of hazardous waste, poor management of biomedical waste, battery waste will lead to harmful effect on environment.

The Company is taking several steps to ensure its responsible waste management:

- The Company has developed a robust mechanism to divert high calorific waste to cement industry for co-processing.
- The Company has mechanism for recycling of product as well as waste. It has taken a special drive for collection of plastic waste in neighbouring village and use the same for recycled plastic material.


The Company adopts sustainable practices by using 50% recycled cardboard boxes in packaging materials.

Negative implication due to cost incurred in handling and safe disposal of waste.

Rationale for identifying risk/opportunity


In case of risk, approach to adapt or mitigate


Financial Impacts (Negative or Positive)




Pharmacovigilance

Risk






It is associated with hazards of pharmaceutical products. It is important for a company to monitor the effect of their drugs to identify their adverse reactions. It is important in order to ensure patient safety.



Portal for reporting side effects of products has been set up for keeping a record of Pharmacovigilance risk after drug administration. The Company has provided a customer care number on the site to contact in case of Adverse Drug Reaction (ADR). Also, Corrective Action Preventive Actions (CAPA) is implemented for each ADR based on the incident, change control, impact analysis etc.



Negative implications are due to additional cost incurred in monitoring and tracking.



Sustainable Supply Chain

Risk







Sustainable supply chain is crucial for long-term business success, environmental stewardship, and social well-being. By integrating sustainability into supply chain strategies, companies gain numerous benefits, from cost savings and risk mitigation to enhanced brand value and competitive advantage. However, any ESG violation within the supply chain can lead to loss of business from reputed customers and can negatively company's reputation.




The Company has implemented 'sustainability assurance across value chain' procedures, wherein its critical suppliers are assessed on ESG parameters. Evaluation of its suppliers is done based on two methods, as mentioned below:


- Audit Method: Under this method, the Company assesses its major suppliers on sustainability parameters by conducting an on-site audit and providing ratings to them, which is used during the procurement activities such as contract renewal
- Checklist Method: The Company collects sustainability data from its suppliers through a checklist and collate it to rate them accordingly.




Negative cost implication due to additional measures being taken to ensure sustainability across supply chain.



Rationale for identifying risk/opportunity



In case of risk, approach to adapt or mitigate



Financial Impacts (Negative or Positive)



Climate Change and GHG Emissions

Risk



Due to rapidly evolving stress on climate change and responsible operations, it is imperative to recognize the significance of GHG emissions and its impact towards climate change. The management of GHG emissions is a scattered and complex process, which can lead to critical risk.



The Company has extensive plans to reduce its GHG emissions this includes use of solar power internally, installation of windmill, purchasing renewable power for its operations, and increase in efficiency for its manufacturing sites.

Identification of the risk and control measures regarding climate related risks and Global Climate issues are addressed through its corporate policies.



Positive implication due to process improvement, energy efficiency, and improved stakeholder output.



R&D and Innovation

Opportunity



The current market scenario provides lot of opportunities to develop innovative solutions and serve customers. Being proactive in R&D, a company gains advantages in their operational efficiency, productivity and accuracy.



Alembic's R&D teams stay well-informed about newer product development tools and technologies to gain competitive market advantage. The Company has also invested significantly to augment R&D capabilities across several high-growth and high-value therapies.



Positive impact is due to increased productivity and new product development.




Rationale for identifying risk/opportunity



In case of risk, approach to adapt or mitigate





Financial Impacts (Negative or Positive)



Energy Management

Risk

7
AFFORDABLE AND
CLEAN ENERGY


12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION




The effective use of energy sources is mandatory to manage cost to company and reduce environmental burden. With evolving focus on climate, the use of conventional fuels including fossil fuels is going to diminish.




Alembic has generously invested in renewable energy that includes:

1. Increasing its solar energy capacity by installing roof solar panels and the company is in process of setting up a solar plant of 12 MW.
2. Installation of windmills to increase the share of renewable energy.

The Company is working extensively in development of flow chemistry as well for its production process, which is likely to result in improvement of yield, energy consumption reduction.





Negative impact due to increased cost of fuel and capex in energy efficiency appliances. However, positive financial impact is expected in long-run due to lower cost of energy.




Employee Health and Safety

Risk

3
GOOD HEALTH
AND WELL-BEING





Employees and workers within the Company are exposed to hazardous chemicals and substances which may have health impacts.




The Company has its EHS policy which gives a broad framework for various environmental related systems and processes being followed. There is a structure of EHS personnel in all sites to ensure that safety policies and programs are implemented. Additionally, the Company undertook the following initiatives to ensure that EHS risks are being effectively mitigated:


- Physical classroom training is provided to all employees on relevant EHS topics
- Periodic Medical checkups are conducted for all employees and contractual workers.
- A robust Risk assessment exercise is conducted to effectively mitigate the EHS Risks
- Appropriate PPEs are provided to employees as per their job role.
- Strict following of SOPs for Chemical handling.
- Continuous efforts to identify unsafe act & conditions at workplace.




Negative impact due to increased operational cost incurred on safety trainings and protective gears.



Rationale for identifying risk/opportunity



In case of risk, approach to adapt or mitigate



Financial Impacts (Negative or Positive)



Digital Business model and digitization

Opportunity


3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- 
With growing technological advancements and innovations, more avenues are available. The pharma industry has seen a sharp rise in rapid digitization. It is expected to change the future in terms of e-pharmacies, digital clinical trials, digital pills, artificial intelligence tools, precise medicine production.
- 
Alembic is focused on making operations digital. For this, they have drawn the contours of a digital blueprint which will be implemented in a phased manner.
- 
Positive implications are due to increased precision, efficiency, improved quality and enhanced productivity.





Clinical Trial

Risk


3 GOOD HEALTH AND WELL-BEING

16 PEACE, JUSTICE AND STRONG INSTITUTIONS


- 
Clinical trials in the pharmaceutical industry play a vital role in advancing medical knowledge, developing new treatments, and ensuring patient safety. Stringent regulatory requirements needs to be followed during the process to ensure compliance with all governing bodies. Any unethical conduct may impact company's reputation negatively
- 
The Company ensure that all regulatory requirements are followed during the clinical trial process including obtaining informed consent from participants, ensuring patient safety, maintaining data integrity, and protecting participant privacy.
- 
Negative implication due to additional cost incurred in the additional measure implemented in Clinical Trail process




Rationale for identifying risk/opportunity



In case of risk, approach to adapt or mitigate



Financial Impacts (Negative or Positive)



Resilient Business Performance


Risk

3
GOOD HEALTH AND WELL-BEING


8
DECENT WORK AND ECONOMIC GROWTH

9
INDUSTRY INNOVATION AND INFRASTRUCTURE


16
PEACE, JUSTICE AND STRONG INSTITUTIONS




Disruption of business operations can occur due to multiple risks including changing business landscape, regulatory requirements, natural or man-made disasters etc. It is imperative for a company to have robust business continuity and resilience mechanism to ensure uninterrupted Business performance



We have a robust Risk management mechanism to effectively manage the emerging risk and develop mitigating strategies to effectively manage them. Additionally, we have developed and adopted a Business Continuity Plan. It outlines specific emergency scenarios and a structured plan for response, rescue, and recovery. We have adopted this plan for our formulation unit and planning to develop and adopt such plans for our other facilities in future.



Negative implication due to expenditure on preparedness measures.




Community Engagement

Opportunity


10
REDUCED INEQUALITIES

11
SUSTAINABLE CITIES AND COMMUNITIES


16
PEACE, JUSTICE AND STRONG INSTITUTIONS




Community engagement helps the company to build trust in the community and avoid any conflicts. It is important for a company to be coherent with community needs and support them holistically.




Alembic works with different communities based on needs expressed by them. Alembic Group has established, nurtured and promoted various Non-Profit Organizations focusing on three major areas – Education, Healthcare and Rural Development for the wellbeing of the rural population.




Positive implications are found due to better reputation and goodwill.



Rationale for identifying risk/opportunity



In case of risk, approach to adapt or mitigate



Financial Impacts (Negative or Positive)



Biodiversity

Risk



For a company being established as responsible corporate citizen, it is important for that entity to work coherently with its respective biodiversity.



The Company focus on nurturing its biodiversity through its endeavours to continuously reduce the impact of their operations on the surroundings.



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



Human Rights

Risk



Human Rights have a significant impression on the whole supply chain. It might negatively impact a company's reputation and public relations, in case of violation. Therefore, making this topic significant to company.



The Company has pivoted its focus to provide an enabling, supportive and safe environment for its employees and it also has a Policy on prevention of Sexual Harassment. They have robust redressal mechanism to address grievances related to human rights violation.



Negative implications are found due to cost incurred in systems and processes to ensure strict adherence with fundamental principles of Human Rights.



Rationale for identifying risk/opportunity



In case of risk, approach to adapt or mitigate



Financial Impacts (Negative or Positive)





Corporate **Governance**

- » Corporate Governance
- » Risk and Opportunity Management
- » Product Quality and Excellence
- » Business Resilience
- » Responsible Supply Chain



Corporate Governance

At Alembic Pharmaceuticals Limited, we are deeply committed to our core value system and believe in upholding highest ethical business conduct with timely and transparent disclosures on our financial and non – financial health to our stakeholders. Thus, it is our consistent effort to incorporate the principles of good governance within our business operations. Our governance philosophy entails empowering our management teams to propel the company forward

within the framework of effective accountability. This further helps to enable the conversion of opportunities into achievement for the overall growth of our Company and our esteemed stakeholders. With the intent of embracing sustainability, we primarily focus on cherishing our core values and creating an environment of trust through accountability and transparency leading to fostering long-term investment, financial stability, and business integrity.

Governance Structure

(GRI 2-9, 2-27)

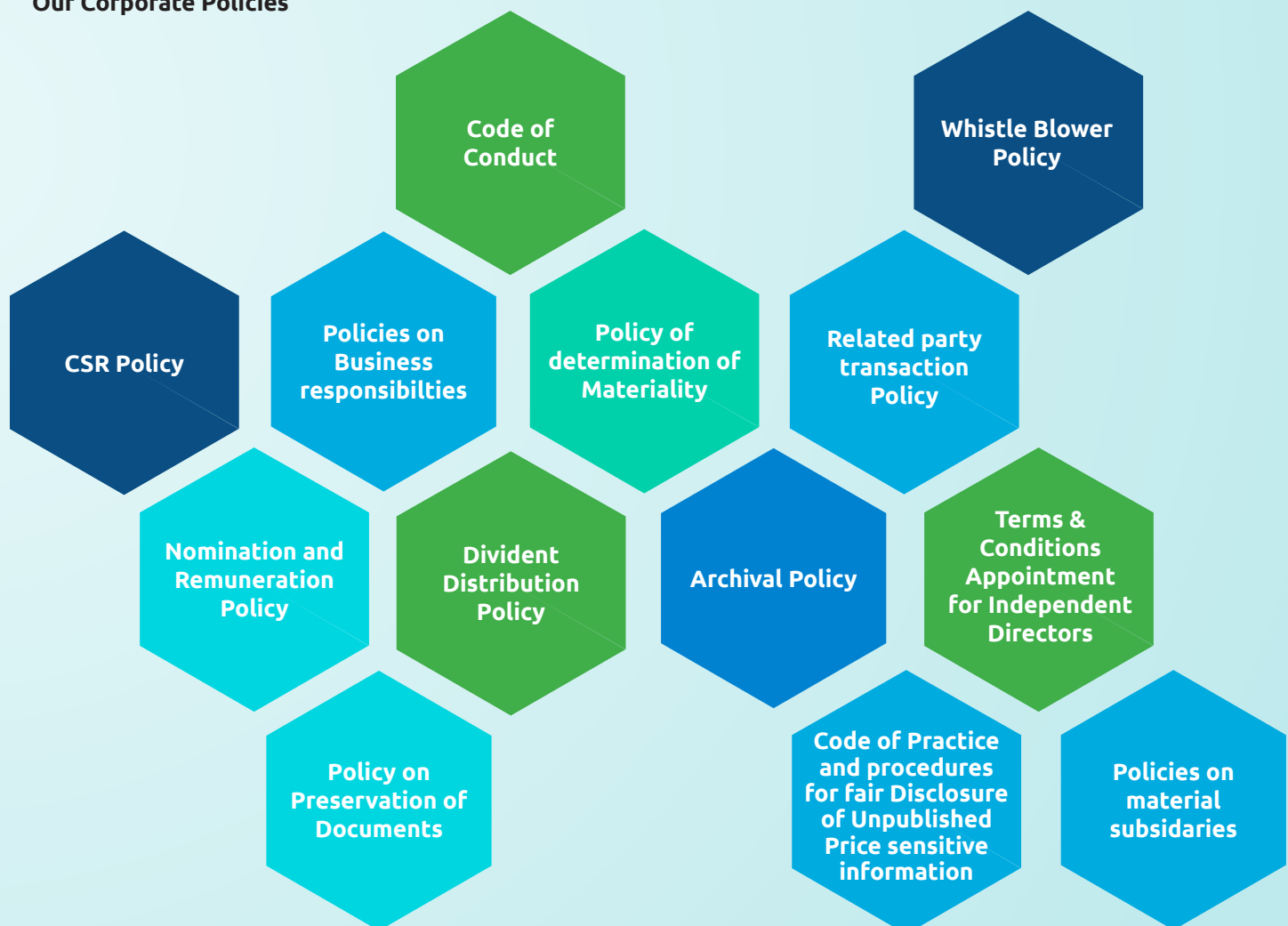
We, at Alembic, believe that strong corporate governance aids in helping life-saving breakthrough. Our governance structure is designed to maximize transparency amongst all our stakeholders and adhering to the regulatory requirements. Our robust corporate governance mechanism is guided by our governance philosophy, multiple corporate policies highlighting our policy commitments, and corporate codes, which is in accordance with evolving laws and regulations. It underpins our sustained success by embracing sustainability every day at Alembic, thereby, enabling us to make informed decisions.

Our Core Corporate Policies

(GRI 2-19, 2-23, 2-24)

To ensure effective strategic planning and an atmosphere of accountability across Alembic, corporate codes, policies, guidelines, and standard operating procedures are vital for us. Our policies and codes act as guiding forces and drive our business conduct and ethical norms of behaviour. Our governance policies guide us on proactive compliance with board diversity and independent directors, disciplinary action, reporting and contact persons, labour practices and standards, environmental health and safety, business responsibility, and compliance with codes.

Our Corporate Policies



All our policies and codes are publicly available at our website.

Link to our website: <https://alembicpharmaceuticals.com/governance-philosophy/#Policies-codes>.

