Alembic
Touching Lives over 100 years

WATER
NEUTRALITY
& BEYOND

Sustainability Report 2023-24
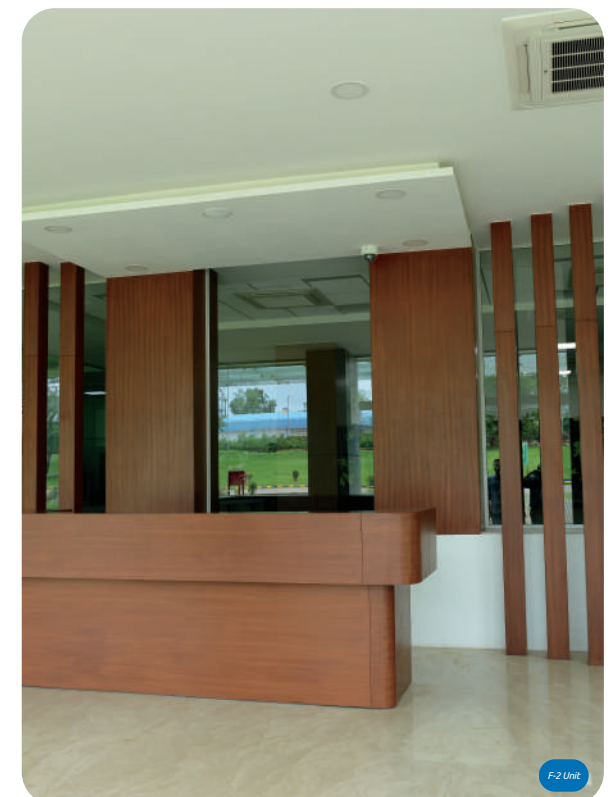
Water Is Medicine For Earth

ESG Performance

People

Supashan Initiative

- **Workforce:** 14,858 Employees
- **Man-hours Trained per employee:** 40
- **Amount Spent on CSR:** Rs. 13 Cr.

Planet

Near API - 2 Panelav Campus

- **Scope-3 Emissions share:** 83.06 %
- **Renewable Energy consumption:** 2,01,587 GJ
- **Use of Recycled Water:** 1,68,388 KL

Profit

F-2 Unit

- **Revenue (Standalone):** Rs. 5,874 Cr.
- **Net Profit:** Rs. 666 Cr.
- **Amount Spent on R&D:** Rs. 475 Cr.

Navigation Guide

Bird view of Panelav Campus

Executive Summary

F-4 Unit

Key Achievements and Highlights

Welcome to Alembic Pharmaceuticals Limited Sustainability Report 2023-24: "Water Neutrality and Beyond". This report marks a significant milestone in our journey towards sustainable growth, reflecting our continued commitment to integrate environmental, social and governance (ESG) principles into our core operations.

Key ESG Metrics			
Target & goals	**Indicators**	**For 2023-24**	**From Base Year 2020-21**
Net Zero	Reduction in Scope 1 + 2 emissions, %	5.6	15.5 (Without VOC emissions)
	Consumption of Renewable Energy, %	37	39
Water Neutrality by 2027	Reduction in total water consumption, %	-7.4*	15.9
	Incremental ground water recharge wells capacity, KLD	2300+	15,000+
Waste Recycle	Incremental waste recycled, MT	1909	3450
Tree Plantation	Greenbelt, No. of Trees	5000+	25,450
Upliftment of Social Infrastructure	Beneficiaries from social schemes, No.	-	154,598
Improve Safety	Fatalities reported, No.	0	1
Work Force	Incremental employees, No.	265	2,698
Improving Financial Performance	Incremental Turnover, Rs. in Cr.	725	822
*Increase in water consumption due to commissioning of new project			

Awards & Accolades
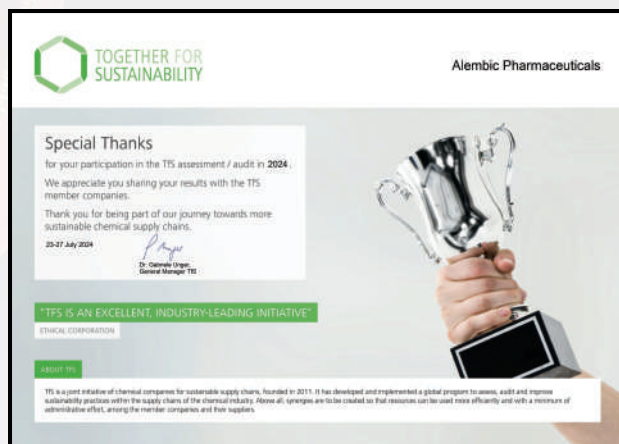
Together for Sustainability (TfS)

Alembic Pharmaceuticals Limited has undergone an audit under the Together for Sustainability (TfS) initiative, which promotes sustainability practices across the chemical and pharmaceutical sectors. The recognition from TfS signifies that Alembic Pharmaceuticals Limited meets the global standards for sustainability, further enhancing our reputation as a responsible and forward-thinking company in the pharmaceutical sector. The 96+ score received for 1 API and 2 Formulation unit. Weblink: *https://alembicpharmaceuticals.com/esg-ratings*

International Safety Merit Award

One of the API unit of Alembic Pharmaceuticals Limited has been honoured by British Safety Council with International Safety Merit Award for 2024. This recognition underscores our dedication to good health, safety and commitment to make a positive societal impact.

Great Place to Work

Alembic Pharmaceuticals Limited has also been certified as a "Great Place to Work" for the second consecutive year, reflects our commitment to foster a positive and supportive work environment.

Looking Forward to Sustainability Goals

Solar Park near Bhatpur, Vadodara

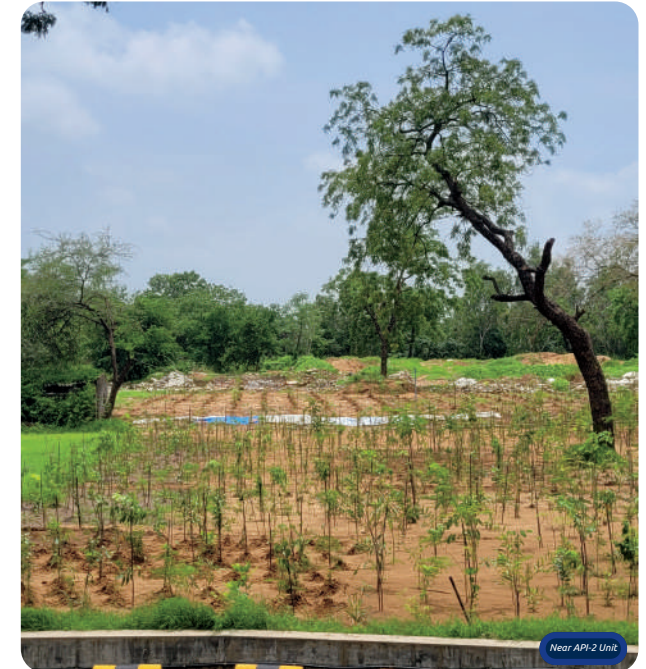Check dam constructed by Alembic

Near API-2 Unit

Net Zero through 1.5 Degree C Pathway

- Increase Renewable Energy share from 37% to 50% in the next year
- 63% GHG emissions reduction by 2035 (Scope 1,2 & 3)

Water Neutrality by 2027

- Additional 25 Recharge Wells will be constructed

1,00,000 Trees Plantation by 2029

- 50,000 Trees by 2027
- 1,00,000 Trees by 2029

"We are the first generation to feel the effect of climate change and the last generation who can do something about it."

Introduction to the report

F-2 Unit

Purpose and Scope of the Report: (GRI 2-2)

This **"2023-24 Sustainability Report: Water Neutrality and Beyond"** marks our continued commitment to transparency and accountability in our sustainability practices at Alembic Pharmaceuticals Limited (hereafter referred as Alembic, the Company, our or us). This report provides a comprehensive overview of our performance across environmental, social and governance (ESG) dimensions, with a special focus on our strategies.

The scope of this report encompasses our entire operations, this includes our manufacturing facilities, corporate offices and supply chain activities. It reflects our dedication to integrate sustainability into all aspects of our business, ensures that we create long-term value for our stakeholders and minimise our environmental footprint.

GRI 102
General Disclosures

GRI 103
Management Approach

GRI 303
Water and Effluents

Reporting Period & Cycle: (GRI 2-3)

The data and information presented in this report cover the financial year from **April 1, 2023 to March 31, 2024**. We publish our sustainability report annually to provide our stakeholders with up-to-date insights into our sustainability journey and progress towards our goals.
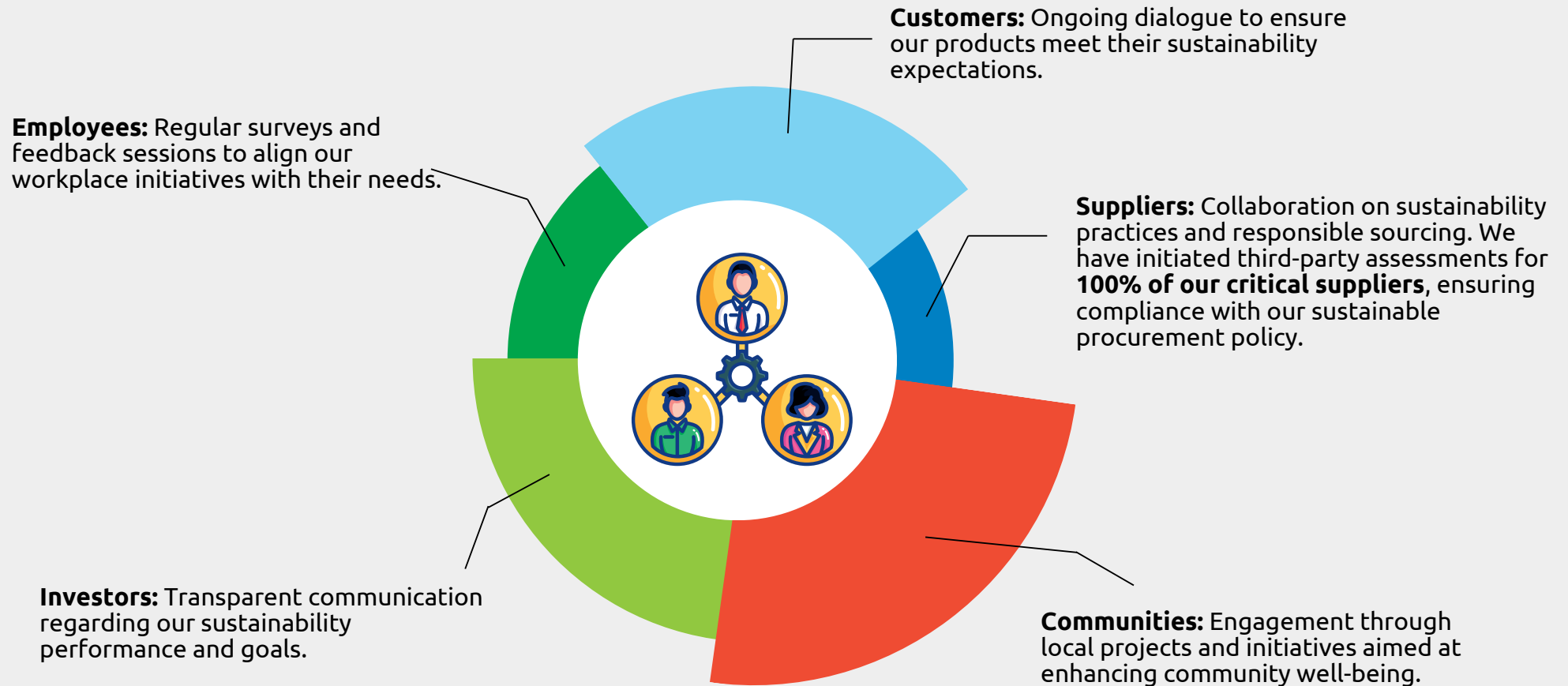
Alignment with GRI Standards 2021

This report has been prepared in reference with the Global Reporting Initiative (GRI) Standards 2021, providing a clear and transparent account of our sustainability performance. The GRI Standards guide our reporting process, ensuring that we address the most significant impacts of our business and meet the expectations of our stakeholders.
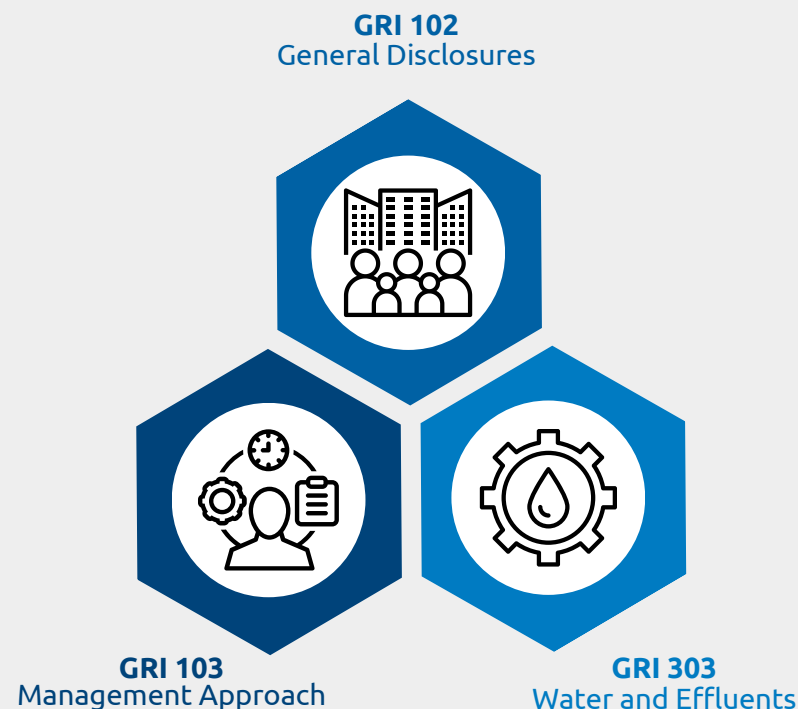
Stakeholder Inclusiveness and Engagement

Our stakeholders are integral to our sustainability journey. We engage with a diverse range of stakeholders, including our employees, customers, suppliers, community members and investors, to understand their perspectives and incorporate their feedback into our sustainability strategy.