Our Ethical Business Conduct

(GRI 2-15, 2-25, 205-3)

At Alembic, we have an unwavering commitment towards ethical business conduct. We adhere to the good industry practices, global and national guidelines, and statutory mandates on ethical business conduct. We have adopted the Code of Ethics and Business Conduct, which highlights the principles and standards that governs the action of the Company and its employees. Our Code of Conduct helps to ensure compliance with legal requirements and business ethos and values. The Company expects confirmation of compliance on its Code from its employees on periodic basis. The Code has been disseminated across the organization and is also made available on the Company's website as well as on the local internet. The Code also ensures good governance, ethical practices, transparency and accountability in conducting affairs of the Company and dealing with stakeholders across the value chain.

Our Code highlights our commitment to competing fairly and complying with appropriate competition laws. We strive to ensure that we do not restrict the freedom of choice or free competition in any manner while designing, promoting and selling our products. Our Board shall have the power to amend any of the provisions of this Code, substitute any of the provisions with a new provision or replace this Code entirely with a new Code.

We have developed and adopted whistle-blower protection policy to promote reporting on unethical and unlawful behaviour even on an anonymous basis, which is publicly available at our website. This policy provides a mechanism for employees and management to raise concerns of any violations of legal or regulatory requirements, incorrect, or misinterpretation of any financial statements and reports. During the reporting year, all our Board members have received training on principles of environment, social and governance and adhere to the Code of Conduct of the Company. The Board of Directors adhere to the policy on Business

Responsibility which covers the aspects on anti-corruption and anti-competitive behaviour. We are committed to transparently disclose any violations in our sustainability report so as to communicate to all stakeholders. During FY 2022-23, there has been no case reported for anti-competitive practices and conflict of interest.

Our Board of Directors

(GRI 2-10, 2-11, 2-12, 2-14, 2-17, 2-18, 206-1, 405-1)

We, at Alembic, are led by a team of industry veterans who guides the Company to protect the vision and purpose of the foundation of Alembic Group. Our Board of Director (hereafter 'Board') are our guiding inspiration to propel the business onto greater heights while staying true to our values. Our Board is led by the Company's vision, mission, values, and the governance philosophy. It develops plans, and strategies, and allocates budgets judiciously to effectively and efficiently guide our workforce to generate maximum value for esteemed stakeholders. The Board provides oversight for all decisions taken by the management team to implement our business plans, and sets internal controls and audit procedures for prudent risk management.

Our Board of Directors conforms with the Listing Regulations, 2015 and the Companies Act, 2013. Our Board comprises of ten (10) members consisting of three (3) Promoter Executive Directors, one (1) Professional Executive Director and six (6) Independent Non-Executive Directors. The Chairman of the Board is an Executive Director. As on 31st March, 2023 and on the date of this Report, the Board meets the requirement of having at least one women director and not less than 50% of the Board strength comprising of Non-Executive Directors as six (6) out of ten (10) Directors are Non-Executive Independent Directors including one (1) Woman Director. For effective functioning of the Board, we have constituted various committees and sub-committees at Board-level. We have been cognizant of the fact to bring the specialization, expertise, and competence of various board members to our Board Committees.



Mr. Chirayu Amin
Chairman & CEO



Mr. Pranav Amin
Managing Director



Mr. Shaunak Amin
Managing Director



Mr. Raj Kumar Baheti
Director Finance & CFO



Mr. K. G. Ramanathan
Independent director



Mr. Pranav Parikh
Independent director



Mr. Paresch Saraiya
Independent director



Dr. Archana Hingorani
Independent director



Mr. Ashok Barat
Independent director



Mr. Jai Diwanji
Independent director

Alembic's Board



Audit Committee

5

Independent Directors

Mr. Paresh Saraiya
(Chairman of the Committee)

Mr. K.G. Ramanathan | **Mr. Pranav Parikh**

Dr. Archana Hingorani | **Mr. Ashok Barat**

Nomination and Remuneration Committee

4

Independent Directors

Mr. K.G. Ramanathan
(Chairman of the Committee)

Mr. Paresh Saraiya | **Mr. Pranav Parikh**

Dr. Archana Hingorani

CSR Committee

1

Promoter Executive Director

Mr. Chirayu Amin
(Chairman of the Committee)

2

Independent Directors

Mr. K.G. Ramanathan

Mr. Paresh Saraiya

Administrative Sub-Committee of BODs

1

Promoter Executive Director

Mr. Pranav Amin
(Chairman of the Committee)

1

Independent Director

Mr. Paresh Saraiya

1

Executive Director

Mr. R. K. Baheti

Stakeholders' Relationship Committee

1 Promoter Executive Director

Mr. Pranav Amin

1 Independent Director

Mr. Paresh Saraiya
(Chairman of the Committee)

1 Executive Director

Mr. R. K. Baheti

Risk Management Committee*

1 Promoter Executive Director

Mr. Paresh Saraiya
(Chairman of the Committee)

1 Independent Director

Mr. Pranav Amin

1 Executive Director

Mr. R. K. Baheti

1 Independent Director

Mr. Vinod Kamath

1 Executive Director

Mr. Shreekumar Nair

*Alembic's Risk Management Committee (RMC) is also responsible to guide the Company in its sustainability endeavours, and oversee the implementation of sustainability-related initiatives.



Risk and **Opportunity Management**

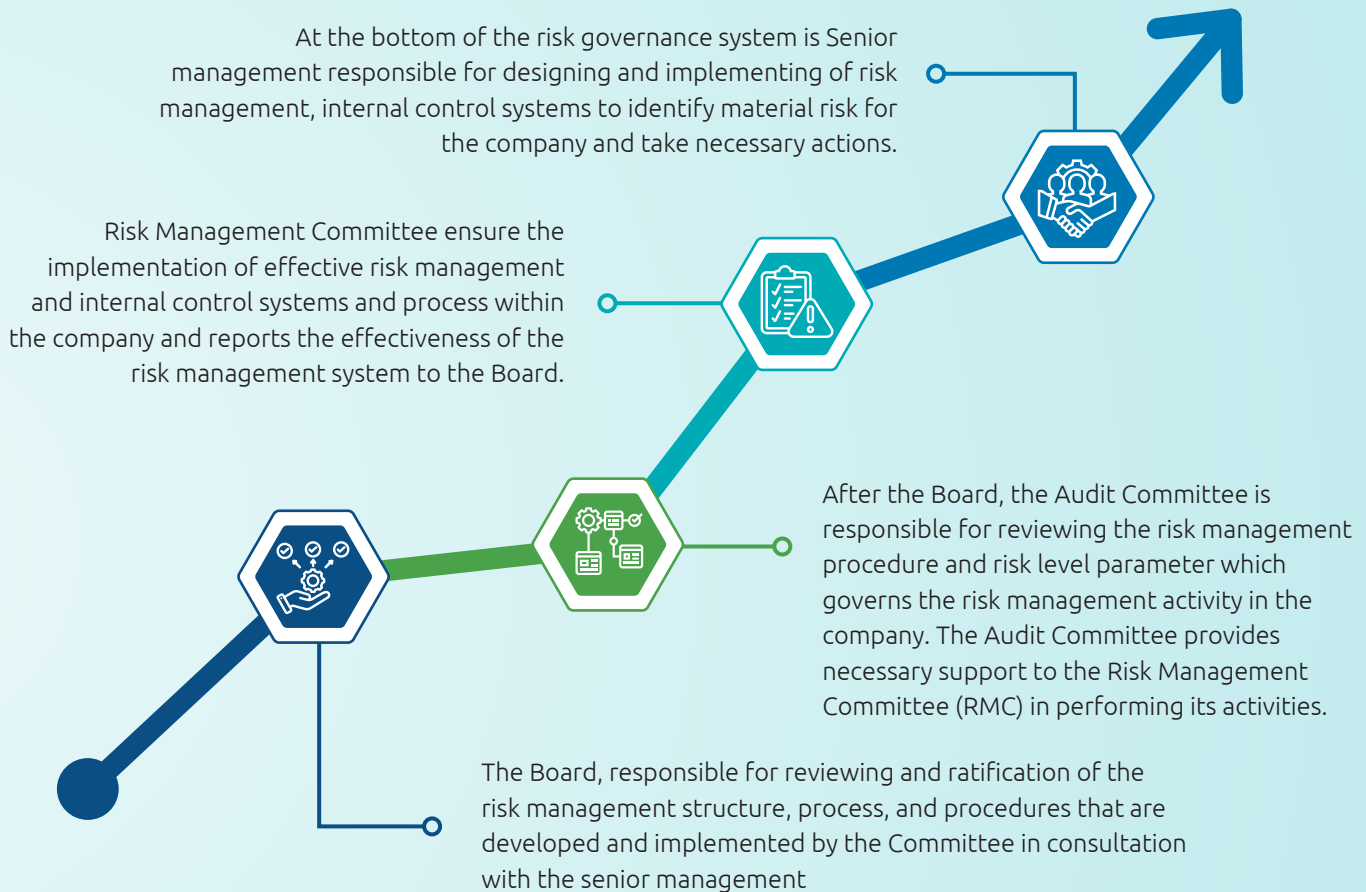
Alembic has a dynamic risk management policy in place to proactively manage the risks emerging from the changing business and regulatory environment. The main purpose of the policy is to identify potential risks in achieving the business objective of company to ensure sustainable growth along with desired value

generation for all its stakeholders. The Company through this policy lays down a risk management framework, which provides detailed guidelines for risk identification, evaluation and mitigation of risks associated with the business.

Risk Governance

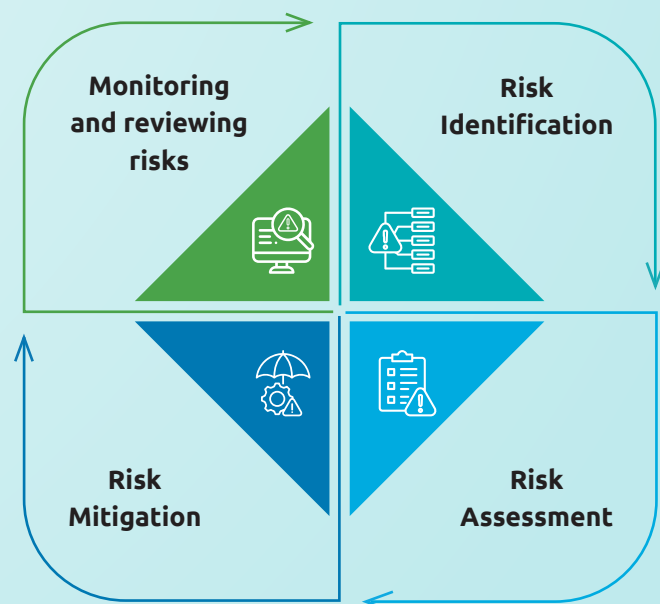
The Risk Governance framework of Alembic is designed to ensure that risks are identified, assessed, and managed effectively across the organization. The Company has a 4-tier risk governance system, as highlighted below:

4-tier Risk Governance System



Risk Management Process

Alembic has developed a robust risk management framework through its risk management policy which can identify potential emerging risks, and their impacts on our business and operations. The framework is designed in a holistic way to conducted risk management process in the following manner.

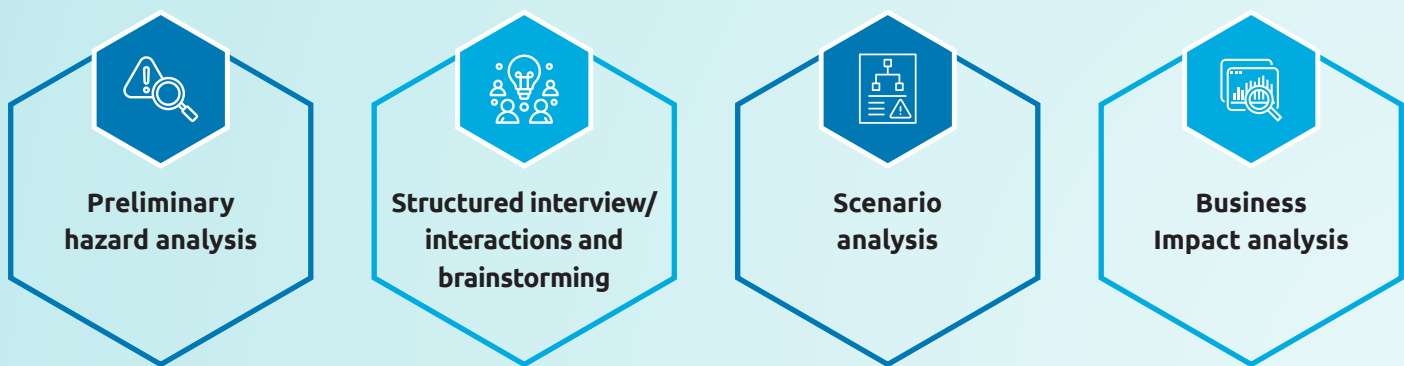


Risk Identification

The Company undertake a holistic approach to identify risks that may impact company's performance in achieving its business objectives. We have a comprehensive procedure to interact with every

function to identify and evaluate risk based on changing business and regulatory landscape. The Company uses a list of dynamic techniques to enable focused risk identification in its governance system.

Risk Identification Techniques



Risk Assessment

Risks identified during the process are further analysed and assessed on the two key parameters

- Likelihood of the event occurrence
- Impact if the event occurs

The identification of risk are done to determine their significance to the business and prioritize them for the treatment. The company assesses the risks after considering the existing controls to ascertain the current level of risk. As per the results of assessment scores in the impact and likelihood section, these risks are further classified into low, medium, and high categories to develop a robust mitigation strategy.

Risk Mitigation

The Company follows a holistic approach to devise mitigation strategies for the risk identified and evaluated in the above processes. Alembic has adopted a four-way mitigation tool to select mitigation strategy based upon the assessment of the risk. The mitigation tool covers the following aspects:

- 1. Risk Avoidance:** Under this risk mitigation strategy, the company eliminates or avoids the risk altogether by not performing the activity or business which possesses the high risk. In some cases, avoiding a risk may mean giving up opportunities or benefits that are important to the organization.

2. **Risk Transfer:** Under this strategy, Alembic mitigates its risk by transferring the risk to another party through means such as contracts, hedging and insurances.
3. **Risk Reduction:** Alembic uses this strategy to mitigate the risk by implementing controls or measures to reduce the probability of the risk occurring or by minimising the impact of the risk if it does occur.
4. **Risk Retention:** Alembic uses this strategy to manage risks by accepting and bearing the financial and operational consequences of a risk rather than transferring it to another party. The company uses this strategy to mitigate small risk where cost of insulating against the risk would be greater than the total losses sustained.

Monitoring and reviewing risk

Alembic has formulated an effective and dynamic risk monitoring and reviewing system based on risk prioritization analysis. It reviews the risks identified on the half yearly basis to develop mitigation strategies in collaboration with functional heads. The risks and their mitigation plans are then apprised to the Board on need basis during the year.

Material Risks

Alembic has identified the following risks during the reporting year and devised mitigation strategies to minimise their impacts on the business.

Table 2- Material Risks

	Rational	Mitigation
Pipeline Risk	To maintain the growth momentum of the company, it is critical to have a strong pipeline of relevant products	Alembic invests significant resources on its R&D activities to develop products that are most relevant to the markets. Currently, our team is focused on developing low risk product to increase the prospects of Superior returns on resources invested. Additionally, we are deploying the successful products from the US market to other markets to maximise value growth. To maintain an effective and relevant pipeline, we continue to file 20+ ANDs every year.
Growth Risk	The company should sustain momentum in growth numbers to provide its stakeholders effective returns.	The Company is focusing on expanding its business across important global markets and increasing its product basket in the US market with more complex products and new platforms to sustain continuous growth. Additionally, the Company is looking to intensify its focus on specialty therapies in the domestic branded generic vertical.
Margin Risk	It is critical for Alembic to maintain Good Margins to run its business profitably.	Profitability across Alembic will be impacted due to the additional operating cost of two new facilities, the Company has reduced the R&D expenses to optimise the margin drops and started introducing high-value products to arrest the drop in the margins. However, the profitability is expected to improve in the subsequent years.

Rational

Mitigation

People risk

To ensure seamless operations of all our facilities, it is critical to have and retain skilled talent to effectively manage operations at all our manufacturing sites and offices

Alembic has invested to create an inclusive environment at works and has been certified as a great place to work. We will continue to invest our people through Learning and development initiatives and provide them challenging and engaging work life.

IT Risk

It is critical in the changing world to update our IT infrastructure, networks, and solutions to achieve relevance and robustness of our business and maintain seamless operations.

The Company is focused on improving its IT infrastructure and is invested considerable in FY23 to deploy new solutions for data security and network availability. Also, we have created a new IT policy and trained a large section of employees on the nuance of the policy. We are deploying contemporary solutions across the organization to improve business system and process.

Environmental Risk

Environmental aspects are becoming prominent in our business operations, and it is becoming critical to reduce our Company's GHG emissions to ensure successful business in the future. Furthermore, environmental risks includes risk such as effluent treatment failure risk, explosion risk, and gas leakage risk. Failing to mitigate these risk may negatively impacts Company's reputation and business growth

Alembic continues to make efforts to reduces its overall energy consumption and increasing the proportion of renewable energy. The Company is focused on reducing the freshwater intake through consumption of recycled water. We continually implement new technology to increase solvent recovery across plants. Overall, all the Company is continuously making efforts to improves its performance in all environmental aspects.

Supply Chain Risk

It is critical to ensure a robust and sustainable supply chain to ensure continuous business operations across sites. Flow of final products can get disrupted due to interruption in raw material supply and contamination of material can negatively impact the business of Company.

The Company consistently endeavours to maintain an uninterrupted supply of raw materials, ensuring seamless operations. It is actively diversifying its critical raw material suppliers to guarantee availability in all circumstances. Robust material handling procedures have been put in place by Alembic to prevent any contamination of raw materials.



Product and **Quality Excellence**

(GRI 416-1, 416-2)

Quality Excellence (QE) is at the core of Alembic's business operations, and we thrive to embrace the culture of quality in everything we do. Alembic drives its mission to provide healthcare with innovation through four (4) pillars of Quality, Capability, Customer-Centricity, and Diversity. At Alembic, quality excellence helps in delivering consistent health care to our customers and maintain high brand reputations across markets. The management along with all employees works round the clock to ensure compliance with all regulations and inculcate the culture of quality within the teams to ensure a high-quality production at every stage.

The Company has designed and build world-class facilities to ensure uncompromised quality, integrity, stringent compliance, and agility to adapt changing market demands. Every product during development stages goes through stringent processes to evaluate its potential health and safety impacts, which furthers helps in mitigating the negative impacts of the products. We have an impeccable record of compliance and delivered highest quality products over the years which has resulted in Alembic being recognised among the few leading Indian companies with regular USFDA clearances.

Quality Strategy

At Alembic, we follow a two-pronged approach to maintain highest quality of our product, which becomes our key differentiator. Our 'quality control strategy' focuses on strengthening our workforce and manufacturing capabilities constantly to push the bar higher for quality excellence.

A) Constantly developing and enhancing our people capabilities

Alembic believes that the final quality of a product is an outcome of the efforts laid down to ensure quality at every stage of production and that can be done only through a skilled workforce which is competent to perform its tasks effectively in accordance with all regulations. The Company has developed a holistic learning and development programme, which focuses on delivering cross-functional training to develop a deep understanding of the whole process for every employee. These trainings help in ensuring quality at every production stage. Additionally, the company has established a set of laboratories trainings to sensitize its employees about good manufacturing practices (GMPs), and providing need-based training on new machinery, technology and maintaining right documentations. We engage with external agencies to develop compliance competencies within the middle level management. Competency and skill development initiative like these have created employee motivation and satisfaction within the organization.

B) Using technology to upgrade our manufacturing facilities

Alembic continuously strives to integrate latest technology in its manufacturing facilities to maintain highest quality uninterrupted production at all its facilities. Our latest efforts, includes the adoption of a Laboratory Information Management System across our manufacturing facilities to ensure seamless workflow and improve data tracking through real time data availability, which will help in implementing high-end initiatives like quality by design to enhance safety and efficacy of the products. The company has a holistic and integrated set of standard operating procedure clubbed with multiple quality checks across levels to ensure round the clock audit preparedness. As a result of our consistent and committed efforts, the company is able to ensure maintenance of highest quality products at all times.

Business Resilience

(GRI 201-1, 201-3, 201-4)

Economic Performance

At Alembic, capital management is considered crucial to maintain a resilient business model which ensures stable operations. The framework of governance within our organization plays a crucial role in sustaining economic growth and creating value for our stakeholders. We recognize that the business landscape is constantly evolving, and various factors can impact our operations. Therefore, our governance framework operates with perseverance to navigate these challenges and drive growth beyond conventional strategies.

With prime focus on our philosophy of 'Commitment to Deliver', we are able to devise our systems and processes accordingly which are focused on long-term sustainable success. We have integrated robust practices of analysing, adapting, and performing within all our business operations.

Our preferences are inclined to become coherent with sustainable practices and work dynamically to ensure services to our patients and consumers at uncertain times as well. We are training our people on technical, behavioural, and informative aspects to secure our consistent work produce and delivery flow at all times.

We focus on optimizing and maintaining adequate financial capital reflecting our commitment towards prudent financial management, risk mitigation, and long-term sustainability. By prioritizing capital

reserves, we position ourselves to withstand uncertainties, capitalize on opportunities, and maintain stability in the face of changing market dynamics.

Table 3- Economic value generated/distributed/retained

Direct Economic Value Generated	FY 2022-23(INR Crore)	FY 2021-22 (INR Crore)
Gross Revenues from operations	5,652.62	5,305.79
Economic value generated from investment and other sources	2.74	50.46
Total Economic Value Generated	5,655.36	5,356.25
Economic Value Distributed		
Employee wages and benefits	1,169.13	1,133
Operating costs (includes cost of raw materials, depreciation, and other expenses)	4,050.56	3,585.41
Interest payment to providers of credit	50.17	17.73
Dividend/Payout to shareholders	196.56	275.19
Community Investments	21.53	22.26
Payment to government (taxes)	12.61	104.46
Total Economic value distributed	5,500.56	5,138.05
Economic Value Retained		
Economic Value Retained	154.8	218.2



Defined Benefit Plan Obligations and other Retirement Plans

Our company provides both defined benefit plan and defined contribution plan to the employees which is coherent with our inclination of their well-being and long-term stability. Our employee benefits include

contribution to provident fund, gratuity, health insurance and other benefits life earned leaves, sick leaves, and maternity leaves.

Table 4 – Defined Benefits Schemes

Contribution to defined benefits schemes	FY 2022-23 (INR Crore)	FY 2021-22 (INR Crore)
Contribution to Provident Fund & Other Funds	67.51	60.31

Financial Assistance received from the Government

Government grants are provided to us in the form of subsidies, tax reliefs, research & development grants, awards, royalty holidays, incentives.

Table 5 – Financial assistance received from the government

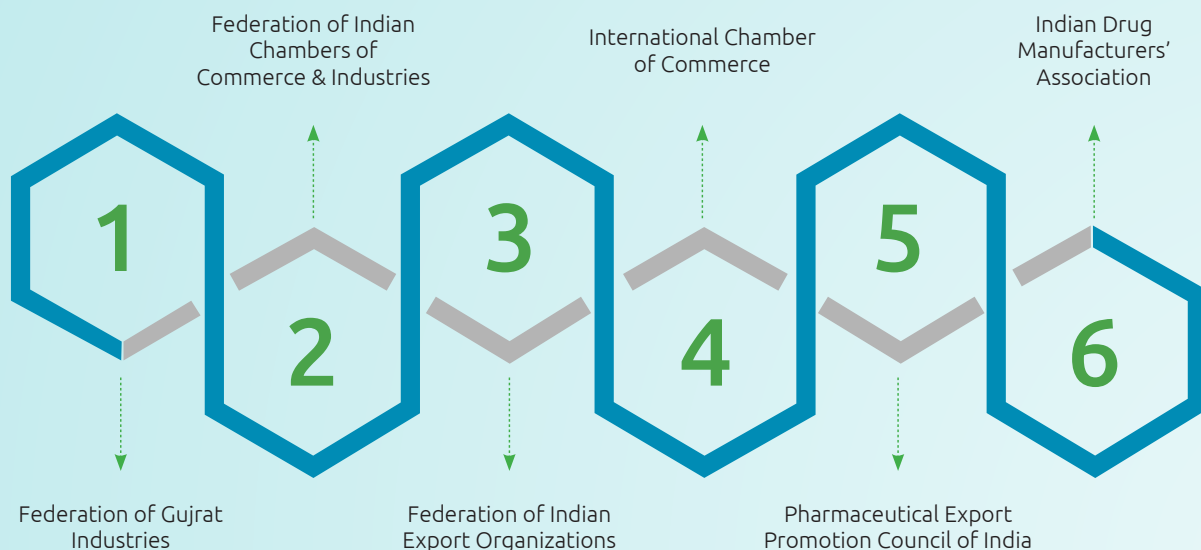
Particulars	FY 2022-23 (INR Crore)
Tax relief and tax credits received (Sikkim Refund)	34.45
Subsidies received (Product linked incentives and Market Assistance Incentive)	22.10



Membership of Industry Associations and Chambers

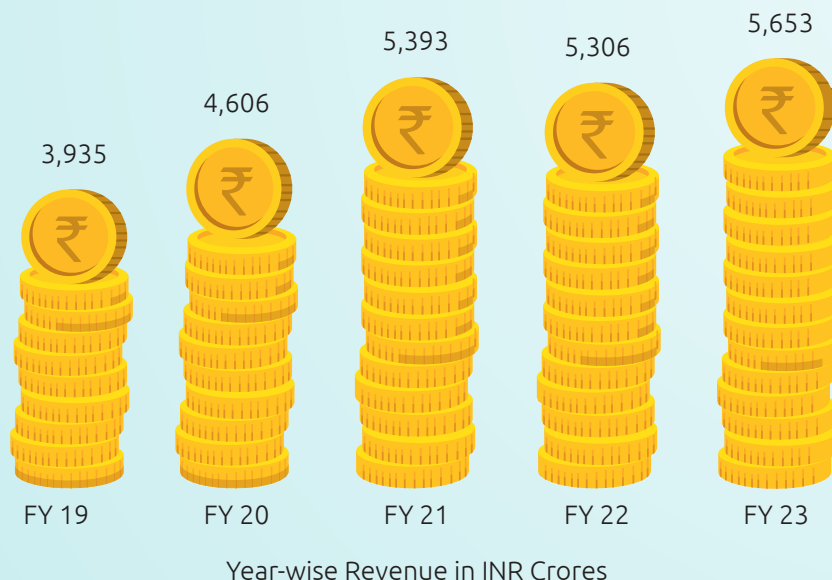
(GRI 2-28)

The Company is a member of following 6 industry association and chambers and contributes towards development of public and regulatory policy through it.



Revenue Growth

Our revenue growth has been positive as observed in our trends over five years with CAGR of 9.47%.



Our resilient practices

1. Investing in key organic growth and profitability drivers, which performs with stability throughout the years and provide significant inputs in our balance sheets.
2. Diversifying in multiple geographies, we are continuously working to recognise more customers across diverse geographies to ensure consistent business at different opportunities.
3. Continuous innovation with R&D provided us the leverage to deliver more to the market with our diverse products that aligns with everchanging consumer needs.



Responsible Supply Chain

(GRI 204-1, 308-1, 308-2, 408-1, 409-1, 414-1, 414-2)

Our resilient supply chain proactively supports us to respond with consistency and build capacity to deliver in accordance with market trends, without compromising quality and overflowing on our cost centre. Our critical aspect of business function involves coordination and management of activities involved throughout in our process from production to delivery of products. Effective supply chain functioning requires ability to optimize the processes to achieve the desired outcomes. Our agile supply chain ensures our ability to compete in the marketplace. We are integrating our sustainable practices in our operations of procurement through assessment of our critical supplier on ESG aspects. In resonance with human rights, we encourage our suppliers to follow highest standard of EHS across their business operations. We

have deployed supplier sustainability program for sustainability improvement for the critical suppliers across value chain.

Our vertically integrated facilities provide us additional supply chain efficiencies and synergies. We procure goods (raw materials, intermediate reagents, certain APIs, packaging materials) and avail services like distribution and transportation from local and small vendors, particularly those located around its manufacturing locations. In this reporting year, we have actively promoted direct sourcing and procurement activities from within the district and neighbouring districts as 35% of input material are sourced from local suppliers.

Our practice of sustainable assessment of suppliers involves procurement of supplies, services, and materials from ethically, environmentally, and socially sound suppliers. It is important for us to engage with them and build good long-term relationship. We assess our suppliers on various grounds including environmental and social criteria as we introduce

our Sustainable Supply Chain SOP and checklist assessment to rate and evaluate suppliers' operations. We make sure through our assessments that our suppliers are not engaging any child labour and forced/compulsory labour, and all their rights are ethically upheld and dignified throughout operations.

Our resilient practices

- 1** Balanced inventory management and maintenance of the flow in the market at uncertain times as well and reduced the risk of stock-outs.
- 2** Vertically integrated facilities mitigate major supply chain risks and considerably uplifts our efficiencies.
- 3** Our inclination towards consumers service with correct placement of our products in market among multiple consumers promising them accessibility and affordability as well.
- 4** Our cost optimisation and efficient operation driven by our efficient management of capital, resources, materials, person-hours, supply chain volume and various other aspects.
- 5** Increased network of suppliers provided us the advantage to decrease our dependency on single vendors and suppliers with better negotiations and continuous supplies.
- 6** Continuous assessment of suppliers on sustainable, ethics and transparency standards has provided us with optimized suppliers' pool.