Customers: Ongoing dialogue to ensure our products meet their sustainability expectations.

Employees: Regular surveys and feedback sessions to align our workplace initiatives with their needs.

Suppliers: Collaboration on sustainability practices and responsible sourcing. We have initiated third-party assessments for **100% of our critical suppliers**, ensuring compliance with our sustainable procurement policy.

Investors: Transparent communication regarding our sustainability performance and goals.

Communities: Engagement through local projects and initiatives aimed at enhancing community well-being.

By actively engaging with our stakeholders, we ensure that our sustainability initiatives are responsive to their needs and contribute to our overall business resilience and success.

ARC-1 Unit

Message from the Leadership

Message from the Chairman & CEO

Dear Stakeholders,

As I present Alembic's ***Sustainability Report 2023-24: Water Neutrality and Beyond***, I do so with a clear understanding of the pivotal role our industry plays in addressing both global health challenges and the escalating crisis of climate change. As leaders in the pharmaceutical sector, it is our responsibility not only to improve patient outcomes through innovative healthcare solutions but also to ensure that our operations and strategies align with the global call for environmental stewardship.

Strategic Leadership in Climate Action

At Alembic, we understand that climate change is a defining issue of our time, one that impacts all aspects of business and society. Our leadership is grounded in a long-term vision, where growth and sustainability are inextricably linked. As part of our **alignment with the Science-Based Targets initiative** (SBTi), we are committed to contributing to the 1.5°C pathway of the Paris Agreement, demonstrating our proactive approach to mitigating climate risks.

Central to our climate strategy is a clear focus on reducing Scope 1 and Scope 2 emissions, with a bold target of **achieving a 50% reduction** in the coming years. In support of this, we have commissioned a 12 MW solar power plant and an **additional 12 MW** will come online shortly. These investments in renewable energy reflect our deep commitment to reducing our carbon footprint and positioning Alembic as a forward-looking leader in sustainability.

Additionally, this year marked our first comprehensive assessment of Scope 3 emissions, broadening our focus to include our entire value chain. By collaborating closely with our partners, we are now developing strategies to reduce emissions across all levels of our operations, ensuring that our efforts extend well beyond the confines of our direct control.

Water Neutrality: A Strategic Imperative

Water is a critical resource for the pharmaceutical industry and as global water scarcity becomes an ever-greater concern, Alembic is committed to being part of the solution. We have set an ambitious goal to achieve **water neutrality by 2027**, a commitment that goes beyond regulatory compliance and reflects our deep-rooted belief in responsible resource management.

We have already made significant progress in reducing water consumption through innovative water management technologies, including Reverse Osmosis (RO) systems and other advanced techniques. Our approach is comprehensive, focusing on reducing ground water usage and implementing water-saving technologies across key sites. Beyond our own operations, we continue to invest in community-focused water initiatives that have already improved water access for over **19,500 beneficiaries**, reinforcing our role as both an industry leader and a responsible corporate citizen.

Carbon Sequestration through Miyawaki Afforestation

In addition to emissions reductions and water management, Alembic is also making significant strides in carbon sequestration and biodiversity restoration. We have increased our target tree cover from **50,000 to 1 lakh trees** which will be planted over the next five years. This initiative is not just about offsetting carbon emissions; it is about restoring ecosystems, enhancing biodiversity and contributing to long-term environmental resilience.

Our commitment to sustainability is not a passive undertaking, it is a deliberate and strategic part of our business model, designed to create enduring value for both, our stakeholders and the planet.

A Vision for a Sustainable Future

As we look ahead, it is clear that the future of the pharmaceutical industry will be shaped not only by advancements in healthcare but also by our ability to adapt and to mitigate environmental challenges. Alembic is fully committed to leading this transition, demonstrating that a balance between innovation, environmental responsibility and economic growth is not only possible but essential for long-term success.

With your continued trust and support, we will build a future where Alembic remains at the forefront of both global healthcare and sustainability, delivering value to our stakeholders and making meaningful contributions to a healthier planet.

Thank you for your ongoing engagement and partnership on this journey.

Sincerely,

Mr. Chirayu Amin
Chairman & CEO

Message from the Managing Director

Dear Stakeholders,

As Alembic strengthens its global presence, our commitment to sustainability remains integral to every aspect of our entire operations. Aligned with the global imperative to reduce emissions in accordance with the 1.5°C pathway, we are particularly focused on Scope 2 emissions, where we aim to achieve a more than **50% reduction** in the two years.

This year, we made significant progress by achieving a **7.27% (excluding VOC Emissions)** in carbon emissions, primarily from Scope 1 and 2 sources. In addition, we have completed a thorough assessment of our Scope 3 emissions, which account for **83.06% of our total carbon footprint**. Moving forward, we are developing strategies to address these emissions across our entire value chain, ensuring a holistic approach to sustainability.

Water management remains a critical priority as we advance toward our goal of achieving **water neutrality by 2027**. While this is an ambitious target, we are striving to achieve it even sooner. Through the implementation of innovative water recycling and reuse systems, we are already reducing water consumption significantly across our sites, particularly in water-stressed regions. We installed 102 recharge wells, contributing to groundwater replenishment and improving ground water tables. Our efforts have **resulted in a 65.5% reduction** in Total Dissolved Solids (TDS) in the groundwater, further enhancing the quality of water used in our operations.

As we continue to align our operations with best practices, sustainability remains deeply embedded in our governance framework. This ensures transparency, accountability and long-term value creation for our stakeholders. We are committed to leading the pharmaceutical sector in climate responsibility, ensuring that our actions contribute positively to the planet and the communities we serve.
Thank you for your continued support as we pursue these vital initiatives.

Mr. Pranav Amin
Managing Director

Message from the Managing Director

Dear Stakeholders,

At Alembic, sustainability is not just an operational priority but a core value that permeates all aspects of our domestic business. Over the past years, we have made significant strides in fostering biodiversity and driving impactful community initiatives, which form the cornerstone of our sustainability agenda.

Our **Miyawaki afforestation** initiative began with a sample plantation of **2,000 trees,** which was scaled up to **7,450 trees,** demonstrating our commitment to environmental restoration. This method allows for the planting of more trees in less space, maximising ecological benefits. Initially, our target was to plant **50,000 trees**; however, encouraged by our progress, we have now set an ambitious new target of planting **1 Lakh trees over the next five years**. This initiative plays a vital role in carbon sequestration and restoring natural ecosystems, contributing to long-term ecological balance in the regions where we operate.

Water stewardship is another critical focus for us. Our ambitious goal of achieving **water neutrality** is well on track, supported by the installation of **recharge wells**. These efforts are not only enhancing water conservation but also positively impacting groundwater levels and quality in surrounding communities, ultimately contributing to an improved quality of life.

Our **community engagement** remains a driving force behind Alembic's sustainability vision. Through the SuPoshan Initiative, we have improved the nutritional status of **16,145** beneficiaries in 26 villages, ensuring that vulnerable populations receive adequate health and nutrition support. Our Shiksha Setu program, aimed at improving **literacy** and **numeracy** skills, has benefited over **1,500+** students by fostering educational growth at the grassroots level. Additionally, our **Swasthya Setu healthcare** outreach supported **58,000+ individuals**, providing over **9,000+ OPDs** and issuing **23,625 Ayushman cards**, ensuring access to essential health services for those in need.

As we look to the future, we remain deeply committed to expanding our role as a social and environmental steward. Our efforts to **enhance biodiversity**, **improve community health and promote education** are aligned with our vision of creating sustainable value for the long term. This is not merely about compliance or targets, but about fostering a meaningful connection between our business, the environment and society at large.
Thank you for your continued support and trust in Alembic Pharmaceuticals Limited as we advance on this journey of sustainable growth.

Mr. Shaunak Amin
Managing Director

F-4 Unit

Company Profile

Company Profile

Alembic is a century-old Indian pharmaceutical company, **founded in 1907**, with a rich history of evolving alongside the country's healthcare needs. With the start from manufacturing tinctures and alcohol-based products, the company has expanded its portfolio over the decades, thus becoming a globally recognised name in the pharmaceutical industry. Our products cater to both domestic and international markets and we have a strong presence in key pharmaceutical sectors.

Our critical strength lies in our research and development (R&D) efforts. The company invests heavily in innovation, with multiple R&D centres dedicated to enhance the product pipeline. This commitment to R&D has allowed Alembic to focus on key therapeutic areas, including anti-infectives, cardiovascular treatments, diabetes care, pain management, gastroenterology, oncology, etc. These areas align with some of the most pressing global health challenges, making Alembic's product offerings highly relevant.

Alembic's global strategy focuses on increasing its presence in key international markets while leveraging its strengths in quality and cost-effectiveness. We have expanded to United States and Europe, with several product approvals from the USFDA. Our growing portfolio of generics, combined with its ability to maintain **competitive pricing**, allows us to strengthen our position in emerging markets as well.

In addition to its commercial focus, Alembic also plays a significant role in the global healthcare industry by maintaining high ethical standards and contributing to improved patient outcomes. Through our dedication to research, innovation and adherence to global regulations, Alembic continues to shape its role as a leader in the pharmaceutical industry, addressing critical healthcare challenges worldwide.

Mission

Improve healthcare with innovation, commitment and trust. To enhance the quality of life through innovative and accessible healthcare solutions. We are dedicated to improving patient health by providing high-quality, affordable medicines that meet the diverse needs of our global customers.

Vision

Improve healthcare globally by providing affordable, high-quality generic medicines and consistently striving to improve access to essential medications while upholding stringent quality standards

Values		
Integrity	Recognition	Ownership
Openness	Collaboration	Creativity

Core Business Areas

Pharmaceutical Formulations

We specialise in the production and marketing of finished dosage forms, ensuring that patients around the world have access to high-quality medicines. Our formulations serve both domestic and international markets, reflecting our commitment to making affordable and effective treatments widely available to all who need them.

Active Pharmaceutical Ingredients

Our focus on manufacturing high-quality APIs plays a crucial role in our operations. These ingredients are used across various therapeutic categories, ensuring consistent control over the quality and effectiveness of our products. This division strengthens our supply chain, supporting the production of reliable medicines.

Research and Development

Our strong R&D capabilities drive our growth, as we continuously invest in developing innovative products. We are dedicated to addressing unmet medical needs and enhancing patient outcomes by focusing on the creation of breakthrough therapies. Alembic's Bioequivalence Centre in Vadodara, operational since 2004, provides BA/BE services and spans 33,000 sq ft. The facility, staffed by over 120 scientists and located near a large hospital, meets global regulatory standards. It has been inspected by authorities like the USFDA, BfArM and ANVISA.

Journey So Far

1907

Started manufacturing tinctures and alcohol at Vadodara

1940

Started producing cough syrups, vitamins, tonics and sulphur drugs

1961

Inauguration of Penicillin plant

1967

Started bulk manufacturing of Vitamin B 12

1999

Started production of synthetic, organic API

1997

Althrocin moves to become top selling brand in India
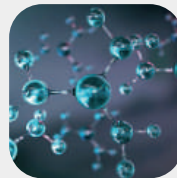
1972

Launched Althrocin, a brand of Erythromycin

1971

Manufactured Erythromycin for the first time in India
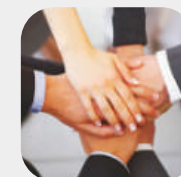
2001

Began production of Cephalosporin C

2007

Acquisition of non oncology business of Dabur Pharma Ltd.

2009

Addressed chronic therapies through multiple marketing divisions

Journey So Far

2011
Demerger and listing of Alembic Pharmaceuticals Limited as separate entity

2012
Unveiled the Dermatology division in domestic market with 8 products

2013
Started filling New Drug Application in EU, Australia and Brazil through strategic partnerships

2015
Developed in house marketing capabilities by establishing US front end and launched Aripiprazole through it

2019
Granted approvals for oncology oral solid facility, Entered a JV to foray into China Market

2018
Received FDA approvals for Aleor's dermatology facility

2017
Inauguration of manufacturing facility to produce Oncology medicine, including oral solids and liquid injectable vials.

Acquisition of Orit Laboratories LLC. USA

2016
Entered a joint venture with Orbicular-Aleor Dermaceutical Limited to develop capabilities and products for international market

2020
Achieved sales milestone of US$ 250 Million from US front-end office

2022
Azithral Ranked 16th Highest selling brand in IPM with sales reflection of over RS. 447 Cr. as per ORG IMS, MAT December 2022 (Source – IQVIA)

2023
Published 1st Sustainability Report

Started commercialised products from injectable and oncology facilities.

Published integrated Annual Report with BRSR

2024
Committed Net Zero Targets to SBTi

Launched 27 products including 18 in oncology, dermatology and ophthalmology.

Introduced injectable and inhalation platforms

Alembic
Touching Lives over 100 years

International Formulations

27 new products launched and received approval for 19 products.

USA: Front end
ROW segment: Europe, Canada, Australia with recent front-end presence in Chile, Mexico and the Middle East

Rs. 2,782 Cr. Revenue FY 2023-2024

Markets Served

Formed a Subsidiary in UAE and set up a scientific office.