Technology and Automation

Technology has significant scope to serve our purpose of business resilience. We are planning to deploy advance technology services to improve our operational efficiency, data analytics, sales performances, regulatory filings and product & formulation development. Innovative technology and human operations are integrated at Alembic, and they support each other for better asset integrity and product delivery. We are working with our teams to develop modular and adaptable technology infrastructure to assist us at the times of crisis as well and mobilising our employees and providing them remote access of work is one of the many solutions to business continuity.

Digital Security and Data Privacy

(GRI 418-1)

At Alembic, we respect our stakeholders' trust and relation with us, digital security is a sensitive topic which is crucial to maintain the same. Our firm commitments of transparent processes and ethical data usage align with our 'Information Security Policy' which is circulated and implemented within the company. All the sensitive information is safeguarded by Alembic's Information Security Policy. We are committed to protect the information of all our users and consumers' data as well. We have adequate safeguards in place to protect and ensure compliance with various regulations.

Alembic is working sincerely for mitigating all the risks associated with data security and privacy which involves considerable investment to maintain a robust and relevant IT framework and solutions. Our IT team proactively monitors, and analyses risks and threats to IT systems and protects it against any possible breach. When any security incident related to data breach is reported, the complaint is escalated to Alembic's IT team for further case investigation. The compromised department which has been targeted to malicious attempt is warned and the data access gets restricted and limited to mitigate the severity of the incident. After the case closure the data systems and software

are updated and modify to prevent the recurrence of any similar breach.

A reliable IT system which is consistent in cybersecurity strengthens our reputation among our stakeholders and market as well. We have not received any complaint in this reporting period with regards to breach in data and customer privacy.

Business Continuity Plan and Disaster Resilience Policy

Our aim is to minimize damage and disruption to the organization and its assets, profitability, customer base and reputation due to any unplanned adverse events. So, Business Continuity plan (BCP) is a critical aspect of our risk management, we are holistically prepared with a directive lead to recover and respond as quickly as possible. At Alembic, Business Continuity Plan provides us guidance to deliver services during any unwanted disruption which could be either natural or human made. Our agile planning ensures robust response and recovery in operations. It also supports us in protecting our corporate reputation and revenue flow.

Our dynamic Business Continuity Team comprises of group of managers with their respective responsibilities, which heads the decision making at crucial times. According to our plan, the site managers are responsible for overall management coordination of the plan. The BCP Coordinator is the factory manager/engineering head of the site who organizes, plan and facilitates the business plan recovery on priority basis. The team organizes periodical meetings to decide and revise responsibilities, and regular training sessions are also conducted. We divided our action potential based on our risks which are segregated into four categories: High Risk, Semi High Risk, Low Risk and Semi Low Risk.

Our plan entails all the associated risks with disrupted Production, Planning, Execution (Quality management including microbiology and chemistry laboratories) and Distribution (I.T System) to enhance over-all hassle-free recovery management. We have devised contingency plans/ recovery strategies against 30+ types of contingencies and disruptions, it discloses our navigating actions and alternative measures.





Environment

- » Resource Management
- » Impact on Environment



Resource Management

Material Management

(GRI 301-1, 301-2, 301-3)

Pharmaceutical industry is a resource intensive industry and consumes a range of resources within its production process. Alembic also consumes variety of raw material ranging from Hazardous chemicals to Plastic and cardboards for packing. However, the company is committed to improve its material consumption through process excellence initiatives

which helps in improving yield, recycling solvents and in turn reducing the overall material consumption of the company. The company has a robust R & D department that conducts regular process development studies to find most efficient routes of production with the least raw material consumption.

Material Consumption in FY 2022-23 (MT)



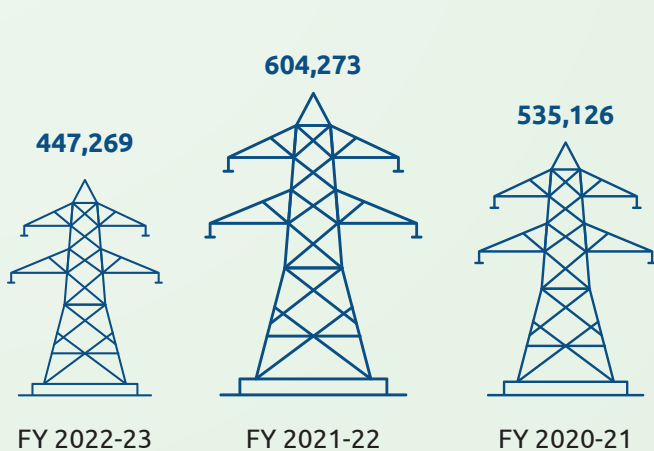
Energy Management

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

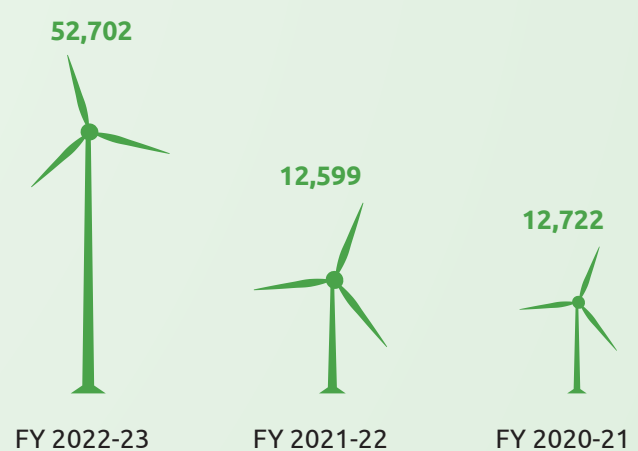
Alembic is committed towards decreasing its energy consumption across its operations and it continuously makes efforts to identify areas of improvement to implement energy efficient technologies. Alembic conducts internal energy audits to analyse its energy expenditure regularly and takes target based on the outcomes to effectively manage the energy needs of the organization. Over the year the company has continued its journey of energy management through

rigorous monitoring energy data points and adapting way to optimisation of process and installing better technology to move ahead on its pathway to embrace sustainability.

During the reporting year, the Company has moved one step ahead, has adopted company-wide targets to achieve Net Zero by 2040.



Purchased Electricity



Renewable electricity

3- year trend of Electricity Consumption (GJ)

Renewable Energy

Alembic is committed to increase the use of renewable energy within its operation and has generously invested in building capabilities to harvest solar and wind power for its operation. The Company have solar panels installed with its facilities that has capacity

of 328 kW adding to it, the Company has installed a 2.1MW windmill near Kutch and is commissioning a 12MW Solar Park at Bhatpur near Vadodara to meets its energy requirements.



Energy Intensity
(GJ per million INR)

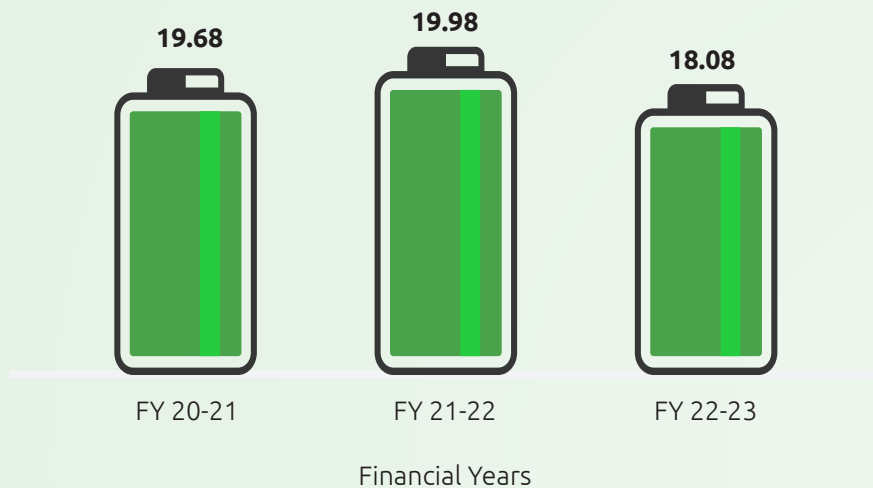
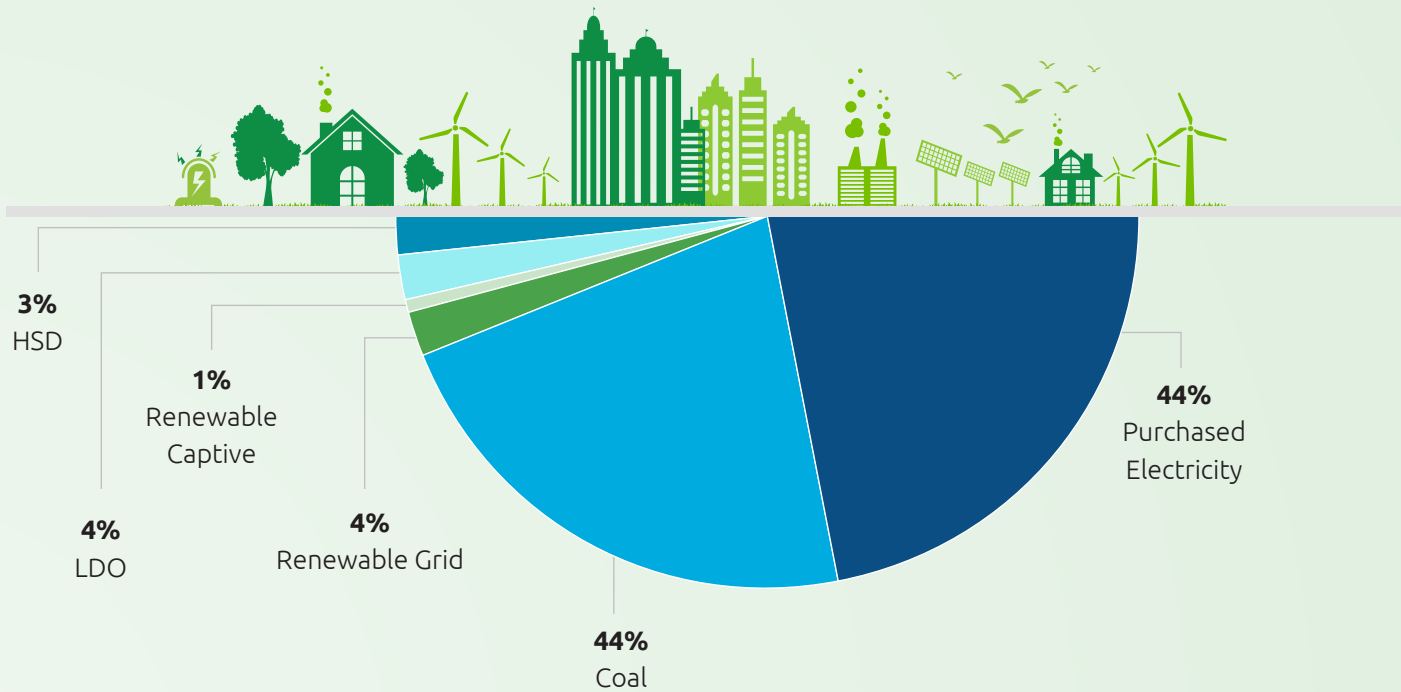


Table 6 – Energy Intensity

	FY 2020-21	FY 2021-22	FY 2022-23
Energy Intensity (GJ/ Million INR)	19.68	19.98	18.08

Table 7- Energy Mix

Source of Energy	FY 2020-21 (GJ)	FY 2021-22 (GJ)	FY 2022-23 (GJ)
Light Diesel Oil (LDO)	33,584	27,814	39,190
High Speed Diesel (HSD)	42,136	30,715	26,866
Coal	3,83,689	3,80,013	4,53,218
Furnace Oil	54,463	4,808	3,096
Purchased Electricity	5,35,126	6,04,273	4,47,269
Renewable Grid	-	-	39,574
Renewable Captive	12,722	12,599	13,128
Total	10,61,720	10,60,222	10,22,342



Investing in future with low-carbon energy – Solar Park

At Alembic, we are deeply committed to fostering a sustainable future by actively investing in initiatives that drive decarbonization of our business operations. One of our significant endeavours includes the establishment of a state-of-the-art ground mount solar park in the Village Bhatpur of Vadodara district, covering an expansive 30-acre land area and boasting an impressive capacity of 12 MW.

Our dedicated efforts are directed towards ensuring that this ambitious project is commissioned and fully operational in 2023, delivering a clean and renewable energy source to power our Panelav facilities, encompassing both API and Formulations units. By embarking on this sustainable path, we envision reducing our reliance on grid electricity, thereby advancing our goal to achieve Net Zero emissions by the year 2040.

The solar park itself is a testament to our steadfast commitment, as it represents a substantial investment of Rs. 61 crores. We anticipate the project to reach breakeven in a span of 7 years, promising a compelling return on investment of 14.5%.

By embracing such innovative and environmentally responsible projects, we not only ensure a greener and more resilient operational landscape but also uphold our pledge to contribute to the global fight against climate change. Furthermore, our dedication to sustainability goes beyond this undertaking, as we continue to explore and pursue further opportunities, like the upcoming Karkhadi additional solar park, to further enhance our operational resilience and propel our journey towards a cleaner and brighter future.



Water Management

(GRI 303-1, 303-2, 303-3, 303-4, 303-5)

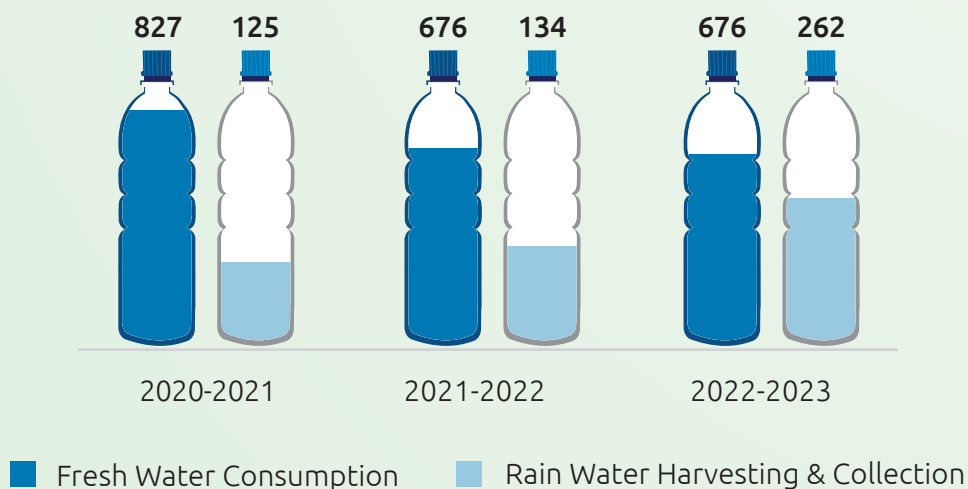
Water as a resource is very important for pharmaceutical business and it is ultimate responsibility of the business to judiciously use it and have minimum impact on the water bodies around their operations. Alembic is committed to recycle water and decrease the freshwater intake in its production processes. The Company uses ground water as its main source of water and has implemented an intervention to reduce its ground water dependence by using water from Narmada canal, through Gujarat Water Supply and Sewage Board (GWSSB). This initiative has helped in reducing the ground water consumption by 14,776 KL/

year. Additionally, the Company has implemented complete Zero Liquid Discharge at all its API facilities to avoid contaminated water being sent back in the environment. In its formulation units, treated water is used for in-house gardening application. . In the recent years, the Company has invested significant funds in developing a ground water recharge system through which the company is successful in recharging ground water with more quantity than what it withdraws. The Company is actively working on the path to become water positive in the forthcoming years, through effective implementation of innovative water management practices across its operations.