Started filling in Iraq Market

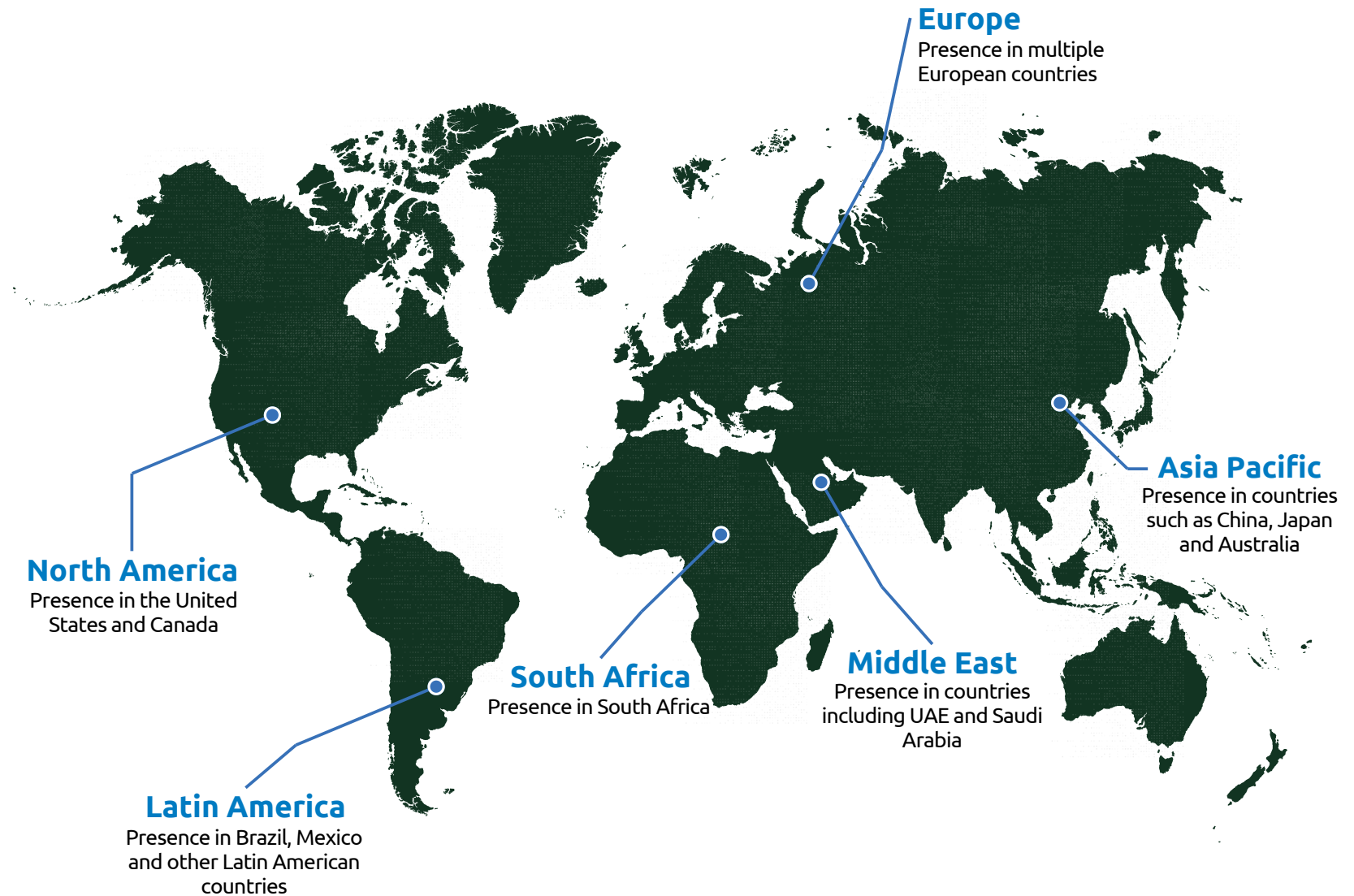**9** Manufacturing Plants and 2 R&D Centers.

API Business

33% niche APIs used by in-house formulation unit.

132 DMFs filed and 15+ products in development pipeline, marketed in more than 67 countries.

Rs. 1,246 Cr. Revenue FY 2023-2024

Global Presence

Europe
Presence in multiple European countries

Asia Pacific
Presence in countries such as China, Japan and Australia

North America
Presence in the United States and Canada

South Africa
Presence in South Africa

Middle East
Presence in countries including UAE and Saudi Arabia

Latin America
Presence in Brazil, Mexico and other Latin American countries

Entities included in the reporting (Please visit Appendices)

Indian Formulation Business

191 brands marketed in India through 20 marketing divisions.

12 areas including Dermatology, Gastrology, Ophthalmology, Orthopaedic and more.

Rs. 2,200 Cr. Revenue FY 2023-2024

Gujarat

API - I , Panchamahal
API- II, Panchamahal
API - III, Vadodara

Formulation – I , Panchamahal
Formulation – II , Panchamahal
Formulation – III, Vadodara
Formulation – IV, Vadodara
Formulation – V , Vadodara

ARC - Vadodara
Kilo Lab – Vadodara

Hyderabad

ARC – Hyderabad

Sikkim

Domestic Formulation – Sikkim

Mumbai

Office for Domestic Formulation - Mumbai
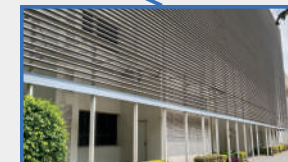
Domestic Presence

Gujarat
Manufacturing facilities, R&D Centers and Corporate office

Mumbai
Office in Mumbai

Hyderabad
R&D Centers

Sikkim
Manufacturing Facilities

Commitment to Global Standards

Alembic's entire operations adhere to international quality standards and regulatory requirements. Our commitment to maintain these standards ensures that our products are safe, effective and reliable, no matter where they are produced or sold.

Our facilities comply with USFDA, WHO GMP, TGA (Australia), Cofepris, EU GMP, Korean FDA, ANVISA, Danish Medicines Agency, PMDA, Health Canada etc. (GRI 2-28)

Business Strategy and Performance

Alembic is focused on serving societies across the world through its mission to improve healthcare with innovation, commitment and trust. 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 and Strategic Initiatives

1. Operational Excellence Through Technology Implementation:
- **Initiatives:** Adapting new technologies to increase operational efficiency, reduce resource consumption and achieve agile manufacturing.
- **Technologies:** Data analytics for improved sales and performance.

2. Expanding into New Markets:
- **Regions:** Europe, Australia, South Africa, Latin America, South-East Asia.
- **Strategic Associations:** Creating strategic alliances and infrastructure to establish presence in new markets.
- **Approvals**: FDA approvals for injectable and oncology OSD facilities.
- **Focus:** Capitalise on high price opportunities and sustaining business in the US market.

3. Establishing a Strong Product Pipeline:
- **R&D:** Investing in robust R&D teams and facilities to develop a diverse product basket.
- **Product Development:** Evaluating market and regulatory requirements to expand therapeutic areas.

4. Strenghtheting EHS Practices:
- Infrastrcuture improvement
- Adopting world class technologies for treatment
- Keeping pace with international developments
- Risk assessment

Sustainability Practices

By integrating these sustainable practices, we aim to reduce our environmental footprint, enhance operational efficiency and contribute to the overall sustainability of our business.


Sustainable Sourcing: We prioritise sourcing materials from suppliers who adhere to sustainable and ethical practices. This includes ensuring that suppliers comply with environmental regulations, Labour laws, health and safety and human rights standards.

F-2 Unit

Energy Efficiency: Our manufacturing facilities are equipped with energy-efficient technologies and processes. We continuously strive to reduce our energy consumption and carbon footprint through various initiatives, including the use of renewable energy sources.

Waste Management: We have implemented robust waste management practices to minimise waste generation and promote recycling and reuse. Our goal is to optimise waste to landfill by adopting best practices in waste segregation and disposal.

Waste Storage Area

Near F-1 Unit
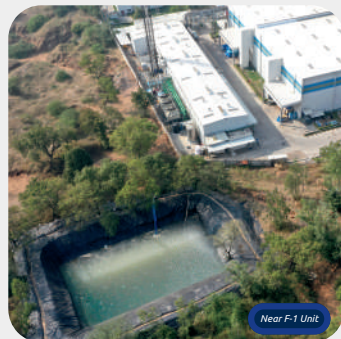
Water Conservation: Water is a critical resource for our operations. We have implemented water-saving technologies and practices to reduce water usage across our facilities. Additionally, we have invested in water recycling and rainwater harvesting systems to enhance our water sustainability efforts.

Logistics Optimisation: To reduce the environmental impact of our distribution activities, we optimise our logistics and transportation routes. This includes using fuel-efficient vehicles, consolidating shipments and employing advanced logistics management systems.

Sustainable Sourcing - Website

Creche & Garden Area Panelav Campus

Sustainability Strategy

Overview of Sustainability Strategy

At Alembic, sustainability is not just a commitment but a core part of our business philosophy and operational strategy. We recognise that our long-term success and resilience depend on our ability to operate sustainably, minimising our environmental footprint while creating positive social and economic impacts. Our sustainability strategy is designed to deliver long-term value for all our stakeholders, including customers, employees, shareholders and the communities we serve.

Core Pillars of Our Strategy (GRI 2-22): Our sustainability strategy is founded on three essential pillars that guide our actions and initiatives:

Environmental Stewardship: We are dedicated to protecting and enhancing the environment. This involves responsible use of natural resources, effective waste management and significant reduction in emissions. Our goal is to ensure that our operations leave a minimal ecological footprint and contribute positively to environmental conservation.

Social Responsibility: The well-being of our employees, communities and stakeholders is a top priority. We strive to implement fair labour practices, engage in meaningful community initiatives and support social programs that promote health, education and well-being. Our social responsibility efforts aim to foster a supportive and inclusive environment for all.

Governance and Ethics: Upholding the highest standards of corporate governance and ethical conduct is central to our operations. We are committed to transparency, accountability and ethical business practices, ensuring that our activities are conducted with integrity and in compliance with all relevant laws and regulations.

Environmental Stewardship

Water is a fundamental resource, essential for our operations and the well-being of the communities we serve. Thus, recognising its critical importance, we have made water neutrality and beyond the central theme of our sustainability efforts this year. Water neutrality means balancing the amount of water we use with the amount we replenish, ensuring that our operations do not contribute to water scarcity. This initiative is not only crucial for maintaining the ecological balance but also for supporting the health and livelihoods of local communities.

Our commitment to water neutrality involves a multifaceted approach aimed at optimising water use, recycling, reusing water and actively engaging with communities to enhance water availability and quality. By focusing on these areas, we aim to mitigate the impacts of water stress and contribute to the sustainable management of water resources.

Key Initiatives for Water Neutrality

1. Implementation of Advance Technologies:

We are incorporating state-of-the-art technologies across all our facilities to enhance water efficiency. This includes smart water meters, automated control systems and real-time monitoring to detect and address inefficiencies promptly.

- In wastewater treatment, we installed Ultra Filtration in place of secondary clarifiers, **upgraded STP with MBR Technology and** achieved moisture reduction in ETP sludge by replacing traditional filter press with screw press technology.
- **Process Optimisation:** We continuously review and optimise our processes to minimise water usage. By refining our manufacturing processes, we ensure that every drop of water is used efficiently and waste is minimised. Reduction in quantities of water wash by use of Jet Spray System or Spray Balls. We installed a **3-stage RO system** to enhance water reuse.
- **Urinal System:** Odourless & Waterless urinal system supporting our "shut the flush' initiative

F-2 Unit - ETP

2. Water Recycling and Reuse:

- **Investing in Recycling Systems**: Significant investments have been made in water recycling systems that allow us to treat and reuse water within our operations. These systems help us reduce our reliance on freshwater sources and lower our environmental impact.

- **Zero Liquid Discharge (ZLD):** We have implemented the ZLD technologies in our major facilities to ensure that no wastewater is discharged into the environment. All water used is treated, recycled and reused, thus setting a benchmark for sustainable water management.

3. Community Water Projects:

- **Collaborative Efforts**: We partner with local communities and organisations to support and fund water conservation projects. Thus, the various awareness programs empower communities with knowledge and tools to manage their water resources effectively.

- **Water Infrastructure:** The Company has created a check dam with 63,700 KL water holding capacity, this helps recharge the ground water. The Company also creates water ATMs for the clean potable water supply & also invests in development of recharge wells.

## 4. Water Footprint Assessment:

- **Comprehensive Assessments:** We conducted detailed assessments of our water footprint to understand the impact of our operations and products on local water resources. This includes evaluation water use across our supply chain and helps identify the opportunities for improvement.
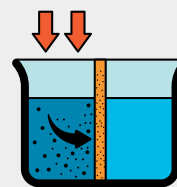

Garden area near F-1 Unit
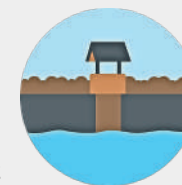
4.35 m
Cumulative Increase
In Groundwater levels
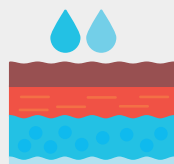
65.5%
Average Reduction of TDS
In Groundwater

102
Recharge Wells developed
Contribution to Replenishment

Impact of Water Efficiency Projects

Legend: FY 2020-21 | FY 2023-24

Category	FY 2020-21	FY 2023-24
Groundwater withdrawal (KL)	394,059	305,745
Third-party water usage (KL)	407,366	401,255
Rainwater storage (KL)	25,431	9,710
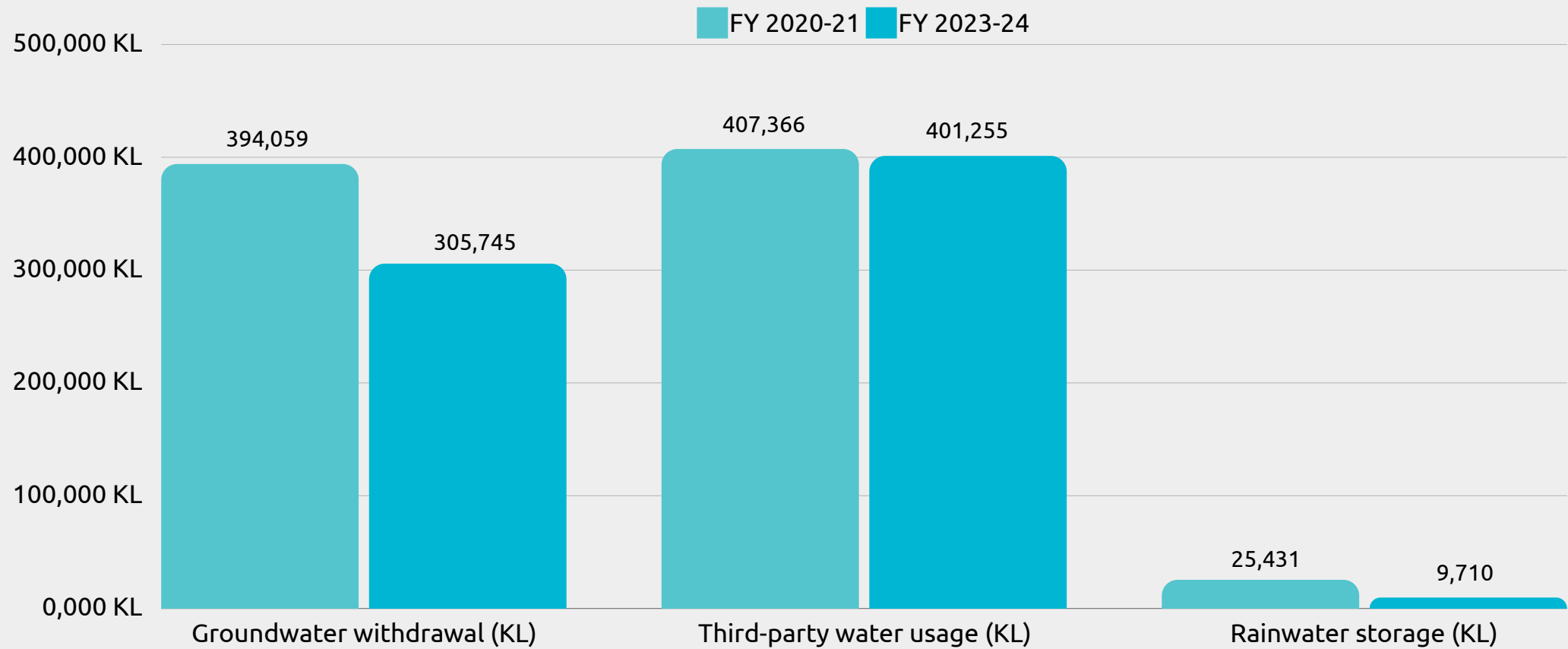
*Water intensity per unit of production FY 2020-21 (KL/MT): **304**