Table 8 - Water Withdrawal

Type of source	FY 2020-21 (KL)	FY 2021-22 (KL)	FY 2022-23 (KL)
Ground water	3,94,059	3,06,775	2,91,999
Third-party water	4,07,366	3,56,778	3,69,423
Rainwater	25,431	12,661	14,196
Total water withdrawn	8,26,856	6,76,214	6,75,617

Water Withdrawal (ML)



In all API units, effluent after primary, secondary and tertiary treatment is filtered through Reverse Osmosis (RO) process and used back in the process in utilities. In formulation units, tertiary treated effluent is used for gardening, where TDS levels are low, else is treated through RO and recycled back in the process. . Some small units including R&D are giving their specific effluent to third party for treatment. During the reporting year, we have supplied 1,00,629 KL of treated water.

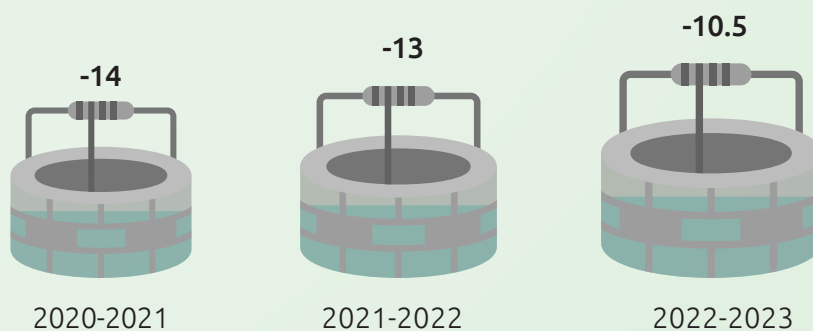


Water Consumption

Table 9- Water Consumption Trend

	FY 2020-21 (KL)	FY 2021-22 (KL)	FY 2022-23 (KL)
Total Water Consumption	7,28,710	5,72,575	5,74,988

Ground Water Table (Meters)





Rejuvenating ground water through Recharge Wells

Alembic, as part of its commitment to support environmental replenishment around its operations, has implemented a robust and structured system of Groundwater Recharge Wells in the regions of Karkhadi, Panelav, and Jarod. With industrial expansion near these areas, the pressure on groundwater resources has significantly increased to meet growing demands. As a result, the water table has been continuously receding, and the Total Dissolved Solids (TDS) of the groundwater has been rising, posing challenges for its safe use for potable applications.

To address this issue, Alembic recognized the opportunity to leverage the region’s average annual rainfall of around 1,107 mm effectively. By establishing 15 Groundwater Recharge Wells in the Karkhadi region and 32 in Panelav and Jarod regions, Alembic strategically maximized the potential for groundwater recharge. Moreover, to ensure the effectiveness and impact of these recharge wells, a comprehensive feasibility study titled “Augmentation of Groundwater Recharge and Desalinization of Groundwater using Rainwater Harvesting Techniques” was conducted, providing expert insights and understanding of the intervention’s outcomes.

Alembic takes immense pride in the results of these initiatives. During the reporting year, the recharge wells and open collection ponds successfully replenished a total of 2,62,041 KL of groundwater. Notably, the drive towards recharge wells led to a remarkable increase in the water table by 3.5 meters in the Panelav region, significantly benefiting surrounding villages. Additionally, the TDS of the groundwater reduced from 2,500 ppm to 1,200 ppm, indicating a substantial improvement in water quality.



With a deep commitment to water conservation and environmental responsibility, Alembic pledges to undertake more such initiatives in the future. These efforts align with the company’s ambitious goal of achieving water neutrality within the defined timeline of 4 years. By continuing to prioritize sustainability and innovative water management practices, Alembic aims to make a positive and lasting impact on the environment and the communities it serves.

Impact on Environment

GHG Emissions

(GRI 305-1,2,3,4,5)

Alembic is committed to drive its business through a model of sustainability and understand the impacts that climate change and emissions will have on its business in the long. The Company is continuously making efforts to reduce its GHG footprint across its operation through continuous measurement of its carbon emissions and implementing interventions like switching to renewable resources, implementing energy efficient technologies to reduce its carbon impact on the environment. Our major direct source of emission includes emissions from combustion of coal, High Speed Diesel (HSD), Light Diesel Oil (LDO), Furnace Oil (FO) and our indirect source of emissions includes purchased electricity from the grid. The Company has installed multiple facilities to adapt renewable energy from Solar and wind energy plants in place of grid electricity to overall reduce its emissions impact. The Company has decided to discontinue the usage of FO as it is a dirty fuel and is replaced by LDO. The old boilers of low efficiency are replaced by new high efficiency boilers. Furthermore,

we have purchased high energy efficiency equipment/machines by replacing the old energy insufficient machinery across Alembic.

During the reporting year, the Company has reduced its total Scope 1 and Scope 2 GHG emissions by 20.88% through implementation of various initiatives such as installation of centralized energy efficient screw chiller by replacing small capacity chillers, conversion of direct expansion Air Handling Units (AHU) to Variable Refrigerant Flow (VRF) systems, replacements of conventional decanters with volute screw press in its ETP etc. The company also focused on using waste heat from Multi Effect Evaporator (MEE) stripper and boiler blow down in pre-heating the boiler which resulted in savings of 3MT of steam per day. Multiple such initiatives were taken along with integration of renewable energy within the energy mix to achieve this reduction in the emission as compared to previous year.



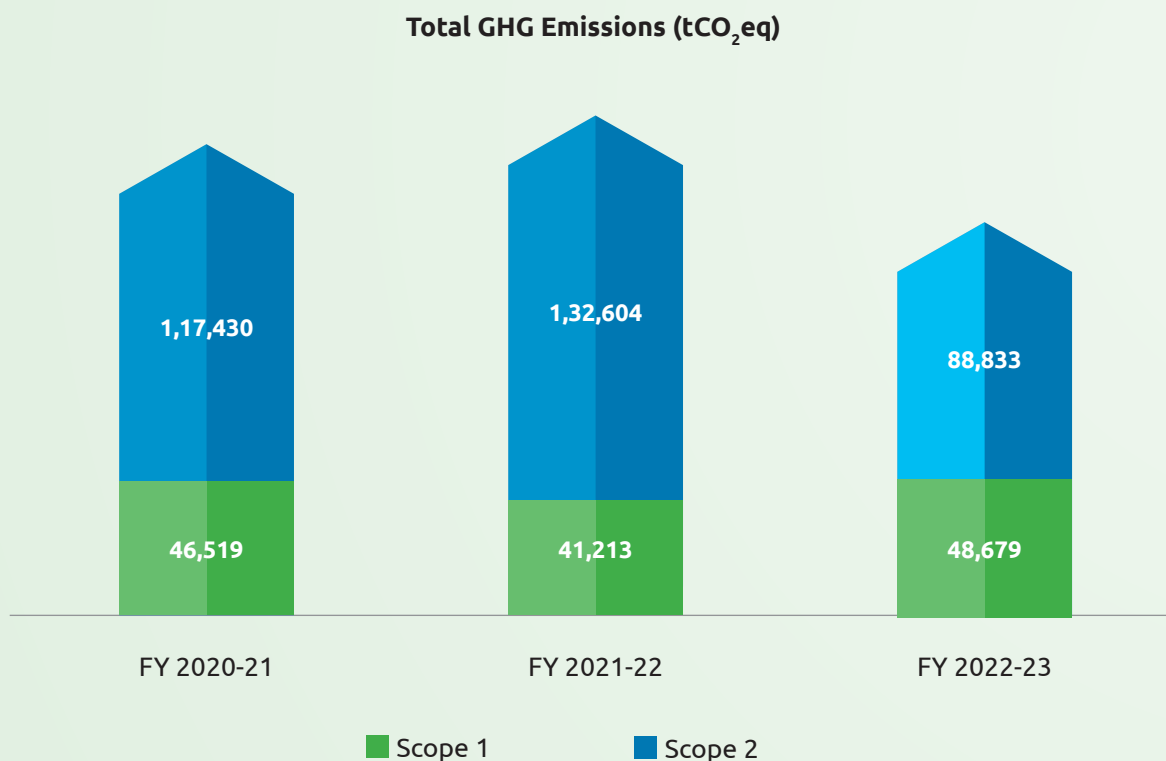
Calculation Methodology

We have implemented a semi-automated system to collect the data from each site and used emissions factors from the IPCC guidelines for GHG inventories (2006) for direct energy and Indian Central Electricity

Authority for calculating emissions from indirect energy inventories, i.e., the Scope 1 and Scope 2 emissions.

Table 10 - Greenhouse Gas (GHG)

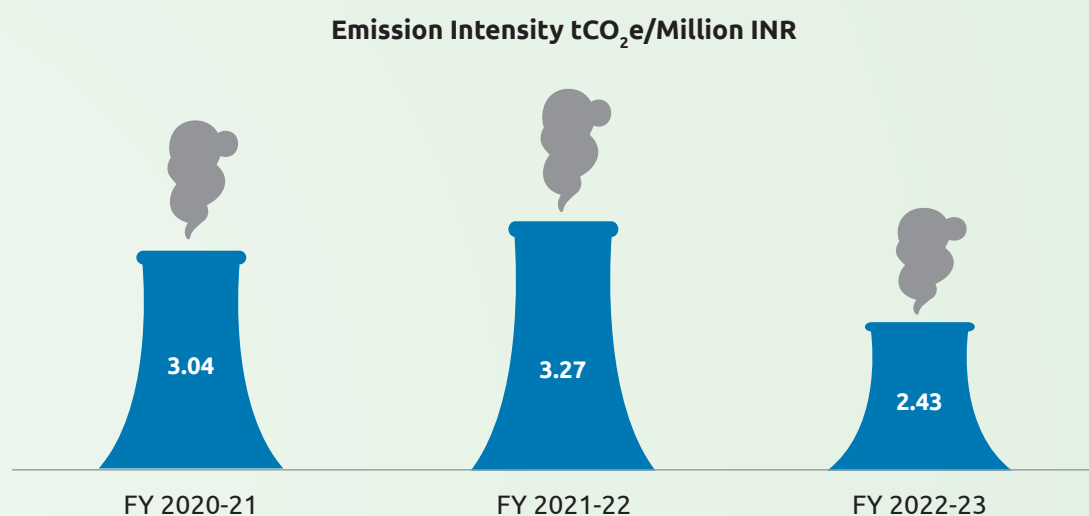
Emission Source	FY 2020-21 (tCO ₂ eq)	FY 2021-22 (tCO ₂ eq)	FY 2022-23 (tCO ₂ eq)
Scope 1	46,519	41,213	48,679
Scope 2	1,17,430	1,32,604	88,833
Total emissions	1,63,949	1,73,817	1,37,512



Emission intensity

Table 11- Emission Intensity Trend

Emission Source	FY 2020-21	FY 2021-22	FY 2022-23
Emission Intensity (tCO ₂ e/million INR)	3.04	3.27	2.43



Air Emissions

(GRI 305-6,7)

As a result of our operations, we generate emission such as oxides of nitrogen, sulphur, particulate matter, and volatile organic compounds that have an adverse impact on the overall environment. Being a committed company, we have made dynamic efforts to reduce such emissions, we have implemented a Continuous Emission Monitoring System (CEMS) across all boilers in API units to monitor real time data

to identify any abnormality in the emissions and take agile corrective action to maintain emission within the limits prescribed by regulatory body. The Company has implemented initiative like using low imported low sulphur coal, installing Electrostatic precipitator (ESP)/bag filters in boilers, implementing line injection method in boilers, multi-stage scrubbing at all vents to reduce the air emission impacts of the operations.

Table 12 – Air Emissions

Emissions	FY 2020-21 (MT)	FY 2021-22 (MT)	FY 2022-23 (MT)
SO _x (Sulphur Oxides)	46.01	57	41.94
NO _x (Nitrogen Oxides)	26.43	21.40	14.85
PM (Particulate matter)	33.96	33.32	20.60
ODS (Ozone Depleting Substance)	1.725	0.832	1.344

Waste Management

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Alembic operates in the pharmaceutical sector, which generates a range of waste including hazardous and non-hazardous waste as result of its business operation. Alembic is committed to effectively manage these waste streams and implement strategies to reduce waste generation, such as implementing recycling programs, reducing packaging material and optimizing production processes to minimize waste. Company's waste streams includes waste such as ETP sludge, spent solvent, process residue, evaporation sludge, metal scrap, glass bottles, etc. The Company is continuously working to better manage the waste generated due to its operation and has implemented a waste management strategy to treat waste as resource and tries to incorporate the waste as some useful alternatives. Like other pharma companies, Alembic also uses lot of solvents in its manufacturing, which often is not recycled back in the process due to regulatory reasons or quality constraints. Company keeps continually working towards changing its filing process to enable it to recycle the solvents back in the process. However, the solvents, which cannot be recycled back are not given to outside recyclers in spent form. Company refines the waste solvents to higher purity levels and then sells high quality refined solvents, ensuring its proper value realisation keeping circular economy principles in mind. It also

avoids risk of unwarranted disposal of spent solvent. Residue generated during refining process is given to cement industry for its use as fuel. It has developed a mean to maximise the solvent recovery across its operation which ultimately reduces the fresh solvent intake providing both economic and environmental benefits. It has implemented intervention such as diverting boiler ash in the brick manufacturing industry, recycling of oil waste through third party recyclers, recycling of E-waste to authorised recyclers and implementing digitisation program to reduce paper waste generation. Biomedical waste generated in its Occupation Health Centres and media waste generated in microbiology labs are given to authorised agencies. Glass bottles and waste vials are turned in form of glass cullet and sent to glass industry, through authorised agency. Glass or vial crushers have been provided in the units, where there is substantial generation of these items. All hazardous waste is disposed under manifest system in dedicated hazardous waste transport vehicles, having GPS tracking facility. The Company displays a great example of using 5R (Reduce, reuse, recycle, recover and rethink) waste hierarchy principal within its operation to manage waste in an efficient and effective manner.