*Water intensity per unit of production FY 2023-24 (KL/MT): **119**

Substantial reduction of 61% in Water Intensity

Rainwater Collection Pond
Near F-1 Unit

Energy Management

- **Increasing Energy Efficiency:** We are implement energy-efficient technologies and practices across all our operations. This includes upgrading equipment, optimising processes and conducting regular energy audits to identify and eliminate inefficiencies. In-house software is developed for tracking of energy consumption of different consumption areas. It brings out deviations for taking immediate corrective actions.
- **Expanding Renewable Energy Use:** Our commitment to reduce carbon footprint includes expanding the use of renewable energy from various sources. We continue to invest in on-site energy installations, power from wind projects, dedicated solar parks & purchase of green energy via power purchase agreements.

Alembic has achieved significant savings of **Rs. 16 Cr. in FY 2023-24** through optimised energy consumption, strategic power trading and favorable tariff structures. These efforts reflect ongoing improvements in energy management and decision-making across the company

Waste Reduction

- **Minimisation Programs:** We have established waste minimisation programs aimed at reducing the amount of waste generated. This includes initiatives to reduce, reuse and recycle materials across our operations.
- **Recycling Efforts:** Enhancing our recycling efforts by segregating waste at the source, promoting the use of recyclable materials and partnering with recycling companies to ensure proper disposal and reuse of waste.

Biodiversity Protection

Natural Habitat Restoration: We are engaging in activities that protect and restore natural habitats around our operational sites. This includes planting trees and creating green spaces to support local biodiversity. Over the last few years, Alembic has planted **25,450 trees** using various afforestation techniques.

Alembic has committed to planting a total of **1 lakh trees by 2029**. This innovative method promotes the rapid growth of dense, native forests in compact areas. The company aims to expand its current efforts to meet the 1 lakh-trees goal over the next five years. This initiative is expected to contribute significantly to reducing Alembic's carbon footprint while enhancing the local environment

Solar Panel - F-2 Unit

Alembic has committed to an ambitious goal of planting 100,000 trees by 2029

API-2 Unit

Social Responsibility

Employee Engagement and Well-being:

- **Inclusive Workplace: C**ommitted to fostering a safe, inclusive and supportive workplace. Company is in making continuous efforts for improving its gender ratio at work area though there are challenges being a manufacturing company and having remote locations.
- **Health and Wellness Programs**: Offering comprehensive health and wellness programs that support the physical and mental well-being of our employees. This includes access to healthcare services, fitness programs and mental health support.
- **Diversity:** Developing & implementing policies that promotes diversity & inclusion in the work place. Company is in making continuous efforts for improving its gender ratio at work area though there are challenges being a manufacturing company and having remote locations.
- **Health & Safety:** Alembic is committed to provide safe workplace to all its employees including contract workers. Various safety programmes for identification of risk, emergency preparedness and workplace monitoring are conducted to promote safe culture. Company has provided round the clock doctor's availability for handling any health emergency.
- **Training & Development:** Company provides regular training programmes to all its employees for imparting skills, enhancing knowledge & improving behaviour. Training programmes are well structured. Employees are evaluated for effectiveness of trainings.

Community Engagement:

- **Community Development Projects**: Investing in community development projects, particularly in areas of health, education and environmental sustainability. Our initiatives aim to improve the quality of life for the communities where we operate.
- **Volunteering and Philanthropy:** Encouraging our employees to participate in volunteering activities and supporting philanthropic efforts that address local and global challenges.

Governance and Ethics

Policies & Procedures:

- The company has laid down policies and procedures to ensure transparent & ethical behaviour of its management, which is in line with all governmental regulatory frameworks.

Product Responsibility:

- **Quality and Safety:** Ensuring the safety, quality and sustainability of our products throughout their lifecycle. This includes rigorous testing, compliance with international standards and continuous improvement processes.
- **Sustainable Packaging:** Implementing sustainable packaging solutions to reduce environmental impact. We are exploring options such as biodegradable materials, recyclable packaging and reducing excess packaging.
- **Ensuring non-compliance incidents related to the product:** We ensure our customers are well satisfied with the product through marketing initiatives and continuous feedback via various means of communications

Types of complaints	Received during the year	Pending resolution at the end of year
Data privacy	0	0
Advertising	0	0
Cyber-security	0	0
Delivery of essential services	0	0
Restrictive Trade Practices	0	0
Unfair Trade Practices	0	0
Others (Specifications, Labelling and Packaging, Product)	352	7

Shiksha Setu Initiative

F-2 Unit

Governance and Ethics

BOARD OF DIRECTORS
Corporate Governance Framework: (GRI 2-9)

Alembic is committed to maintaining the highest standards of corporate governance. Our robust governance framework ensures accountability, transparency and ethical conduct across all levels of the organisation, fostering trust among stakeholders and supporting sustainable business practices.

Board of Directors: The role of the highest governance body in sustainability reporting lies with our Board of Directors provides strategic direction and oversight, ensuring the company operates in the best interests of all stakeholders. The Board comprises of experienced professionals from diverse backgrounds, the Board brings a wealth of knowledge and expertise to Alembic.

Key Responsibilities:
- **Strategic Oversight:** Guiding the company's strategic direction and ensuring alignment with our mission and vision.
- **Risk Management:** Identifying and mitigating risks that could impact the company's operations and reputation.
- **Performance Monitoring:** Evaluating the performance of the management team and ensuring accountability for achieving business objectives.

3
Promoter Executive

1
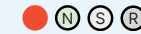**Female Directors**

64%
Independent Directors

Mr. Chirayu Amin
(Chairman & CEO)

Mr. Pranav Amin
(Managing Director)

Mr. Shaunak Amin
(Managing Director)

Mr. R. K. Baheti
(Director - Finance & CFO)
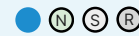
Dr. Archana Hingorani

Mr. Ashok Kumar Barat
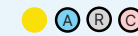
Mr. Jai Diwanji

Mr. Manish Kejriwal

Mr. K. G. Ramanathan
(Independent Director up to 31st March, 2024)

Mr. Pranav Parikh
(Independent Director up to 31st March, 2024)

Mr. Paresh Saraiya
(Independent Director up to 31st March, 2024)

Legend:
- ● Promoter Executive
- ● Professional Executive
- ● Independent Non-Executive
- Ⓐ Audit Committee
- Ⓡ Risk Management Committee
- Ⓢ Stakeholders' Relationship Committee
- Ⓒ CSR Committee
- Ⓝ Nomination and Remuneration Committee

Committees

To enhance the effectiveness of our governance framework, we have established various committees, each with specific responsibilities:

- **Audit Committee**: Oversees financial reporting, internal controls and compliance with regulatory requirements.
- **Nomination and Remuneration Committee (GRI 2-10, 18)**: Determines compensation for senior executives, aligning it with the company's performance and strategic goals. Identifies and evaluates candidates for Board membership, ensuring a diverse and qualified Board.

Alembic's Nomination and Remuneration Committee, made up of independent directors, oversees senior management compensation to align with company objectives. They review fixed and performance-based incentives, benchmark against industry standards and ensure compliance with legal and regulatory frameworks. The committee's decisions are guided by corporate governance and sustainability goals.

The remuneration process combines **fixed and performance-based pay linked to financial and sustainability goals** to attract and retain talent. Overseen by a Nomination and Remuneration Committee, the process ensures fairness, competitiveness and alignment with company objectives. Regular audits and disclosures maintain compliance with governance standards and stakeholder interests.

Key elements include:

- **Base Salary:** Competitive base salaries benchmarked against industry standards.
- **Performance-Based Incentives**: Bonuses and incentives tied to individual and company performance.
- **Long-Term Incentives:** Long-term incentives to align executive interests with shareholders.
- **Benefits**: Comprehensive benefits packages including health insurance, retirement plans and other perks.

Dr. Archana Hingorani
Chairperson of Audit, Nomination and Remuneration Committee

Mr. Jai Diwanji
Chairperson of Stakeholders relationship Committee

Mr. Ashok Kumar Barat
Chairperson of Risk Management Committee

Mr. Chirayu Amin
Chairperson of CSR Committee

AUDIT COMMITTEE

NOMINATION & REMUNERATION COMMITTEE

STAKEHOLDERS RELATIONSHIP COMMITTEE

RISK MANAGEMENT COMMITTEE

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

THE BOARD'S CURRENT COMMITTEES

Compensation Ratio

Annual Total Compensation Ratio	Value
Highest Paid Individual Compensation	INR 19,38,00,000
Male employees' median compensation (Including Workers)	INR 6,12,638
Female employees' median compensation (Including Workers)	INR 5,49,499
Compensation Ratio (Highest Paid/Combined Median)	318

Ethical Business Practices and Compliance

Alembic is committed to conducting business with integrity and in compliance with all applicable laws and regulations. Our ethical business practices and compliance programs are designed to ensure that our operations are transparent, fair and responsible.

Code of Conduct

Our Code of Conduct outlines the ethical principles that guide our actions and decisions. It serves as a comprehensive framework for maintaining high standards of ethical behaviour in all aspects of our business.
Key elements of the Code of Conduct include:
- **Integrity:** Upholding honesty and integrity in all business dealings.
- **Transparency:** Ensuring transparency in our operations and communications.
- **Fairness:** Treating all stakeholders with fairness and respect.
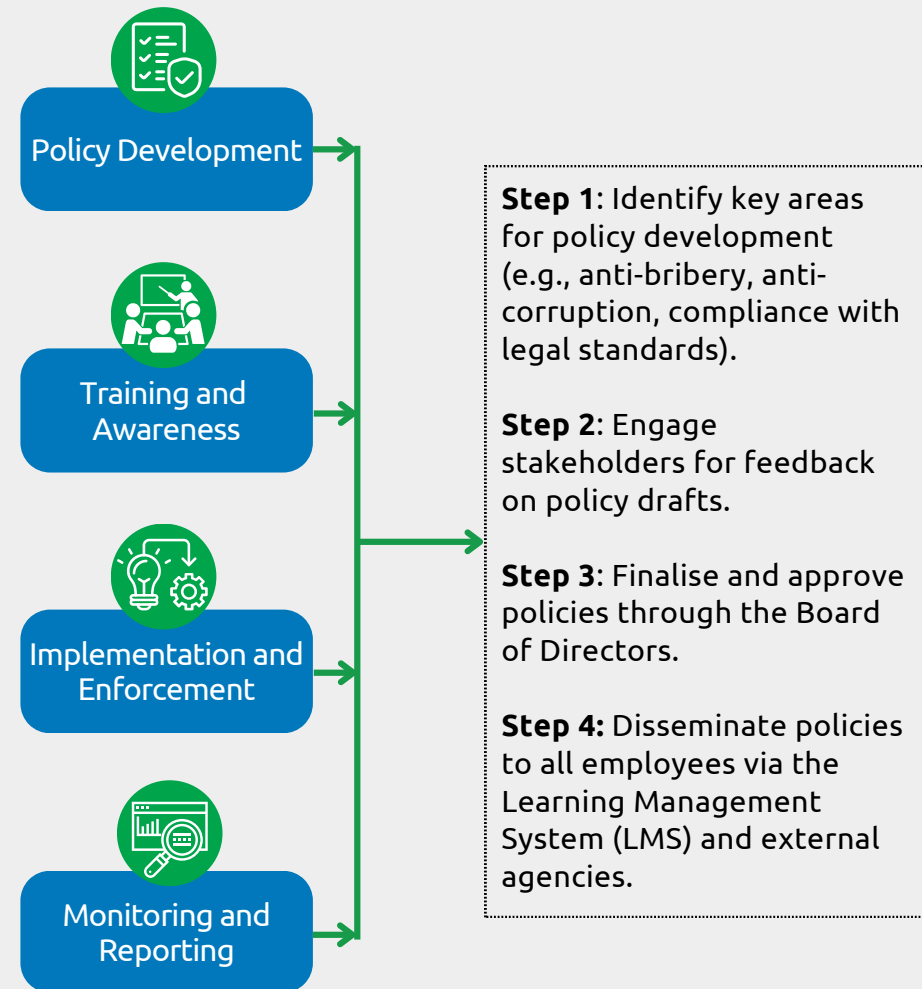- **Accountability:** Taking responsibility for our actions and their impacts.

Compliance Programs

To enforce our ethical standards, we have established robust compliance programs that monitor and ensure adherence to our Code of Conduct and regulatory requirements.
Alembic has established several key policies to promote ethical business practices and regulatory compliance:
1. **Whistleblower Policy**: Protects those reporting unethical conduct.
2. **Anti-Corruption and Anti-Bribery Policy**: Prevents bribery and corruption.
3. **EHS Policy**: Ensures compliance with environmental, health and safety standards.
4. **CSR Policy**: Focuses on corporate social responsibility.
5. **Code of Conduct**: Governs ethical behaviour.
6. **Fair Disclosure Policy**: Manages sensitive information.
7. **Document Preservation Policy**, **Dividend Distribution Policy**, **Nomination and Remuneration Policy and Material Subsidiaries Policy** ensure legal and financial integrity.
8. **Business Responsibility and Sustainability Reporting (BRSR) Policy:** Derive our Business operations responsibility and Sustainability

BRSR Policies.