100 Days Plastic Waste Collection Campaign

As part of its enduring commitment to improving the lives of surrounding communities and fostering an environmentally conscious culture, Alembic initiated a transformative 100-day plastic waste collection drive. This collaborative endeavour involved working closely with the village sarpanch/Talati in six neighbouring villages.

The well-organized drive spanned across diverse collection points, carefully identified, and suggested by the village sarpanch/Talati. Each day, the collected plastic waste was diligently disposed of and sent for recycling to a GPCB (Gujarat Pollution Control Board) authorized waste recycler. This meticulous approach ensured that the process adhered to the highest standards of safety and sustainability.

The collective efforts bore remarkable results, as Alembic successfully collected a substantial amount of plastic waste, totalling 1,551 kilograms, from the following villages:

- Panelav
- Vansedi
- Tajpura
- Shivjipura
- Dediapura
- Ambatalav

This initiative exemplifies Alembic's dedication to making a positive impact on both the environment and local communities. By collaborating with village authorities, the company fostered a sense of ownership and responsibility among residents towards environmental preservation. Furthermore, the safe disposal and recycling of plastic waste contributed significantly to minimizing the ecological impact of such materials, promoting a sustainable approach to waste management.

Alembic's continuous efforts to engage in community-driven initiatives underscore the company's vision for a cleaner, greener, and more responsible future. By championing such campaigns, Alembic not only elevates environmental conditions but also cultivates essential habits of conservation and environmental stewardship among local communities.



Waste generated

(GRI 306-3, 306-5)

Table 13- Waste Generation

Type of Waste Generated	FY 2020-21 (MT)	FY 2021-22 (MT)	FY 2022-23 (MT)
Non-Hazardous Waste	2,048	1,441	1,565
Hazardous Waste	22,216	15,943	22,270
Total Waste Generated	24,264	17,384	23,835
Waste sent to landfill	1,673	3,732	3,623

Waste diverted from land fill

(GRI 306-4)

Table 14 – Waste disposal

Method of Disposal	FY 2020-21 (MT)	FY 2021-22 (MT)	FY 2022-23 (MT)
Hazardous Waste			
Co-processing	7,300	3,448	5,192
Incineration	921	332	219
Recycle	10,483	7,494	12,190
Non-Hazardous Waste			
Recycle	-	513	441
Reuse	-	10	10



Joining hand with Cement Industry for Co-processing

Alembic's commitment to environmental responsibility drives the company's efforts to minimize its impact on the environment. As part of this dedication, the initiative to co-process process waste has yielded impressive results by diverting high calorific hazardous waste away from landfills. Instead, this waste is utilized as a fuel in the Cement industry, promoting a sustainable and eco-friendly approach to waste management.

Through this co-processing initiative, Alembic achieved a remarkable feat in the reporting year. The company successfully diverted a total of 5,192 metric tons, from being disposed of in landfills. By redirecting this waste towards a beneficial use in the Cement industry, Alembic significantly contributed to reducing the burden on landfill sites and mitigated potential environmental hazards.



Alembic's proactive approach extends beyond current initiatives, as the company consistently strives to explore novel and innovative methods for managing waste more effectively. This continuous pursuit of better waste management solutions underscores Alembic's commitment to sustainability and environmental preservation.

By combining technological advancements with a deep sense of responsibility towards the environment, Alembic actively seeks opportunities to improve waste management practices. Embracing innovation and best practices, the company seeks to achieve greater sustainability, leaving a positive and lasting impact on the environment for future generations



Plastic waste management

The company understands the importance of external environment on its operations and tries to operate in the most responsible manner. It has implemented a plastic management plan through which it has appointed an external agency to collection and responsible disposal of plastic waste from the market. The agency collects and dispose plastic of equivalent value that was introduced due to its operation and certifies it through an agency. Company has made agreements with plastic waste recyclers for all its manufacturing facilities. Plastic generated during manufacturing process, including plastic liners, drums, bottles, etc are decontaminated and converted into plastic scrap by cutting and then sent to plastic recyclers. All units generating blisters are provided with blister shredding machines to convert rejected blisters in to safe to dispose plastic scrap.

Biodiversity

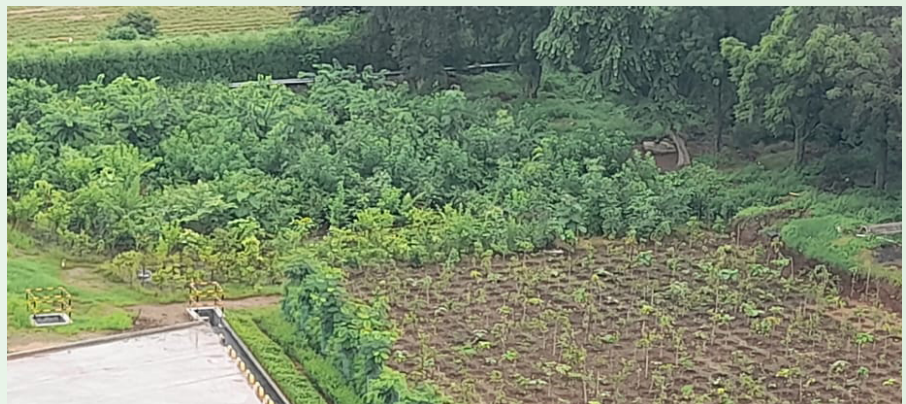
(GRI 304-1)

Alembic is committed to sustainable and responsible operations. With this driving force, the company has strategically established its operations across regions which does not hamper the ecological important species within the biodiversity system. The Company has no facilities operating within the protected areas or areas with high biodiversity value. Alembic maintains a lush green tree cover across its sites to maintain biodiversity balance. It's largest industry campus in village Panelav is surrounded by a lush green tree plantation.



Alembic has procured additional land for developing green belt in Panelav region, and has already planted 15,000 number of trees in and around its facilities. We endeavour to upgrade the number of trees planted to 50,000 by 2027, using Miyawaki method of plantation. Furthermore, we have already developed a demonstration project of 1,900 trees in Miyawaki and plans to scale it up in next 4 years.

Wherever possible, we have developed artificial ponds within its sites to nurture aquatic life. All these efforts in improving natural capital has resulted in improving biodiversity around our manufacturing facilities.



Targets

We are committed to continuously thrive to improve our performance to reduce our overall impact on the environment. We have taken the following targets to strategically move towards more responsible operations. We will report our performance on these targets in our subsequent reports.

Targets	Timeline
Net Zero Emissions	2040
Water Neutrality	2027
Recycle 95% Plastic waste	2026
Plantation of 50,000 trees	2027





Social

- » Human Capital Management
- » Occupational Health and Safety
- » Community Engagement and CSR



Human Capital Management

(GRI 2-7, 2-8, 202-1, 401-1, 406-1)

At Alembic, we realize the importance of our workforce in supporting us throughout our overall growth. People are significant part of our organization as they are directly responsible to fulfil our vision and mission. A diverse team of skilled and accountable employees drive sustainable growth of the company.

Our human capital works in a cross-functional collaborative structure to serve our purpose and deliver quality healthcare to the world. We strive on knowledge, skill, and expertise of our professionals to deliver value-added consumer experience.

Our agenda is to work with skilled and accountable employees, so we decided to build our own talent pool by taking fresh graduates on board and training them by our experienced team members to overcome the unavailability of competent pharma professionals. We aligned their fresh energy and aspirations with our vision and created a robust and adaptable team for excellence. We are purely research driven, hence, require skilled R&D professionals to expand our product pipeline and meet consumers' demand, which also supports us to evolve with growing competitive intensity.

Our hiring process respects the grounds of equal opportunity for everyone irrespective of their caste, gender, religion, ethnicity, language, disability etc. We look for sincere and adaptable professionals that resonate with our vision and deliver with excellence. Our recruitment is pivoted on merit-based transparency for everyone who wants to be a part of our ecosystem.

Our FY 2023 strategy is to maintain continuous supply of talent to facilities whenever required and formalise employee welfare measures through trust or funds.

It is important for us to retain our quality talent and keep them in symphony to deliver long term value. We revise our learning & development programs regularly for our employees to provide them with relevant updated information to apply across their operations, the process of developing confidence with knowledge within our employees has positively impacted our employee retention.

As of 31st March 2023, we have a total of 14,593 employees on roll in our organisation out of which more than 4% are women.

Table 16- Our Workforce for FY 2022-23

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
Permanent Employees	13,875	13,212	95.22	663	4.78
Other than Permanent Employees	0	0	NA	0	NA
Total Employees	13,875	13,212	95.22	663	4.78
Workers					
Permanent Workers	718	717	99.86	1	0.13
Other than Permanent Workers	2,047	2,006	97.99	41	2.01
Total Workers	2,765	2723	98.48	42	1.52

Table 17: Employee Category - New Hires (FY 2022-23)

S.No.	New Hires	Age Group (years)			Gender		FY 2022-23
		<30	30-50	>50	M	F	Total
1.	Senior management	0	3	11	14	0	14
2.	Middle management	0	99	5	94	10	104
3.	Junior management	4	245	1	243	7	250
4.	Workers	186	28	1	203	12	215
5.	Staff	3,473	669	0	3,974	168	4,142

Table 18- Net employment turnover

S.No.	Net Employment turnover	Age Group (years)			Gender		FY 2022-23
		<30	30-50	>50	M	F	Total
1.	Senior management	0	8	9	16	1	17
2.	Middle management	0	110	12	113	9	122
3.	Junior management	8	272	11	273	18	291
4.	Staff	2,281	768	10	2,898	161	3,059
5.	Workers	64	2	4	62	8	70

Our salaries and remuneration frameworks are merit-based. We do not discriminate on the grounds of caste, gender, religion, ethnicity, language, disability, etc. Our knowledge, expertise and dedication driven approach avail transparency in our operations to strengthen stakeholders trust in us.

We take proud in disclosing that 100% of our workforce including employees and workers receive their salaries and remuneration higher than minimum wages

Annual Compensation Ratio

(GRI 2-21)

The Company believes in compensating everyone fairly as per their job role and designation within the organization, During the reporting year, compensation ratio of Directors median salary to employees' median salary was 156.80.

Employee Engagement

(401-2, 401-3)

Our employees are our major operation drivers. We worked around the clock to support and positively engage them through our diverse portfolio. Our employee benefits include insurances, contribution to provident fund, gratuity, and leave benefits. All

female employees at Alembic have the provision to avail parental leaves in accordance with regulatory requirement of 26 weeks. They exercise the leave benefits as in leave for maternity, and child adoption as well. Our inclusive environment reflects our commitment towards diversity. We are constantly working to engage more women at all levels of our operations. We are building such work ecosystem where our differently abled colleagues feel inclusive and supported through our infrastructure and facilities as well according to the requirements of the Rights of Persons with Disabilities Act, 2016.

We provide coverage to all employees via our group medical insurance policy as well as putting in measures at place to increase awareness regarding health concerns via various programs and talks for employee benefits.

Table 19 – Employee Benefits

S.No.	Employee Benefits		FY 2022-23		
			Total	Male	Female
1.	Total number of employees who were entitled for parental leave	Nos.	582	NA	582
2.	Total number of employees who took parental leave	Nos.	34	NA	34
3.	Total number of employees that returned to work in the reporting period after parental-leave ended	Nos.	41	NA	41
4.	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Nos.	25	NA	25
5.	Retention rates of employees that took parental leave	%	73.52	NA	73.52
6.	Return to work rates of employees that took parental leave	%	100	NA	100

Learning & Development

(GRI 205-2, 404-1, 404-2, 404-3)

At Alembic, we believe in continuous evolution and growth, this ensures better skill and capacity development. We have diverse internal training programs that holistically enrich our employees’ professional performances. The structure of the programmes covers trainings for both employees that are newly recruited and for the ones that are growing in the system with time. Additionally, 100% of our employees receives regular performance review to helps them identify key learning areas to excel within their career.

The introductory programmes are curated to nurture Alembic’s values in the freshly recruited employees. Our induction programmes acquaint them with the work culture, employee benefits, Employee Health & Safety system, code of conduct, policies e.g., Anti-Bribery and Corruption Policy.

Our holistic trainings are provided to employees throughout their journey with us that enrich them in behavioural, functional and skills aspect. We provide them with periodic update regarding our

We participated in **Great Places to Work** and received the coveted certification and was ranked among the **Top 10** under the category of the size of pharmaceutical companies by people.

processes, technology, and other modifications by our skill upgradation trainings. Our coverage of skill upgradation trainings is subsequently increasing every year. We also strengthened our online Learning Management System in collaboration with our product management team. The improved system is more comprehensive in delivering data and information. We provide support to our existing employees through employee training programs that update their skill set for better work produce through series of internal course trainings and education support. Overall counselling and training sessions are arranged for their constructive guidance.

Table 20 - Average hours of training per year per employee

S.No.	Description	Unit	FY 2022-23
1	Permanent	Manhours	44.16

Labour/Management Relations

(GRI 2-30,402-1)

Our consultative approach towards our employees and their representative associations regarding significant operational changes aligns with internationally accepted norms and standards. We provide 3 minimum weeks’ notice to employees and representatives prior to the implementation of operational changes

that would impact them. At Alembic, we have not recognized any employee association in accordance with our local regulations but the employees are free to form any collective bargaining agreement through any association.

Patient and Customer Centricity

(GRI 417-1, 417-2, 417-3)

Being a pharmaceutical company, our core purpose is to deliver our patients and customers and enhance their quality of life. Our strategic moves whether setting up and commercialising a facility or developing and launching a new product or introducing some new technology or even for entering a new market are all implemented to serve our consumers in a better way. Our consistent efforts towards serving better made our consumers recognise our inputs and have led to development of mutual trust. At Alembic, we are continuously evolving to deliver and fulfil our customers' aspirations. We are serving people since 1907 which makes us one of the India's oldest and leading pharmaceutical companies and our consumers nurtured legacy trust within us.

Our practices reflect our promise of maintaining ethics and transparency within our operations which further strengthens the trust of our consumers. Our robust supply chain, manufacturing capabilities, agile operational excellence, competent workforce supports us to leverage every opportunity that comes our way.

We are evolving on multiple levels to deliver our purpose-

1. Promise of quality- We constantly thrive through our operations to deliver quality product to our consumers. It is important being a pharmaceutical company that we provide such products that are true to their purpose and help patients with anticipated relief. We are investing in quality enhancement projects across our manufacturing plants and supply chain to ensure product delivery of standard acceptable quality.
2. Enriching product portfolio- Our offerings are designed to suit the consumers' needs. We are delivering in multiple therapeutic areas to serve the masses and niche customers as well by deploying 3,000+ crore capex plan over the last five years. It is important to keep evolving

and making our products more accessible and affordable for our consumers in steady volumes.