Policy Development

Training and Awareness

Implementation and Enforcement

Monitoring and Reporting

Step 1: Identify key areas for policy development (e.g., anti-bribery, anti-corruption, compliance with legal standards).

Step 2: Engage stakeholders for feedback on policy drafts.

Step 3: Finalise and approve policies through the Board of Directors.

Step 4: Disseminate policies to all employees via the Learning Management System (LMS) and external agencies.

Sustainability Governance and Management

Sustainability is a core component of Alembic's governance framework. Our sustainability governance structure ensures that sustainability principles are integrated into our strategic decision-making processes and operational practices. This approach supports our commitment to long-term environmental, social and economic well-being.

Board of Director:

Ultimate responsibility lies with board of directors for managing broader impacts, including sustinability.

Risk Management Committee

Our risk management team, is responsible for overseeing sustainability initiatives. The committee's roles and responsibilities include:

- **Strategic Direction**: Setting the strategic direction for sustainability and ensuring alignment with our corporate goals.
- **Policy Development**: Developing and implementing sustainability policies and guidelines.
- **Performance Monitoring**: Tracking and evaluating the performance of sustainability initiatives against established targets.

Monitoring and Reporting: We have established robust mechanisms for monitoring and reporting our sustainability performance. This includes regular internal audits, performance reviews and public disclosure of our sustainability progress through annual reports.

The committee is also responsible for developing a risk register for the company which includes all risk including climate risk.

Roles and Responsibilities: (GRI 2-12, 13)

- **Senior Leadership and Board of Directors:** Ultimately, the responsibility for managing broader impacts, including sustainability and governance, ensuring strategic alignment across the company.
- **Senior Management:** Senior management is accountable for integrating sustainability into the company's overall strategy. They ensure that sustainability goals are prioritised and resources are allocated appropriately.
- **Environmental, Health and Safety (EHS) Team:** Responsible for overseeing the company's environmental and safety practices, including compliance with environmental regulations, waste management and reducing carbon emissions.
- **Employees:** All employees are encouraged to participate in sustainability initiatives and contribute to our sustainability goals. Regular training and awareness programs are conducted to keep employees informed and engaged.

The delegation of responsibility for managing impacts at Alembic typically lies with various leadership teams, departments and designated personnel, depending on the specific area of impact.

F-2 Unit

Sustainability Governance Structure

Board of Directors

Oversee the sustainability strategy, set objectives, ensure alignment.

Risk Management Committee

Develop policies, oversee implementation, integrate into business operations.

Executive Leadership

Implement initiatives, ensure day-to-day adherence, report progress.

EHS Team

Monitor metrics, ensure compliance, promote best practices.

Operational Teams

Execute projects related to energy, waste, water conservation.

Employees

Regular training and awareness programs are conducted to keep employees informed and engaged.

Stakeholder Engagement

Identification and Prioritisation of Stakeholders (GRI 2-23, 24)

Alembic recognises that effective stakeholder engagement is essential for achieving our sustainability goals. We engage with a diverse range of stakeholders who are impacted by and have an interest in our operations.

Employees	**Customers and Communities**	**Suppliers**	**Bankers and Lenders**	**Investors and Financial Institutions**	**Regulators and Government Agencies**
Essential to our operations and corporate culture.	Drive demand for our products and provide critical market feedback.	Vital for our supply chain and sustainability practices.	Required for Financial Discussion Meetings	Provide capital and expect transparency in performance.	Ensure compliance with laws and industry standards.

Effective engagement process

Our approach to stakeholder engagement is structured and continuous, ensuring regular interaction and feedback. This process helps us align our sustainability efforts with the expectations and needs of our stakeholders.

Stakeholder Engagement Process (GRI 2-26)

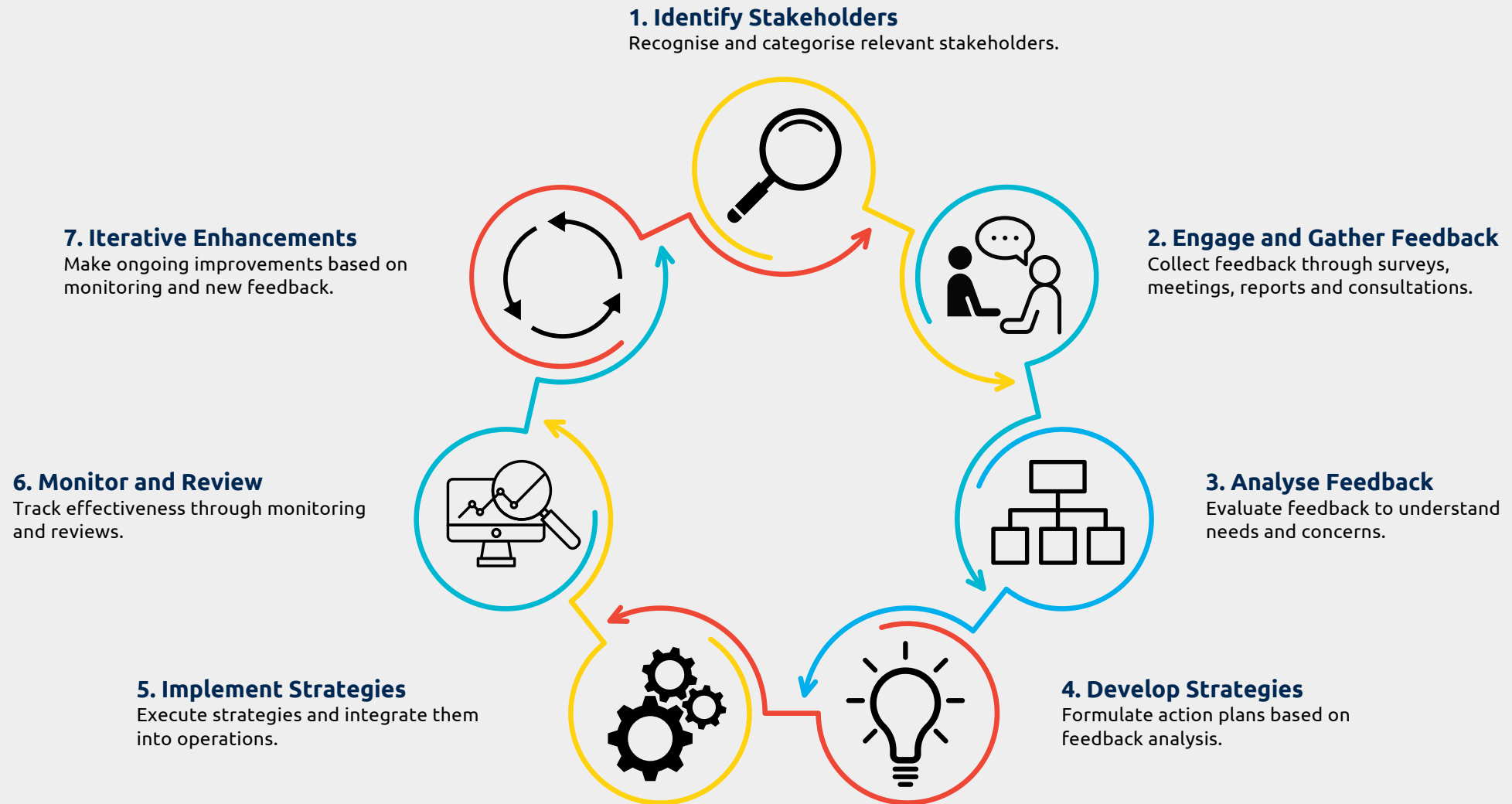Our stakeholder engagement process involves the following steps:

1. **Identification:** Identifying all relevant stakeholders who are affected by or can affect our operations.
2. **Prioritisation:** Prioritising stakeholders based on their level of influence and interest in our activities.
3. **Engagement**: Engaging with stakeholders through various channels such as meetings, surveys, focus groups and public consultations.
4. **Feedback:** Gathering feedback from stakeholders to understand their concerns and expectations.
5. **Action:** Incorporating stakeholder feedback into our decision-making processes and addressing their concerns through targeted actions.

Examples of Stakeholder Influence

1. Water Neutrality Initiatives: Feedback from community forums highlighted the importance of water conservation. This led to the implementation of advanced water-saving technologies and community water projects.

2. Product Sustainability: Customer demand for environmentally friendly products prompted us to invest in sustainable product development and packaging.

3. Transparency and Reporting: Investor interest in detailed sustainability metrics encouraged us to enhance our reporting practices and seek third-party verification.

Stakeholder Engagement Process

We are committed to continuously improve our stakeholder engagement processes and responses. By regularly reviewing and updating our engagement strategies, we ensure that we remain responsive to stakeholder needs and aligned with best practices in sustainability.

1. Identify Stakeholders
Recognise and categorise relevant stakeholders.

2. Engage and Gather Feedback
Collect feedback through surveys, meetings, reports and consultations.

3. Analyse Feedback
Evaluate feedback to understand needs and concerns.

4. Develop Strategies
Formulate action plans based on feedback analysis.

5. Implement Strategies
Execute strategies and integrate them into operations.

6. Monitor and Review
Track effectiveness through monitoring and reviews.

7. Iterative Enhancements
Make ongoing improvements based on monitoring and new feedback.

Key Stakeholder Concerns and Responses

Understanding and addressing stakeholder concerns is critical to our sustainability efforts and overall business success. Through continuous engagement, we identify key concerns and respond proactively to meet stakeholder expectations and improve our operations.

Stakeholder Group	Key Concerns	Our Responses	Actions Taken	Impact
Shareholders	Transparency, Long-term value creation, Economic value distribution	Published annual reports, investor meetings, quarterly updates	Alembic ensures transparency and regular communication with shareholders by publishing quarterly performance reports and annual investor meetings to provide insights into the company's financial health and strategic direction	Improved investor confidence, Enhanced company reputation and trust with shareholders
Regulatory Bodies & Government Agencies	Compliance, Governance	Implemented compliance management systems, Regular audits	Alembic maintains strong governance and compliance by regularly engaging with regulatory authorities through audits, ensuring all legal and governance requirements are met to uphold ethical and sustainable operations	Maintained regulatory compliance, Enhanced governance standards and minimised legal risks
Financial Institutions, Bankers & Lenders	Return on investment	Conducted financial discussions, Regular feedback through reports and updates	Alembic conducts annual financial discussions with banks and lenders, ensuring a clear and consistent understanding of its financial stability and future growth projections	Strengthened financial relationships, Increased investor trust and secured financing
Employees	Diversity, Quality of work-life, Fair wages, Health & Safety	Comprehensive health and wellness programs, Safety protocols, Inclusivity programs	Alembic prioritises employee well-being through regular health and safety training and employee engagement surveys, which help in identifying and resolving issues promptly. An emergency drill were successfully conducted at the Vadodara Crèche in March 2024	Enhanced employee satisfaction, Improved workplace safety and retention through a supportive work environment
Customers	Product quality, Timely delivery, Competitive cost	Rigorous quality assurance, Continuous R&D, Competitive pricing strategies	Alembic ensures high product quality by implementing stringent quality management systems and engaging in continuous R&D to meet the evolving needs of customers. Regular feedback sessions further enhance product quality	Increased customer satisfaction, Improved product quality and loyalty in a competitive market
Suppliers & Contractors	Product quality, Cost, Timely delivery, Ethical behaviour	Regular supplier assessments, Ethical sourcing practices	Alembic conducts regular supplier meetings and performance reviews to ensure compliance with ethical sourcing practices and promote sustainability throughout its supply chain	Improved supplier relationships, Enhanced supply chain efficiency and ethical conduct
Local Communities	Local employment, Development interventions	Community engagement initiatives focused on health, education and environmental sustainability	Alembic's CSR initiatives include local employment generation and active community involvement in health and education programs. The company collaborates with local organisations to promote social and economic well-being	Improved community relations, Positive social and economic impact and strengthened local goodwill

Stakeholder Engagement Process and Outcomes

Alembic is committed to fostering open and transparent communication with our stakeholders. Our engagement process is designed to build trust, understand stakeholder perspectives and incorporate their feedback into our business strategies and sustainability initiatives.

Methods of Engagement (GRI 2-29)

Method	Frequency	Purpose
Employee Surveys	Annually	To gather feedback on workplace conditions and sustainability initiatives
Customer Feedback	Ongoing	To understand customer needs and improve product offerings
Supplier Audits	Annually	To ensure compliance with sustainability and ethical standards
Community Forums	Quarterly	To discuss community needs and our social impact
Investor Meetings	Quarterly	To update investors on sustainability performance and goals
Regulatory Consultations	As required	To ensure compliance with regulatory requirements and best practices

Outcomes of Stakeholder Engagement

Our stakeholder engagement efforts have led to several positive outcomes that have informed our decision-making and enhanced our sustainability practices:

1. Enhanced Transparency:
- Improved transparency in our reporting and communication, addressing stakeholder demands for clear and accessible information on our sustainability performance.

2. Informed Decision-Making:
- Incorporating stakeholder feedback into our strategic planning and operational processes, ensuring that our actions align with stakeholder expectations and priorities.

3. Strengthened Relationships:
- Building stronger relationships with stakeholders based on trust, mutual respect and ongoing dialogue, fostering collaboration and support for our sustainability initiatives.

4. Improved Practices:
- Implementing changes based on stakeholder input, such as improving Labour practices, enhancing community engagement and adopting more sustainable environmental practices.

Case Studies

We have several case studies that highlight the impact of our stakeholder engagement efforts:

- **Community Water Projects**: Collaboration with local communities to develop water conservation projects, improving water availability and quality in the regions where we operate.
- **Employee Wellness Programs:** Development of comprehensive wellness programs based on employee feedback, enhancing workplace health and safety.
- **Sustainable Sourcing Initiatives**: Partnering with suppliers to implement sustainable sourcing practices, ensuring ethical and environmentally friendly procurement. The EHS department plans the onsite audit as per the schedule to verify the implementation of ESG practices. A final ESG score is calculated based on site findings and the supplier is expected to provide a CAPA plan with target dates. Suppliers are rated based on their final audit score, with re-assessment frequency depending on their rating (Excellent, Very Good, Poor).