3. Knowing about our customers- It is important for us to know about our products performance in terms of efficacy and adverse effects as well. We learn and improvise our products based on side effects and feedbacks that are reported on our portal. This initiative provides us with the actual information about our products and build an opportunity to improve and grow with better patient compliance. The web link of the abovementioned portal is given here- [Reporting Side Effect | Alembic Pharmaceuticals](#)
4. Data security- Our patients and customers entrust us with their information and data, we deploy robust protective IT frameworks and solutions to prevent any data breach. Our IT team works consistently to monitor and analyse any risks and threats associated with any data leak. We give utmost priority to our consumers and their data, compromised performance against this can cause both tangible and intangible loss.
5. Responsible marketing & labelling- We are working to provide our customers with all the relevant information regarding the social, economic, and environmental aspect of our products, so that the consumers can make an informed decision. The consumers should be aware about the accurate and adequate information of the products which is clearly represented on our labels. We disclose all the required points starting from the source of products and services to their usage, disposal, and others. Any non-compliance is taken seriously and simultaneously mitigated to prevent further escalations. In this reporting year, we did not receive any consumer complaints and have not encountered any non-compliance incidents as well with regards to marketing & labelling.



Occupational Health and Safety

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

At Alembic, we value Occupational Health & Safety from our core and realise its criticality within our operations. We have identified multiple hazards that are specific to our industry, which are particularly associated with chemical exposure of hazardous solvents and reagents.

Employees being one of our chief resources, we prioritise their safety concerns and deploy mitigation measures. Combining our efforts in safety and health promotion within human capital align with our vision towards a sustainable culture and economy. We encourage good physical and mental health

practices for our employees. We aim to provide a safe workspace to all our employees.

Safety procedures training is an indispensable tool that ensures healthy practices of employees throughout their tenure. Induction and learning programs include various aspects of hazards exposure, chemical handling, safety standards carried by mock drills and sessions.

Moreover, we maintain 24/7 availability of doctors and nurses at our Occupational Health Centres (OHC) at all locations, complemented by ambulance services to handle any emergency cases.

We believe that functioning of organisation and reporting relationships should be well established at every employee level. We have deployed our OHS element across our facilities which follows our structured process of information collection. Many fatalities can be prevented by taking care of key health threats that exist in workspace. We keep a close track of on ground incidents and mis-happenings, later to re-establish and update knowledge and measures taken to mitigate.

We adhere to the guidelines of Process Hazard Analysis (PHA) for identifying and managing risks and adopts holistic procedure that includes methods like

We are proud to disclose that **'Zero' Fatalities and 'Zero' High Consequence** work-related injuries or ill-health injuries are recorded in FY 2022-23.

Hazards and Operability (HAZOP), Failure Mode and Effects Analysis (FMEA), Job Safety Analysis (JSA), Hazard Identification & Risk Assessment (HIRA), etc. to effectively manage hazardous risks. We have a highly qualified and experienced team that review risk assessment process and implement mitigation measures as per predefined schedule.

Table 21- Safety Incidents for FY 2022-23

S.No.	Description	FY 2020-21 (Nos.)	FY 2021-22 (Nos.)	FY 2022-23 (Nos.)
1	Total Recordable Injuries (permanent)	28	41	32
2	Total Reportable Injuries (contractual)	25	35	27
3	Total Reportable Injuries (permanent)	3	0	1
4	Total Reportable Injuries (contractual)	1	1	0
5	Fatalities	1	0	0
6	LTIFR (permanent)	0.26	0	0.08
7	LTIFR (contractual)	0.43	0.2	0



Community Engagement and CSR

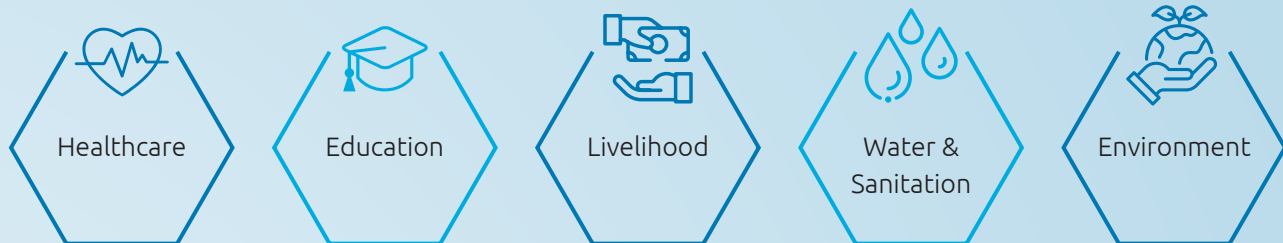
(GRI 413-1)

At Alembic, our contribution towards the community is driven by our compassion and sense of duty. Being a responsible corporate citizen, our vision is to create a healthy, socially inclusive, and sustainable environment among the underprivileged communities. It is important for us to resonate our growth both on financial and non-financial parameters, with our community and uplift them holistically by our initiatives. All our CSR projects or programs or activities lies in the areas and subjects specified in Schedule VII of the Companies Act, 2013. We implement various charitable initiatives by the

Company under Alembic CSR Foundation (ACSRF) which was established in May 2015. Our CSR policy directs our actions and initiatives of projects within guidance of our CSR committee to oversee the implementation of CSR initiatives and ensure their alignment with our values and objectives

We are working as a catalyst through our multifaceted projects to positively impact our communities and empower them for better future. We had assigned total funds of INR 21.53 crores for our FY 2022-23 interventions.

Our Key Intervention Areas-



Our Intervention

1. Healthcare



Swasthya Setu

Our 360° healthcare programme is implemented to provide services like free health check-ups, consultations, medications, and lab tests in Panelav, Jarod, Karkhadi & Sindhrot . We are impacting several lives with our programmes by deploying mobile health vans with medical practitioners catering to 50,000 + population of 26 villages at their doorsteps. The patients that require critical treatments and surgeries are supported free of cost. All the facilities are provided to them free-of-cost including consultations, stay meals, pick-up drop facilities as well. The community is also supported for Ayushman cards through regular camps.





Blood Transfusion Centre

Thalassemia like haemoglobinopathies is becoming prevalent in India. And the patients suffering from them requires regular blood transfusion along with appropriate facilities, infrastructure and financial capability from patient's side making it difficult for the weaker sections. We are supporting 54 children with free blood transfusion, blood tests and consultations at Bhailal Amin General Hospital, The project was initiated on World Thalassemia Day, 7th May 2017. Till date 6,000+ blood transfusion have been supported.



Suposhan

We comprehend the correlation of adequate nutrition and one's health and development. The project is implemented in 26 villages with an aim to increase nutritional status of the beneficiaries of 53 Anganwadi Centres in Jarod, Panelav & Karkhadi. The project targets to reduce malnutrition and anemia among lactating mothers, pregnant women, adolescents and children (0-5 years). The initiatives include supports like:

- Immunization, antenatal care and institutional delivery
- Monthly Health Check-up camps for 0-5 years children, pregnant and lactating mothers and adolescents,
- Monthly Anthropometry of 1500+ children
- Quarterly Anemia screening of adolescents and
- Workshops on Nutrition Education in Schools
- Celebration of days, like Breastfeeding Week, Nutrition Week, Children's Day, HIV/AIDS Day
- Capacity building of Anganwadi Centre functionaries
- Regular home visits and counselling of Severely & Moderately Acute Malnourished children (SAM & MAM), ANCs & PNCs, high-risk mothers & adolescents. Facilities as well. The community is also supported for Ayushman cards through regular camps.





Vikas Arogya Kendra

The free clinic in Panelav has been serving the well-being of the community since 1982. It provides essential healthcare services to the local residents, ensuring that even those who cannot afford medical expenses have access to quality care. Here are some key features and benefits of the clinic:

1. **Daily Check-ups:** The clinic has a dedicated physician who conducts daily check-ups for outdoor patients. This ensures that individuals can receive primary healthcare services, including diagnosis, treatment, and medication, on a regular basis.
2. **Visiting Specialists:** In addition to the daily physician, the clinic also hosts three visiting specialists on specific days. These specialists include a T.B specialist, a gynecologist, and a dermatologist. Their presence allows patients with specialized healthcare needs to receive expert consultations and treatments.
3. **Patient Reach:** The clinic has made a significant impact on the community, benefiting more than 5,000 patients in the last six months alone. This demonstrates the widespread need for accessible healthcare services and the positive impact the clinic has had on the community's well-being.
4. **Affordability and Accessibility:** By providing free medical services, the clinic ensures that financial constraints do not become a barrier to receiving necessary healthcare. This promotes equal access to healthcare, particularly for disadvantaged individuals who may not have the means to seek medical treatment otherwise.





Alembic Sports (Fitness, Fun & Excellence)

The project initiated by Alembic aims to instil a culture of health and fitness among students, we impacted a total of 3000 children from 17 schools in the neighbouring villages of Alembic's Panelav and Karkhadi Plants. The objective is to promote fitness as a way of life and provide students with constructive outlets for their energy. Here are the key components and activities of the project:

Sports Coaching: Regular sports coaching sessions are conducted for students across the 17 schools. This coaching helps students develop their skills and fosters a love for sports and physical activities.

Sports Equipment: Alembic provides sports equipment to all the schools involved in the project. This ensures that the students have access to the necessary tools and resources to engage in various sports activities.



Screening and Scouting: The project includes the screening and scouting of students to identify and groom talented individuals in specific sports. This process helps identify students with potential and provides them with opportunities for further training and development.

Fitness Assessment: Students' fitness levels are assessed based on the parameters set by FIT INDIA, which is an initiative by the Government of India to promote fitness and physical activity. This assessment helps track the progress of students and identify areas for improvement.

Sports Competitions: The project organizes sports competitions at the school level. These competitions provide students with a platform to showcase their skills, foster healthy competition, and encourage participation in sports.





Supporting Enablement & Wellbeing Action (Care & protection of vulnerable)

Fatehsinh Arya Anath Ashram & CCI Koyli : The initiative focuses on the welfare and development of children. The children at Fatehsinh Arya Anath Ashram & CCI Koyli are provided with sports coaching, dance classes, and computer coaching. Regular workshops are organized to educate and raise awareness among the children on relevant topics. In addition to educational and skill-based activities, the organization also organizes recreational activities for the children. The health and well-being of the children are given priority. Regular health check-ups are conducted to monitor their physical health and ensure any health issues are identified and addressed promptly.

Special Adoption Agency : Alembic believes that every child needs care and support in their developing years. We are working with Gujrat Government to provide abandoned and orphan children the care they need at Specialized Adoption Centre in Nizampura, Vadodara which is one of the 'Children Homes' run by the State Government under the Juvenile Justice (Care and Protection of Children) Act and Adoption Regulation Act. We are compassionately facilitating them with overall health and education support for their holistic development till they are adopted by a loving family.

Group Foster Care : Foster Care, a city group established to provide a family-like environment for vulnerable children. The focus of Foster Care is to ensure the well-being and development of these children by meeting their basic needs and providing them with a nurturing and homely environment. This year we supported 8 children with the care and support necessary for their growth and well-being.



2. Education

Education is the building block of one's character and future. It is important to establish strong foundation within children to shape their personal and social growth. At Alembic, we are implementing multiple initiatives for diverse beneficiaries that can be uplifted by supporting them with education. Increased engagement of children with education boosts inner confidence among them and also hampers their chances to be involved as child labour.



Vikas School & Hostel

We recognised the need of a Higher Secondary School and established a school with hostel in 2002 called Vikas Secondary and Higher Secondary School which is a residential, Gujarati medium school that is located at campus of Rural Development Society in Panelav Village of Halol Taluka. We are providing free of cost education to rural children surrounding our Panelav's operating facility along with hostel facilities for the children. More than 366 students are currently benefitting from the school with education..



Shiksha Setu (Age Specific Learning Levels)

Through the implementation of the NIPUN Bharat-inspired pilot project, students in primary schools across the Panchmahal and Vadodara districts have gained significant educational support and guidance. The project's dedication to improving literacy and numeracy skills, along with fostering positive values and confidence, contributes to the overall development and well-being of the participating children.

At the end of the academic year, about 150 students achieved their age specific learning levels at Panchmahal. Thus, the project later expanded to Vadodara district in host communities in the year 2022. A total of 1485 children have benefitted so far



3. Livelihood

We are actively working for Community Infrastructure & Safety, Livelihood & Employee Engagement in Rural areas. Our approach is to create multiple and flexible employment opportunities for rural people by training and engaging them with their relevant skill set to support their livelihood.



Farmer Empowerment Project (Sustainable Agriculture & Cattle Breed Development)

We are currently providing more than 1200 farmers with capacity building programme to educate them about sustainable agriculture encircling soil health improvement, crop diversification, climate resilient farming, market linkages, quality seeds, labour saving tools, water, and pest management. All these initiatives ensure the betterment of farmers where they can meet the market demand by utilising their resources sustainably and delivering uncompromised quality as well.

Besides agriculture the farmers are also supported for Cattle breed development wherein proper vaccination, deworming, nutrition, and health camps ensure increased milk production. Artificial inseminations are done to produce healthy and better breed of calves. Capacity building of farmers is also conducted to promote healthy practices.





Sneh Sakhi Stitching Unit

This project positively impacted multiple women by engaging them and providing them livelihood by establishing a micro-enterprise for industrial stitching. Women are identified from the community and trained in industrial stitching. These women have formed a Self-Help Group and have been empowered to run a stitching unit. The stitching unit is receiving orders from various group companies and the women are earning INR 4,500 monthly on an average basis.



4. Water and Sanitation



Water ATMs

We realise the importance of water availability for the rural community to support their livelihood. Alembic provided 7 Water ATMs in Paldi, Lilora, Karkhadi (3), Jarod (2) benefitting more than 20,000 people. The maintenance of Water ATMs is facilitated by the proceeds collected at the ATM, whose responsibility is delegated to the concerned Panchayat..



Toilets

Proper management of human waste prevents environment contamination and disease outbreaks in the community. Utilisation of toilets provide the villagers a sense of dignity and security as well. We constructed around 100 toilets in Jarod region as a part of our sanitation drive. Over the last five years 2300 toilets were constructed for the communities.



5. Environment (Sanrakshit Paryavaran)



Geo-hydrological survey

In order to assess the aqua zones suitable for artificial recharge and groundwater recharge in the Vadodara and Panchmahal districts, a comprehensive survey has been conducted in 48 villages. The aim of the survey was to identify locations where artificial recharge wells can be constructed to replenish the groundwater resources. Based on the survey findings, it has been recommended to construct 38 artificial recharge wells and 13 surface dams across the surveyed areas. These recharge structures are strategically located in aqua zones where they can effectively recharge groundwater resources.

In the current financial year, a plan has been put in place to construct 15 artificial recharge wells based on the survey recommendations. These wells will contribute to the recharge of approximately 7.5 crores litres of water per year. By replenishing the groundwater reserves through artificial recharge, the aim is to ensure a sustainable water supply and address water scarcity issues in the region.

The construction of artificial recharge wells and surface dams plays a crucial role in enhancing the availability and sustainability of groundwater resources. These measures help to capture and store rainfall runoff, allowing it to percolate into the ground and recharge the zones. By implementing these recharge structures, the project aims to mitigate water scarcity, improve groundwater levels, and ensure a more reliable water supply for the communities in the Vadodara and Panchmahal districts.



Check-dam

In Parekhpura village, an earthen dam with a waste weir was constructed last year. The purpose of this dam is to capture and store water during the monsoon season and facilitate groundwater recharge. To evaluate the effectiveness of the dam, an assessment was conducted after the monsoon season this year. The earthen dam is capable of storing approximately 6.37 crore litres of water and infuse 1.91 crore litre of water into the ground water every year.

GRI

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ESG

Data Pack

Environment

Energy

Source of Energy	FY 2020-21 (GJ)	FY 2021-22 (GJ)	FY 2022-23 (GJ)
Light Diesel oil (LDO)	33,584	27,814	39,190
High Speed Diesel (HSD)	42,136	30,715	26,866
Coal	3,83,689	3,80,013	4,53,218
Furnace oil	54,463	4,808	3,096
Purchased Electricity	5,35,126	6,04,273	4,47,269
Renewable Grid	-	-	39,574
Renewable Captive	12,722	12,599	13,128
Total	10,61,720	10,60,222	10,22,342
Energy Intensity (GJ/ Million INR)	19.68	19.98	18.08

Emissions

Emission Source	FY 2020-21 (tCO ₂ eq)	FY 2021-22 (tCO ₂ eq)	FY 2022-23 (tCO ₂ eq)
Scope 1	46,519	41,213	48,679
Scope 2	1,17,430	1,32,604	88,833
Total emissions	1,63,949	1,73,817	1,37,512
Emission Intensity (tCO ₂ e/ Million INR)	3.04	3.27	2.43

Air Emissions

Emissions	FY 2020-21 (MT)	FY 2021-22 (MT)	FY 2022-23 (MT)
Sox (Sulphur Oxides)	46.01	57	41.94
NOx (Nitrogen Oxides)	26.43	21.40	14.85
PM (Particulate matter)	33.96	33.32	20.60
ODS (Ozone depleting substance)	1.725	0.832	1.344

Water

Type of source	FY 2020-21 (KL)	FY 2021-22 (KL)	FY 2022-23 (KL)
Ground water	3,94,059	3,06,775	2,91,999
Third-party water	4,07,366	3,56,778	3,69,423
Rainwater	25,431	12,661	14,196
Total water withdrawn	8,26,856	6,76,214	6,75,617
Total Water Consumption	7,28,710	5,72,575	5,74,988

Waste generated

Type of Waste Generated	FY 2020-21	FY 2021-22	FY 2022-23
Non-Hazardous Waste	2,048	1,441	1,565
Hazardous Waste	22,216	15,943	22,270
Total Waste Generated	24,264	17,384	23,835
Waste sent to landfill	1,673	3,732	3,623

Waste diverted from land fill

Method of Disposal	FY 2020-21	FY 2021-22	FY 2022-23
Hazardous Waste			
Co-processing	7,300	3,448	5,192
Incineration	921	332	219
Recycle	10,483	7,494	12,190
Non-Hazardous Waste			
Recycle	-	513	441
Reuse	-	10	10

Social

Safety Data

S.No.	Description	FY 2020-21	FY 2021-22	FY 2022-23
1	Total Recordable Injuries (permanent)	28	41	32
2	Total Reportable Injuries (contractual)	25	35	27
3	Total Reportable Injuries (permanent)	3	0	1
4	Total Reportable Injuries (contractual)	1	1	0
5	Fatalities	1	0	0
6	LTIFR (permanent)	0.26	0	0.08
7	LTIFR (contractual)	0.43	0.2	0

Our Workforce

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
Permanent Employees	13,875	13,212	95.22	663	4.78
Other than Permanent Employees	0	0	NA	0	NA
Total Employees	13,875	13,212	95.22	663	4.78
Workers					
Permanent Workers	718	717	99.86	1	0.13
Other than Permanent Workers	2,047	2,006	97.99	41	2.01
Total Workers	2,765	2,723	98.48	42	1.52

New Hires

S. No.	New Hires Breakup of personnel joining the organisation (NEW HIRES)	Age Group			Gender		FY 2022-23
		<30	30-50	>50	M	F	Total
1.	Senior management	0	3	11	14	0	14
2.	Middle management	0	99	5	94	10	104
3.	Junior management	4	245	1	243	7	250
4.	Workers	186	28	1	203	12	215
5.	Staff	3,473	669	0	3,974	168	4,142

Net Employment turnover

S. No.	Net employment turnover Breakup of personnel leaving the organisation	Age Group			Gender		FY 2022-23
		<30	30-50	>50	M	F	Total
1.	Senior management	0	8	9	16	1	17
2.	Middle management	0	110	12	113	9	122
3.	Junior management	8	272	11	273	18	291
4.	Staff	2,281	768	10	2,898	161	3,059
5.	Workers	64	2	4	62	8	70

Governance

Economic value generated and distributed

Direct Economic Value Generated	FY 2022-23	FY 2020-21
Gross Revenues from operations	5,652.62	5,305.79
Economic value generated from investment and other sources	2.74	50.46
Total Economic Value Generated	5,655.36	5,356.25
Economic Value Distributed		
Employee wages and benefits	1,169.13	1,133
Operating costs (includes cost of raw materials, depreciation, and other expenses)	4,050.56	3,585.41
Interest payment to providers of credit	50.17	17.73
Dividend/Payout to shareholders	196.56	275.19
Community Investments	21.53	22.26
Payment to government (taxes)	12.61	104.46
Total Economic value distributed	5,500.56	5,138.05
Economic Value Retained		
Economic Value Retained	154.8	218.2

Employee benefits

Contribution to defined benefits schemes	FY 2022-23 (INR Crore)	FY 2021-22 (INR Crore)
Contribution to Provident Fund & Other Funds	67.51	60.31

Tax Relief

Tax Relief received from government	FY 2022-23 (INR Crore)
Tax relief and tax credits received (Sikkim Refund)	34.45
Subsidies received (Product linked incentives and Market Assistance Incentive)	22.10

Assurance Statement



Introduction and Objective of Work

BUREAU VERITAS has been engaged by **Alembic Pharmaceuticals Limited** (hereinafter referred as “**APL**”) to provide an independent and limited assurance of sustainability disclosures reported in "Sustainability Report" of “**APL**” for the **Sustainability Report for FY 2022-23** based on reporting criteria followed with in the report.

Verification of the Sustainability related non-financial disclosures and practices adopted by “**APL**” in its operations during **FY April 2022 to March 2023** as a part of the limited assurance of sustainability disclosures.

Intended User

The assurance statement is made solely for “**APL**” and its “stakeholders” as per the governing contractual terms and conditions of the assurance engagement contract between “**APL**” and "Bureau Veritas Industrial Services (India) Pvt. Ltd.". To the extent that the law permits, we owe no responsibility and do not accept any liability to any other party other than “**APL**” for the work we have performed for this assurance report or for our conclusions stated in the paragraph below.

Reporting Criteria

The company has adopted below criteria for preparing the report:

- Global Reporting Initiative (GRI) Standards

Assurance Standards Used

Bureau Veritas Industrial Services (India) Pvt. Ltd. conducted sustainability assurance in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised) (Limited Assurance), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Under this standard, Bureau Veritas Industrial Services (India) Pvt. Ltd. has reviewed the information presented in the report against the characteristics of relevance, completeness, materiality, reliability, neutrality, and under standability. Limited assurance consists primarily of enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing and are lesser in extent than for a reasonable assurance engagement.

Scope, Boundary and Limitations of Assurance

The scope of assurance involves review of sustainability performance on non-financial disclosures (GRI Standard General and Topic Specific disclosures as mentioned below) of APL’s operations in India for the period 1st April 2022 to 31st March 2023. Alembic Pharmaceuticals Limited (APL) – Panelav, Gujarat (Formulation 1, 2 & API 1, 2), Karkhadi, Gujarat (Formulation 3, Derma Division & API 3), Jarod Gujarat (Formulation 4), Panchdevla Gujarat (R&D Kilolab), Sikkim (Formulation plant), Vadodara (ARC 1& 2, Corporate Office), Hyderabad (Research Centers) and Mumbai Office. Samples verified for Panelav sites API-1, API-2, Formulation 1 & 2.

Independent Assurance Statement

The review of sustainability performance on non-financial disclosures is limited to the above-mentioned operations of “APL” only.

The Scope of Sustainability Assurance includes:

- An assessment of the procedures or approaches followed for data compilation and reporting of the sustainability performance on non-financial disclosures for specific operations.
- Testing, on a sample basis, of evidence supporting the data.
- Verification of the sample data evidence and information on selected material topics reported at the above-mentioned operations for the defined reporting period.
- Assessment of the suitability between the backup data for the selected sustainability performance non-financial disclosures and the information presented in report.
- The General and topic specific sustainability non-financial standard disclosures subject to limited assurance based on extent of information available for assurance
- Completion of assurance statement for inclusion in the report reflecting the verification, findings and conclusion of the disclosure’s assurance. Gap assessment as per GRI standards, highlights of finding during verification of disclosures, draft assurance statement, final signed assurance statement as per GRI standards compliance

The Universal and Topic Specific Standard Disclosures of subject to limited assurance were as follows:

General Disclosures

- Organizational Profile
- Strategy
- Ethics and Integrity
- Governance
- Stakeholder Engagement
- Reporting Practice

Topic Specific Standard Disclosures

Environment

- Energy (302-1 & 302-4)
- Water and Effluent (303-1 to 303-5)
- Biodiversity (304-1)
- Emissions (305-1, 305-2, 305-5, 305-6, 305-7)
- Waste (306-1 to 306-5).

Social

- Employment (401-1, 401-2, 401-3).



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- Occupational Health and Safety (403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9).
- Training and Education (404-1, 404-2, 404-3).
- Diversity and Equal Opportunity (405-1).
- Local Communities (413-1).
- Supplier Environmental Assessment (308-1, 308-2).
- Supplier Social Assessment (414-1, 414-2).

Limitations and Exclusions

The assurance is limited to the above-mentioned scope of work and excluded the information relating to:

- Data related to Company's financial performance disclosures.
- Activities and practices followed outside the defined assurance period stated hereinabove.
- Positional statements, expressions of opinion, belief, aim or future intention by "APL" and statements of future commitment.
- The assurance does not extend to the activities and operations of "APL" outside of the scope and geographical boundaries mentioned in the report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with "APL".
- Compliance to any Environmental, Social and legal issue related to the regulatory authority.
- Any of the statement related to company aspect or reputation.

Methodology adopted for Assurance

Bureau Veritas Industrial Services (India) Pvt. Ltd. sustainability assurance process involves specified procedures to obtain evidence regarding the accuracy and reliability of the data provided related to general and topic specific standard disclosures. The nature, timing and extent of procedures selected depend on the data and evidence provided, including the verification of the associated risks with the material topics of the selected sustainability non-financial disclosures and their relevance for the reporting period. While assessing the associated risks, internal strategy is being considered during preparation of the report to design the assurance procedure and validating their appropriateness to the possible extent.

As per the scope of the assurance, sample evidence, information and explanations that were considered necessary in relation to the assurance scope and accordingly conclusions have been made as mentioned below:

- Assessing that the report is prepared in accordance with select Sustainability Reporting non-financial Disclosures of Global Reporting Initiative (GRI Standards) applicable on "APL" considered operations for the assurance.
- Understanding the appropriateness and reliability of various assumptions and calculation adopted for estimation of data presented in the report.
- Reviewing the report, supporting evidence and documented data to ensure that there is no misrepresentation of disclosures as per scope of assurance and findings.
- Assessing the systems used for data compilation at respective unit and reporting based on Universal

Independent Assurance Statement

Disclosures and Topic Specific Disclosures of material topics as listed in the assurance scope above.

- Verifying systems and procedures used for quantification, collation and analysis of sustainability performance non-financial disclosures included in the report.
- Discussion with concerned personnel at “APL” regarding the data presented in the report and the backup data associated.
- Assessing the month wise data for the reporting period considering the similarity, reliability and accuracy of the data at respective units
- Review of sustainability performance non-financial disclosures data has been carried out based on review of data provided for respective units along with related backup, site visits at API-1, API-2, Formulation 1 & 2 in July 2023.
- Verifying key performance disclosures through the data provided
 - Testing reliability and accuracy of data on a sample basis
 - Reviewing the processes deployed for collection, compilation and reporting of sustainability performance non-financial disclosures.
 - Gap assessment in the data compilation against each non-financial disclosures and present Sustainability Report w.r.t. GRI Standard framework
 - Classifying observations and findings and issuance of Assurance Statement

Conclusions

Based on the procedures followed as mentioned in scope work and methodology adopted and the data/evidence obtained, sustainability performance of non-financial disclosures in Sustainability Report of “APL” is reviewed as per the GRI Standard framework for the reporting period (1st April 2022 to 31st March 2023).

It is concluded based on the limited assurance review that the information presented in the Sustainability Report for “APL” operations in accordance with selected sustainability reporting non-financial disclosures of Global Reporting Initiative (GRI Standard) is proper, adequate, reliable and maintained in line with the material topics and reporting criteria, which “APL” is solely responsible for consideration.

Responsibilities

“APL” is completely responsible for the Report contents, identification of material topics, and data reporting structure. The selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, preparation, and presentation of information for the report are the sole responsibility of the management of “APL”. Bureau Veritas (BV) was not involved in the drafting or preparation of the report and any other back-up data for the reporting period. The responsibility of BV was to provide limited independent assurance for the sustainability non-financial disclosures as described in the scope of assurance.

The said assessment is properly based on the assumption that the data and information provided in the report is proper and without any discrepancy. Bureau Veritas shall not be held liable or responsible for any type of decision a person or entity would make based on this assurance statement. While reading the assurance statement, stakeholders shall recognize and accept the limitation and scope as mentioned above.



Independent Assurance Statement

Uncertainty

The reliability of assurance is subject to uncertainty(ies) that are inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions or data conversion factors used or may be present in the estimation of data used to arrive at results. Our conclusions in respect of this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

Statement of Independence, Impartiality, and Competence

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with almost 190 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with “**APL**”, its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of BureauVeritas standard methodology for the assurance of Sustainability Report as per Global Reporting Initiative (GRI) Standards.

Bureau Veritas Industrial Services (India) Pvt. Ltd.

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Dr. Manojkumar PARDESHI
Lead Assurer

Mr. Pankaj Sharma
Certification Manager – Baroda

Date: 11/07/2023
Place: Baroda, India