Stakeholder
Engagement

Materiality Assessment

Environmental
Performance
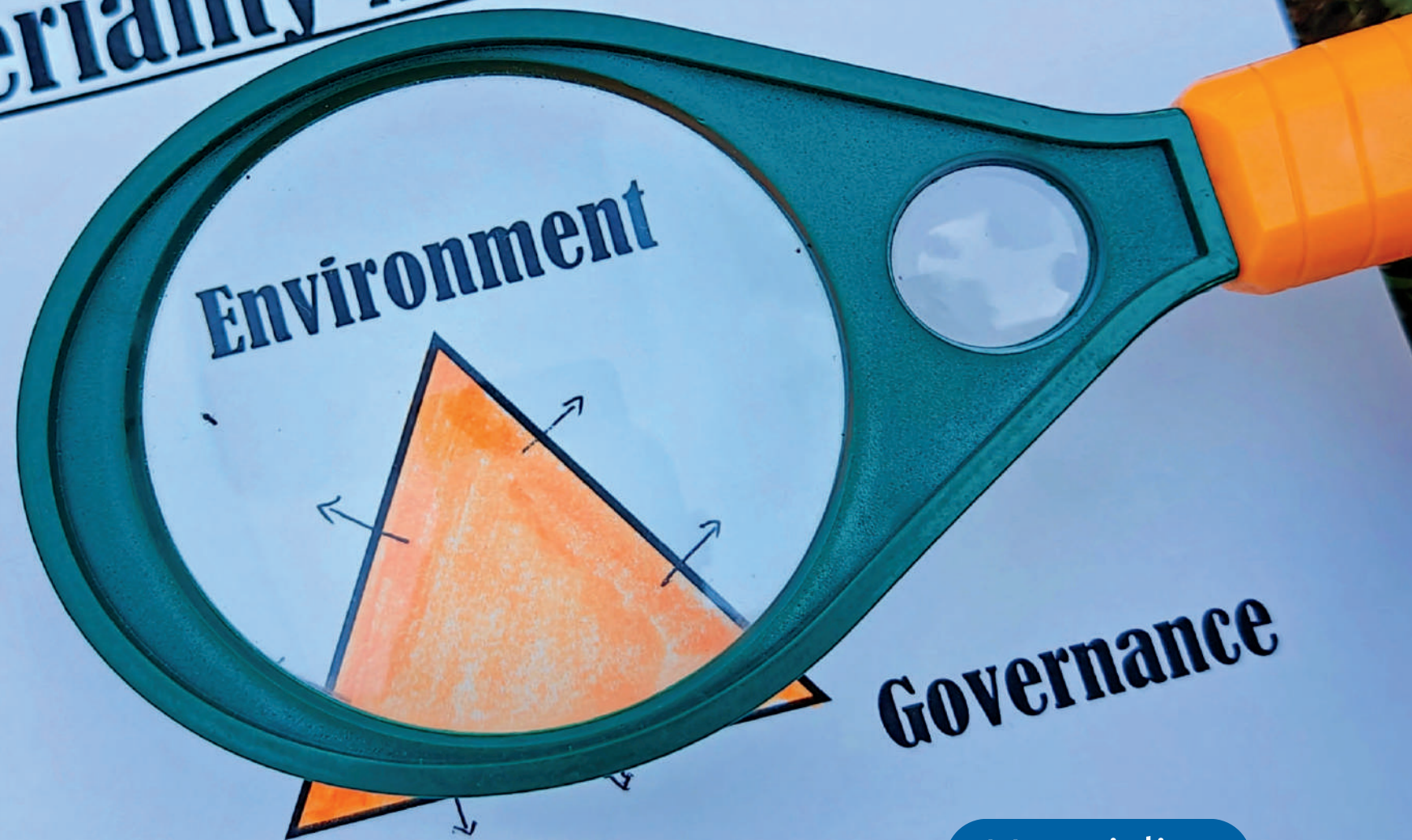
Alembic
Touching Lives over 100

Materiality
Assessment

ARC-1 - Garden Area

Materiality Assessment

Materiality assessment is a fundamental process that helps Alembic identify and prioritise the most significant environmental, social and governance (ESG) issues. These material topics are critical for our business strategy and stakeholder engagement, ensuring that our sustainability efforts are aligned with stakeholder expectations and contribute to our long-term success.

Materiality Assessment Process

1. Stakeholder Engagement:
- **Collecting Input:** We engage with a diverse range of stakeholders, including employees, customers, investors, suppliers, community members and regulatory bodies, to gather input on the issues they consider most important.
- **Engagement Methods:** Utilizing surveys, interviews, focus groups and public consultations to understand stakeholder perspectives and expectations.

2. Internal Assessment:
- **Internal Workshops:** Conducting workshops with senior management and key departments to identify and evaluate the ESG issues that impact our business operations and strategy.
- **Risk and Opportunity Analysis:** Assessing the potential risks and opportunities associated with each identified issue to determine their significance.

3. External Benchmarking:
- **Industry Standards:** Reviewing industry standards and best practices to benchmark our performance and identify emerging issues.
- **Peer Comparison:** Comparing our sustainability practices with those of our peers to identify gaps and opportunities for improvement.

4. Prioritisation:
- **Matrix Development:** Developing a matrix that plots the significance of each issue based on stakeholder importance and business impact.
- **Validation:** Validating the materiality matrix through further stakeholder consultations and senior management reviews to ensure accuracy and relevance.

F-5 Unit

Materiality Matrix Table

Key Material Issues

● Very High Priority:
- Product Quality and Safety
- Availability and Affordability of Medicines
- Business Ethics and Corporate Governance
- Human Resource Development
- Water Management
- Waste Management
- R&D and Innovation
- Resilient Business Performance

● High Priority:
- Climate Change & GHG Emissions
- Energy Management
- Employee Health and Safety
- Sustainable Supply Chain
- Pharmacovigilance
- Clinical Trial Conduct
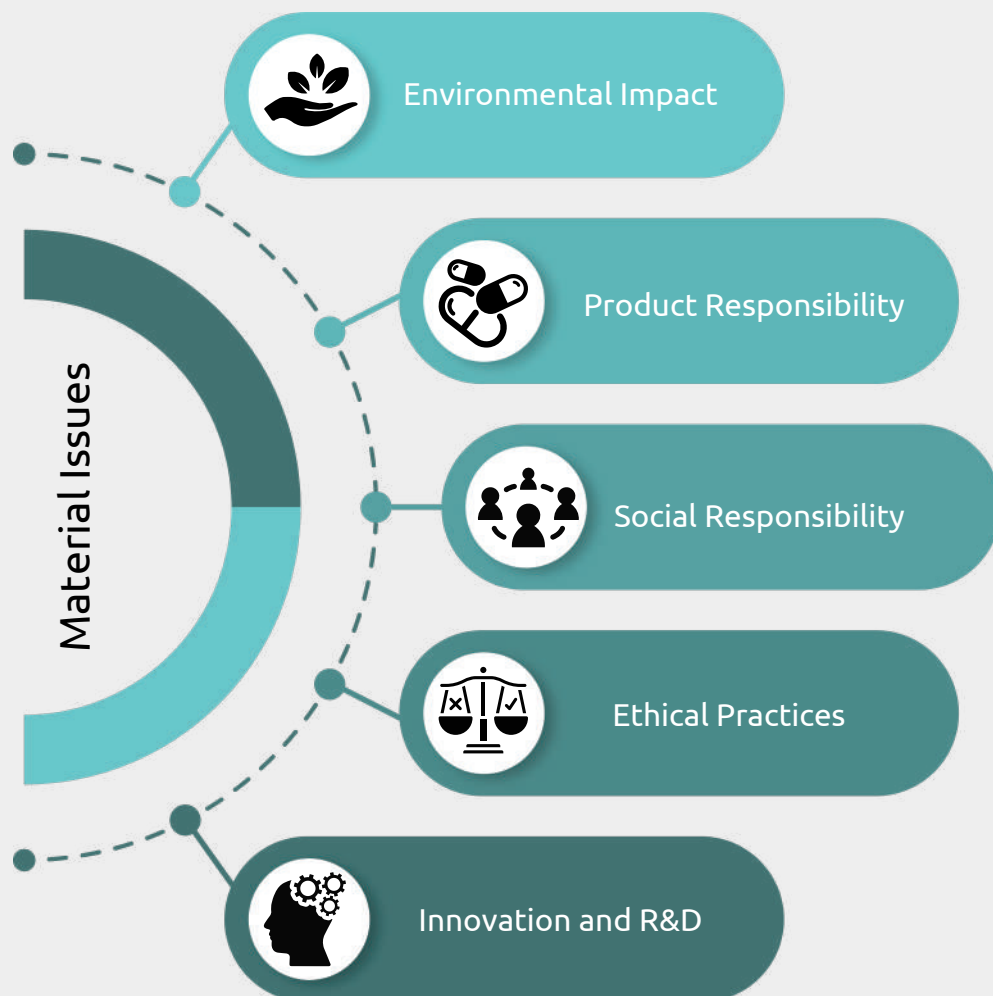- Digital Business Model and Digitisation

● Medium Priority:
- Community Engagement
- Biodiversity
- Human Rights

Influence on stakeholders (y-axis) / Impact on Alembic (x-axis)

- Product Quality and Safety
- Climate Change & GHG Emissions
- Availability and Affordability of Medicines
- Business Ethics and Corporate Governance
- Energy Management
- Human Resource Development
- Water Management
- Waste Management
- Employee Health and Safety
- R&D and Innovation
- Sustainable Supply Chain
- Resilient Business Performance
- Pharmacovigilance
- Biodiversity
- Clinical Trial Conduct
- Digital Business Model and Digitisation
- Human Rights
- Community Engagement

Key Material Issues Identified (GRI 3-2)

Through our comprehensive materiality assessment process conducted in FY 22-23, we have identified several key material issues that are critical to our business operations and stakeholder interests. These issues are central to our sustainability strategy and guide our efforts in addressing the most significant environmental, social and governance (ESG) challenges. As part of Alembic's commitment to sustainability, we have conducted a materiality assessment to identify key areas of focus.

Material Issues

- Environmental Impact
- Product Responsibility
- Social Responsibility
- Ethical Practices
- Innovation and R&D

Key Material Issues

- **Environmental:** Water and Waste Management, Energy Management, Biodiversity, Climate Change & GHG Emissions and Sustainable Supply Chain.
- **Social:** Employee Health and Safety, Community Engagement, Human Rights, Availability and Affordability of Medicines and Human Resource Development.
- **Governance:** Business Ethics and Corporate Governance, Product Quality and Safety, R&D and Innovation, Resilient Business Performance, Pharmacovigilance, Clinical Trial Conduct, Digital Business Model and Digitisation.

Response from Stakeholder on Material Issues

Stakeholder Type	Responses
Leadership	46
Government	1
Employees	605
Suppliers/vendors	2
Community	2
Customers	14
Industry association	5

Key Material Issues Table

1. Human Rights ▲

Financial Impacts

Costs for compliance but **can improve reputation and employee morale.**

In case of risk, approach to adapt or mitigate

Focus on employee welfare, policies to prevent harassment and grievance mechanisms.

Rationale for identifying the risk/opportunity

Violations can harm reputation and supply chain relationships, potentially leading to legal and financial consequences.

HR Campus Drive

2. Product Quality and Safety ▲

Financial Impacts

Positive impact from increased customer loyalty and reduced regulatory risks.

In case of risk, approach to adapt or mitigate

Investment in quality control, ensuring compliance with international standards.

Rationale for identifying the risk/opportunity

Regulatory standards demand strict adherence to ensure consumer safety, failure of which can lead to recalls or legal issues.

ARC Unit

3. R&D and Innovation ●

Financial Impacts

Positive outcomes through new products and increased productivity.

In case of risk, approach to adapt or mitigate

N/A

Rationale for identifying the risk/opportunity

Investing in R&D enhances competitiveness by fostering new product development and operational efficiency.

F-5 Unit

▲ **Risk**   ● **Opportunity**

Key Material Issues Table

4. Digital Business Model and Digitisation ●

Financial Impacts

Leads to increased precision, efficiency and quality improvements.

In case of risk, approach to adapt or mitigate

N/A

Rationale for identifying the risk/opportunity

Embracing digital transformation can improve operational efficiency, accuracy and offer innovative healthcare solutions.

5. Pharmacovigilance ▲

Financial Impacts

Costs associated with monitoring but ensures patient safety.

In case of risk, approach to adapt or mitigate

Establish dedicated portals for reporting adverse effects, corrective action protocols.

Rationale for identifying the risk/opportunity

Continuous monitoring is required to ensure patient safety and compliance with legal standards post-product release.

6. Clinical Trial Conduct ▲

Financial Impacts

Costs for compliance but essential to protect reputation and data integrity.

In case of risk, approach to adapt or mitigate

Adherence to regulatory requirements, comprehensive trial protocols, informed consent procedures.

Rationale for identifying the risk/opportunity

Ensuring compliance during clinical trials is critical to maintain data integrity and patient safety.

BA/BE Centre

▲ Risk ● Opportunity

Key Material Issues Table

7. Resilient Business Performance ▲

Financial Impacts

Costs for preparedness measures but ensures long-term resilience.

In case of risk, approach to adapt or mitigate

Implement Business Continuity Plan (BCP), develop risk management strategies.

Rationale for identifying the risk/opportunity

Operational disruptions from natural disasters, regulatory changes, or other sources can impact business continuity.

8. Human Resource Development ●

Financial Impacts

Investment in talent development leads to improved productivity and growth.

In case of risk, approach to adapt or mitigate

N/A

Rationale for identifying the risk/opportunity

Developing and retaining skilled talent enhances productivity and supports long-term organisational success.

Training Hall - Corporate Building

9. Sustainable Supply Chain ▲

Financial Impacts

Investments in sustainable practices enhance brand reputation and risk mitigation.

In case of risk, approach to adapt or mitigate

Conduct audits and assessments of suppliers on ESG parameters.

Rationale for identifying the risk/opportunity

Integrating sustainability into the supply chain reduces risks related to ESG non-compliance and business continuity.

Warehouse

▲ **Risk**   ● **Opportunity**

Key Material Issues Table

10. Community Engagement ●

Financial Impacts

Positive impact on reputation, community goodwill and social capital.

In case of risk, approach to adapt or mitigate

N/A

Rationale for identifying the risk/opportunity

Engaging with communities builds trust, supports social license to operate and minimises conflicts.

Vikas Vidyalaya

11. Business Ethics & Corporate Governance ▲

Financial Impacts

Minimal direct financial impact but crucial for maintaining business integrity.

In case of risk, approach to adapt or mitigate

Implement anti-bribery and anti-corruption policies, robust governance frameworks.

Rationale for identifying the risk/opportunity

Ethical conduct is crucial for sustainable operations, avoiding legal penalties and maintaining stakeholder trust.

Town Hall Talk - Near F-1 Unit
07/02/2024

12. Availability and Affordability of Medicine ▲

Financial Impacts

May involve costs but expands market share and supports industry growth.

In case of risk, approach to adapt or mitigate

Provide affordable generic medicines, invest in innovation for cost-effective products.

Rationale for identifying the risk/opportunity

Balancing affordability with maintaining quality is a market challenge that can impact competitiveness.

▲ **Risk** ● **Opportunity**

Key Material Issues Table

13. Biodiversity ▲

Financial Impacts

Costs are involved but essential for long-term sustainability and compliance.

In case of risk, approach to adapt or mitigate

Implement initiatives to nurture and protect biodiversity, minimise environmental impact.

Rationale for identifying the risk/opportunity

Preserving biodiversity aligns with sustainable development and reduces potential legal or reputational risks.

14. Waste Management ▲

Financial Impacts

Handling costs, but improves environmental footprint and regulatory compliance.

In case of risk, approach to adapt or mitigate

Adopt recycling initiatives, co-process waste and ensure responsible disposal methods.

Rationale for identifying the risk/opportunity

Poor waste management practices can lead to environmental damage and regulatory fines.

F-1 Waste Storage Area

15. Climate Change and GHG Emissions ▲

Financial Impacts

Long-term cost savings through energy efficiency and process improvements.

In case of risk, approach to adapt or mitigate

Invest in renewable energy sources, implement efficiency measures, follow corporate climate policies.

Rationale for identifying the risk/opportunity

Growing focus on climate change requires managing greenhouse gas emissions and reducing environmental impact.

API-I Scrubber System

▲ Risk ● Opportunity

Key Material Issues Table

16. Employee Health and Safety ▲

Financial Impacts

Training and equipment costs, but crucial for regulatory compliance and safety.

In case of risk, approach to adapt or mitigate

Establish Environmental Health and Safety (EHS) policies, conduct regular training, provide protective equipment.

Rationale for identifying the risk/opportunity

Exposure to hazardous substances requires comprehensive measures to ensure employee health and avoid legal issues.

API-I Training Hall

17. Energy Management ▲

Financial Impacts

Initial capital expenses may be high, but long-term cost reductions follow.

In case of risk, approach to adapt or mitigate

Invest in renewable energy projects like solar and wind power installations.

Rationale for identifying the risk/opportunity

Efficient energy management is essential for cost control and reducing environmental impact.

Solar Panel - F-2 Unit

18. Water Management ▲

Financial Impacts

Costs involved in water management initiatives, but ensures sustainable operations.

In case of risk, approach to adapt or mitigate

Implement Zero Liquid Discharge (ZLD), recycle wastewater and adopt groundwater restoration measures.

Rationale for identifying the risk/opportunity

Poor water management can result in excessive consumption, regulatory risks, or operational shutdowns.

Near F-1 Unit

▲ **Risk**   ● **Opportunity**

Impact Materiality

Company

Product quality & Safety

Resilient Business Performance

Sustainable supply chain

R&D innovation

Digital Business Model & Digitisation

Pharmacovigilance

Clinical trial conducted

Business Ethics & Corporate Governance

Human Resource Development

Material Issues with higher impact on Company.

Planet & Society

Material Issues with higher impact on Planet & Society

Biodiversity

Human Rights

Community Engagement

Energy Management

Employee Health & Safety

Water Management

Availability & Affordability

Waste Management

Climate Change & GHG emissions

Environmental Performance

F-1 Unit

Environmental Performance

At Alembic, environmental stewardship is a core aspect of our sustainability strategy. We are committed to minimising our environmental footprint through responsible resource management, innovative technologies and proactive measures that protect and enhance the environment. This section provides an overview of our key environmental management practices and initiatives. As part of our commitment to reducing greenhouse gas emissions, Alembic has committed to Science-Based Targets initiative (SBTi). Our goal is to achieve significant emissions reductions consistent with global climate science, working towards net-zero emissions aligned to 1.5 Degree C pathway.

Wet Scrubber attached with a Boiler

Environmental Management System

Policy and Planning

1. Policy and Planning:
- **EHS Policy:** We have an EHS policy that outlines our commitment to sustainability, compliance with regulations and continuous improvement.
- **Goal Setting:** Establishing clear environmental goals and targets aligned with our sustainability strategy and global standards.

Implementation and Operation

2. Implementation and Operation:
- Resource Efficiency
- Pollution Prevention
- Operational Controls
- Clean and Green Chemistry
- Advanced Environmental Infrastructure
- Process Gas Emissions Control

Monitoring and Measurement

3. Monitoring and Measurement:
- **Performance Tracking:** Regularly monitoring and measuring environmental performance against set targets.
- **Audits and Reviews:** Conducting internal and external audits to assess compliance and identify areas for improvement.

Continuous Improvement

4. Continuous Improvement:
- **Training and Awareness:** Providing ongoing training and awareness programs to employees for promoting the environmental responsibility.
- **Stakeholder Engagement:** Engaging with stakeholders to gather feedback and incorporate their insights into our environmental practices.

Key Environmental Initiatives

F-1 Unit

Solar Park - Bhatpur, Vadodara

Hazardous waste storage area

F-4 Unit

Water Neutrality Initiatives

- Implementing advanced water conservation and recycling technologies to achieve water neutrality.
- Partnering with local communities to support water conservation projects.

Energy Management

- Increasing energy efficiency and expanding the use of renewable energy sources.
- Conducting energy audits to identify opportunities for reducing energy consumption.

Waste Management

- Implementing waste reduction, recycling and responsible disposal.
- Targeting **95% plastic waste recycling by 2026** and expanding initiatives to minimise waste, increase recycling and co-processing/ pre-processing.
- Alembic has a plan for plastic waste recycling through recycler collaboration and EPR partnerships.

Biodiversity Protection

- Engaging in activities that protect and restore natural habitats around our operational sites.

Water Neutrality Initiatives

Achieving water neutrality is at the central focus of our environmental sustainability strategy. We are dedicated to balancing our water consumption with replenishment efforts, ensuring that our operations do not contribute to water scarcity. This section details our key initiatives aimed at achieving water neutrality.

Water Usage and Efficiency Measures

Advanced Water Management Systems

Implementing state-of-the-art water management systems that monitor and optimise water use across all facilities.

Process Optimisation

Continuously improving manufacturing processes to minimise water consumption and eliminate inefficiencies.

Water-Saving Technologies

Utilising water-efficient technologies such as low-flow fixtures, automatic shut-off systems and high-efficiency equipment.

MVR - API-II Unit

Scrubber - API-I Unit

F-3 Unit - RO Plant

Community Water Projects

Local Partnerships

Collaborating with local communities and organisations to support water conservation projects that improve water availability and quality.

Infrastructure Development

Investing in infrastructure such as rainwater harvesting systems, water treatment plants and irrigation systems to support sustainable water use in communities.

Community Water Projects Map

Our community water projects aim to improve water security and health for local communities.

More than 48 Villages

Parekhpura

Jarod

Lilora
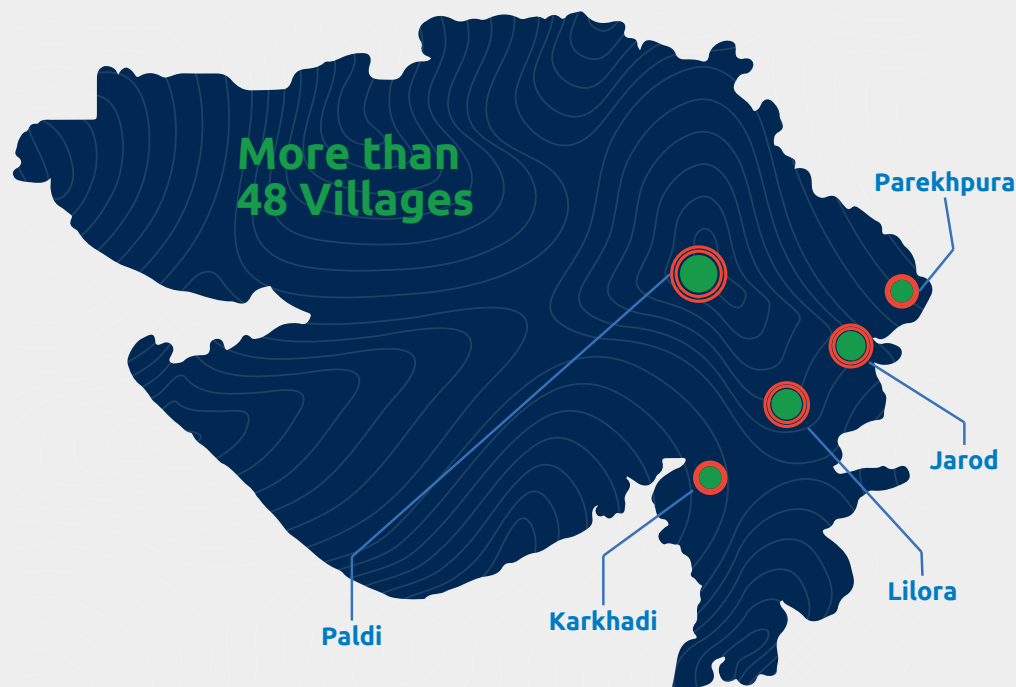
Karkhadi

Paldi

Parekhpura
Dam Stores 63700KL of rainwater annually.

Paldi, Lilora, Karkhadi and Jarod
Water ATMs benefitting **20,000 residents.**

Artificial Recharge Wells
15 wells created this year.

Impact
• **Water Security**: Improved water security for villagers.
• **Groundwater Replenishment:** Enhanced groundwater levels.
• **Community Health**: Better access to clean water, reducing health risks.

Water Footprint Assessment

Comprehensive Assessments

We conduct detailed assessments of our water footprint to understand the impact of our operations on local water resources. These assessments help us to identify areas for improvement and thus implement targeted strategies to reduce water consumption in the operations.

The company has conducted water audits across all its manufacturing facilities and R&D to identify the potential water-saving areas. The relevant infrastructure, such as separate Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs), has been installed to treat and recycle wastewater. Reverse Osmosis (RO) plants at all manufacturing locations also ensure that water and effluents are treated and recycled to the maximum extent possible. No effluents are discharged outside the company, demonstrating Alembic's commitment to water conservation and zero discharge.

Key findings from one of the audits

- **Water Consumption:** The plant's water consumption is primarily for process activities, cooling towers and domestic uses. Specific water consumption for various months, such as **205.1 KL** in March 2023, highlights areas where efficiency improvements are possible.

- **Wastewater Management:** The plant has installed an Effluent Treatment Plant (ETP) with a capacity of **100 KLD** and two Sewage Treatment Plants (STP) with a combined capacity of 40 KLD. Treated water is reused for greenbelt development, reducing the dependency on freshwater.

- **Conservation Measures:** The implementation of **10 Rainwater Harvesting (RWH)** structures has further enhanced water conservation efforts. The plant has also installed a **100 KL rainwater harvesting** tank to store and reuse rainwater during the monsoon season.

Data-Driven Decisions

Utilising data from water footprint assessments to make informed decisions about water management and conservation efforts.

F-1 Unit

Effluent Treatment Scheme of one of the API Unit
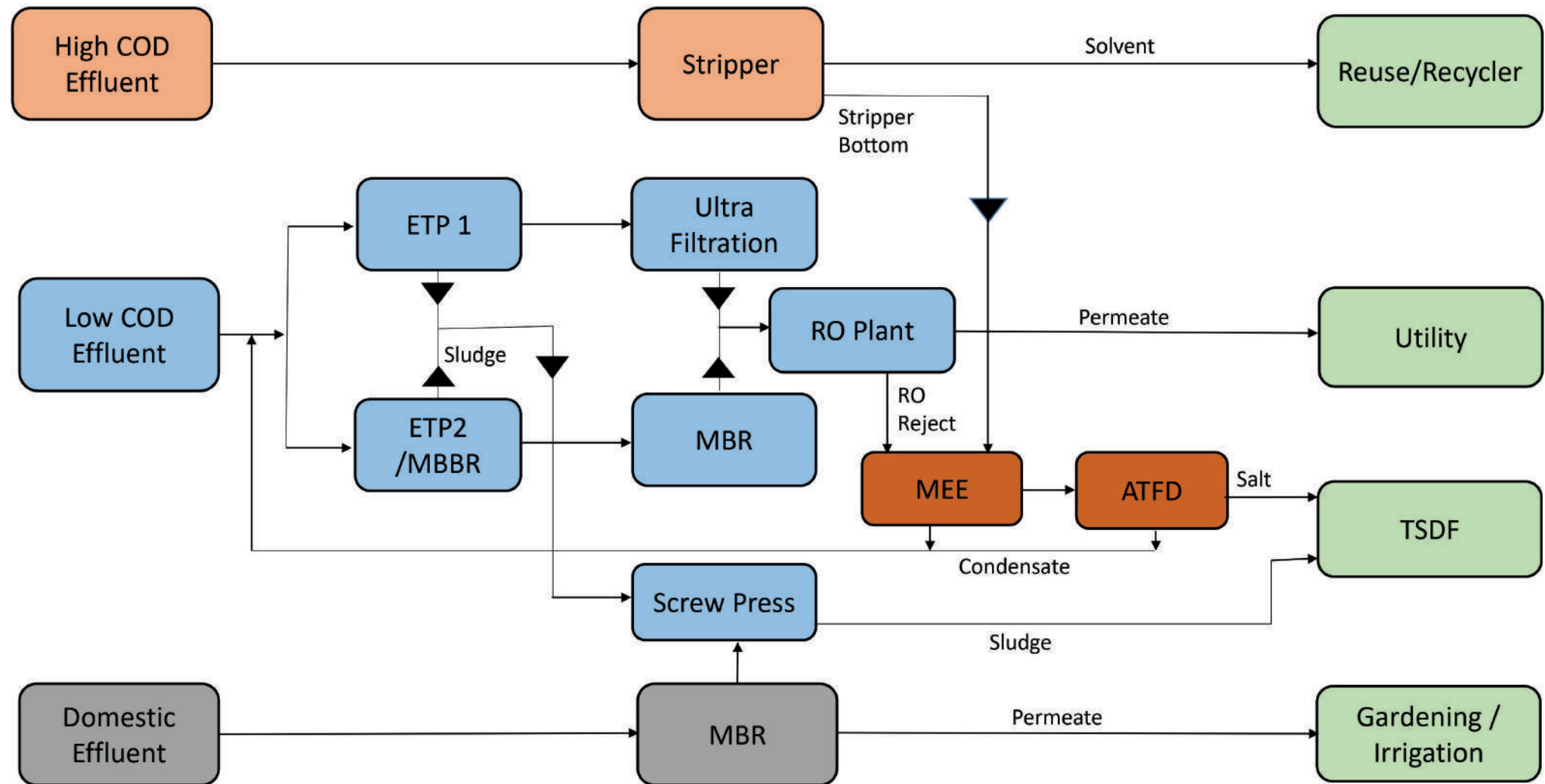
Energy Consumption and Emissions Reduction

Reducing energy consumption and greenhouse gas (GHG) emissions is crucial to our sustainability strategy. Alembic is committed to enhancing energy efficiency, expanding the use of renewable energy sources and minimising our carbon footprint. This section outlines our key initiatives in energy management and emissions reduction.

Alembic's sustainability strategy is reinforced by our commitment to the Science-Based Targets initiative (SBTi), guiding our environmental goals to ensure that we are contributing to global efforts to combat climate change.

These savings were achieved through a multi-faceted approach

- **Power Trading Optimisation**: Alembic buying off-peak power and reselling surplus during peak demand.
- **Energy Efficiency Measures:** The company reduced energy consumption by investing in energy-efficient technologies and practices.
- **Tariff Management**: Alembic optimised energy costs by selecting cost-effective tariffs and aligning usage with favorable periods.
- **Strategic Power Agreements**: Alembic secured long-term PPAs to lock in lower rates and adjust costs based on market trends.
- **Continuous Monitoring and Analysis:** Alembic's dedicated team monitors energy usage and market trends, enabling real-time cost optimisation.

Alembic has implemented several power and steam saving initiatives across its operations, leading to significant energy and cost savings.

Energy Efficiency Initiatives

- **Energy Audits**: Conducting regular energy audits to identify inefficiencies and opportunities for improvement across all facilities.
- **Energy-Efficient Equipment**: Upgrading to energy-efficient equipment and technologies that reduce energy consumption while maintaining operational effectiveness.
- **Process Optimisation**: Optimising manufacturing processes to reduce energy use and enhance overall efficiency.
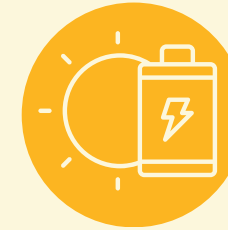
F-4 Unit

## Steam and Energy savings achieved in last 9 years

28 MT/Day

17 MT/Day	API 1
5 MT/Day	API 2
6 MT/Day	API 3

Steam savings equivalent to Rs. 250 Lakhs per year.

12 MW

solar installation was set up at Bhatpur near Vadodara, with plans for an additional 12 MW installation. Aims to achieve Net Zero in line with its **SBTi 1.5°C commitment** and has assessed Scope 3 emissions to develop a comprehensive reduction plan.
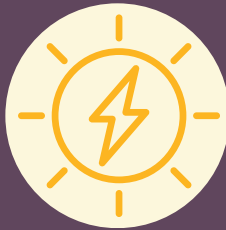
4,700 KWH/Day

equivalent to Rs. 130 Lakhs per year, were achieved through similar energy efficiency measures.

26,000 KWH/Day

in daily savings, translating to Rs. 780 Lakhs per year driven by technological upgrades, such as the installation of VFDs.

23,000 KWH/Day

contributing to Rs. 700 Lakhs per year by focusing on technological improvements and process optimisations.

Emission Reduction Strategies

- **Carbon Footprint Assessment**: Regularly assessing our carbon footprint to measure GHG emissions and identify areas for reduction.

- **Emission Reduction Projects**: Implementing projects aimed at reducing emissions, such as improving energy efficiency, switching to cleaner fuels and optimising logistics.

- **Offsets and Credits**: Investing in carbon offsets and renewable energy projects.

Bar chart: Total Renewable Energy (GJ) by Year. Legend — Solar Energy, Wind Energy, Green Power Through Exchange, Total Renewable Energy. Years: 2020-21, 2021-22, 2022-23, 2023-24.
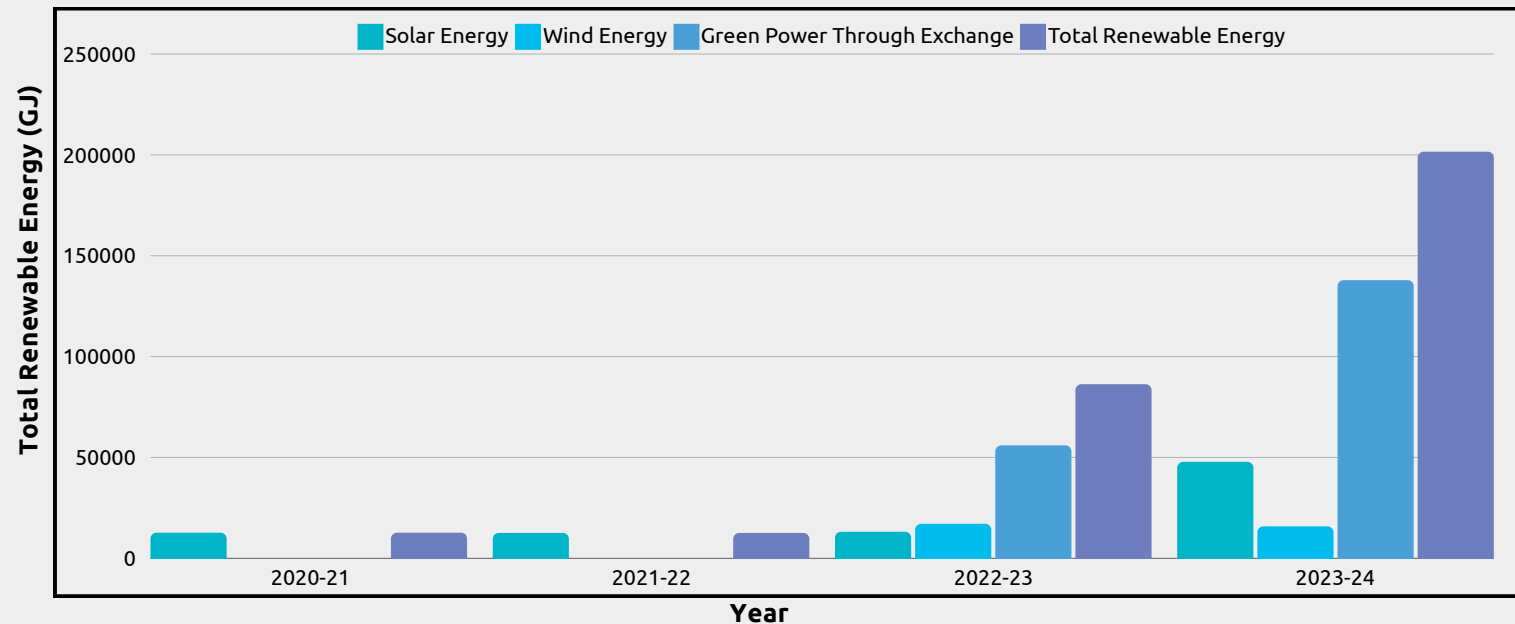
Energy and Steam improvement

| Improvement Type	Details	Energy Savings
High Volume Low Speed (HVLS) Fans	Installed HVLS fans in place of AHU units	1800 kWh/day
Shutting off Non-operational AHU Units	Practice of shutting off non-operational AHU units	1200 kWh/day
Energy Efficient Variable Frequency Drive (VFD) Chillers	Installed VFD in Chillers	1500 kWh/day
High Efficient Cooling Tower	Installed cooling towers with VFD control and temperature controller	Reduction in power consumption
Replacement of High Power Consuming Motors	Replaced conventional motors with International Efficiency (IE-4) motors	10% saving in power consumption
Use of Steam Condensate as Hot Water	Using steam condensate as hot water in manufacturing processes	5 MT/day of steam
Use of Heat Pumps for Hot Water Generation	Utilisation of heat pumps for generating hot water in various applications	5 MT/day of steam
Installation of Motion Sensors and Timers	Motion sensors and timers installed in lighting and air conditioning systems	Reduction in power consumption
Installation of Active Harmonic Filters	Installed active harmonic filters to improve power factor	Reduction in power consumption
Installation of Heat Recovery Unit	Installed post chillers and air compressors to use heat for hot water generation for HVAC systems	8 MT/day of steam and 20 KL/day of cooling tower water

Total Emissions FY 2022-23

Scope Type	Emissions (tCO2e)	
Emissions due to Fuels	79,194	Scope 1
Emissions due to Electricity	83,482	Scope 2
Purchased Goods and Services	454,402	
Capital Goods	12,150	
Fuel- and Energy-related Activities	41,657	
Upstream Transportation and Distribution	29,160	
Waste Generated in Operations	2,841	
Business Travel	9,555	Scope 3
Employee Commuting	36,383	
Upstream Leased Assets	43,042	
Downstream Transportation and Distribution	15,806	
Total Emissions	807,672 tCO2e	

Total Emissions
807,672 tCO2e
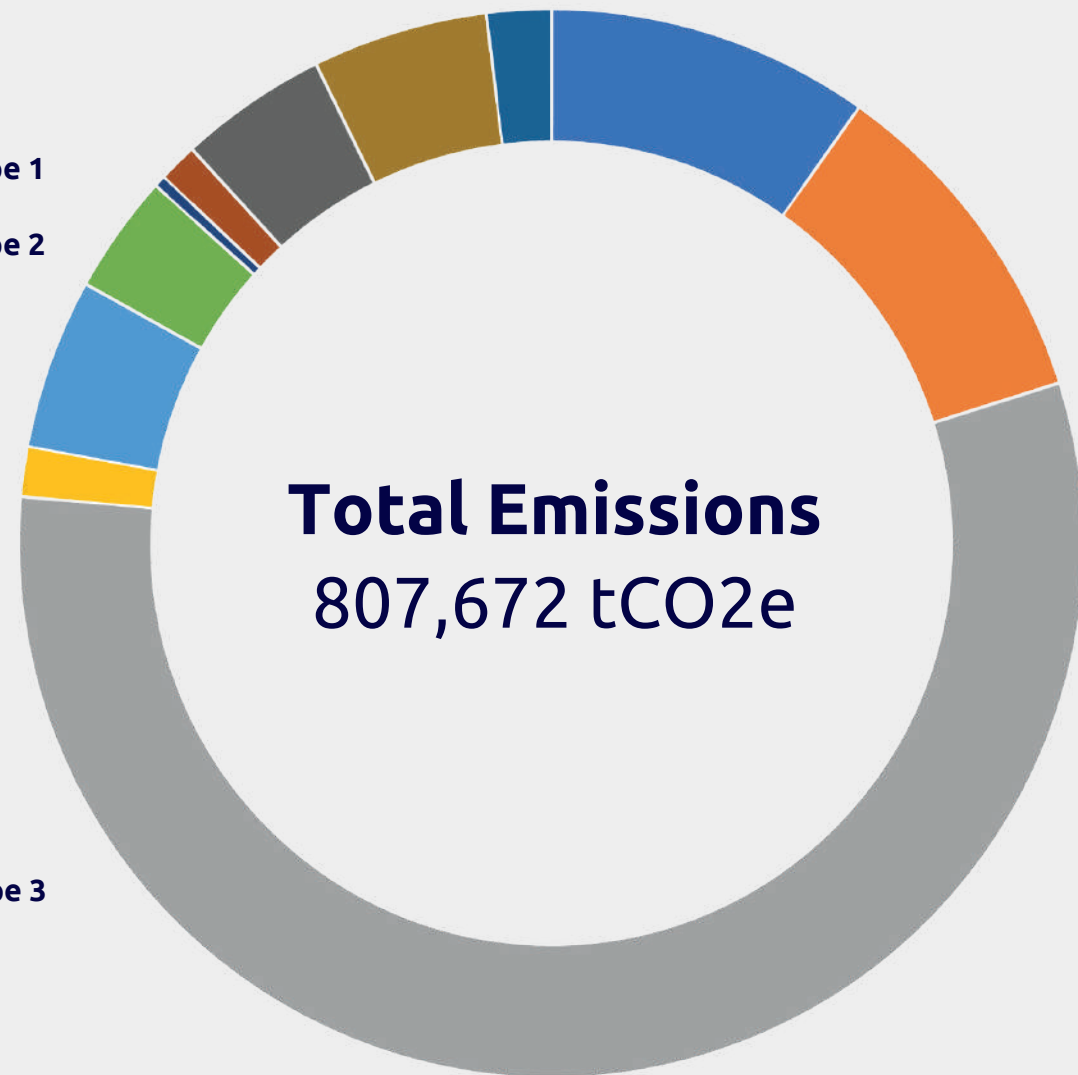
Total Emissions FY 2023-24

Scope Type	Emissions(tCO2e)	
Emissions due to Fuels	86,096	Scope 1
Emissions due to Electricity	67,544	Scope 2
Purchased Goods and Services	532,857	
Capital Goods	35,240	
Fuel- and Energy-related Activities	41,784	
Upstream Transportation and Distribution	35,506	
Waste Generated in Operations	1,502	
Business Travel	11,389	
Employee Commuting	56,299	
Upstream Leased Assets	27,234	Scope 3
Downstream Transportation and Distribution	14,363	
Total Emissions	909,814 tCO2e	

Total Emissions
909,814 tCO2e
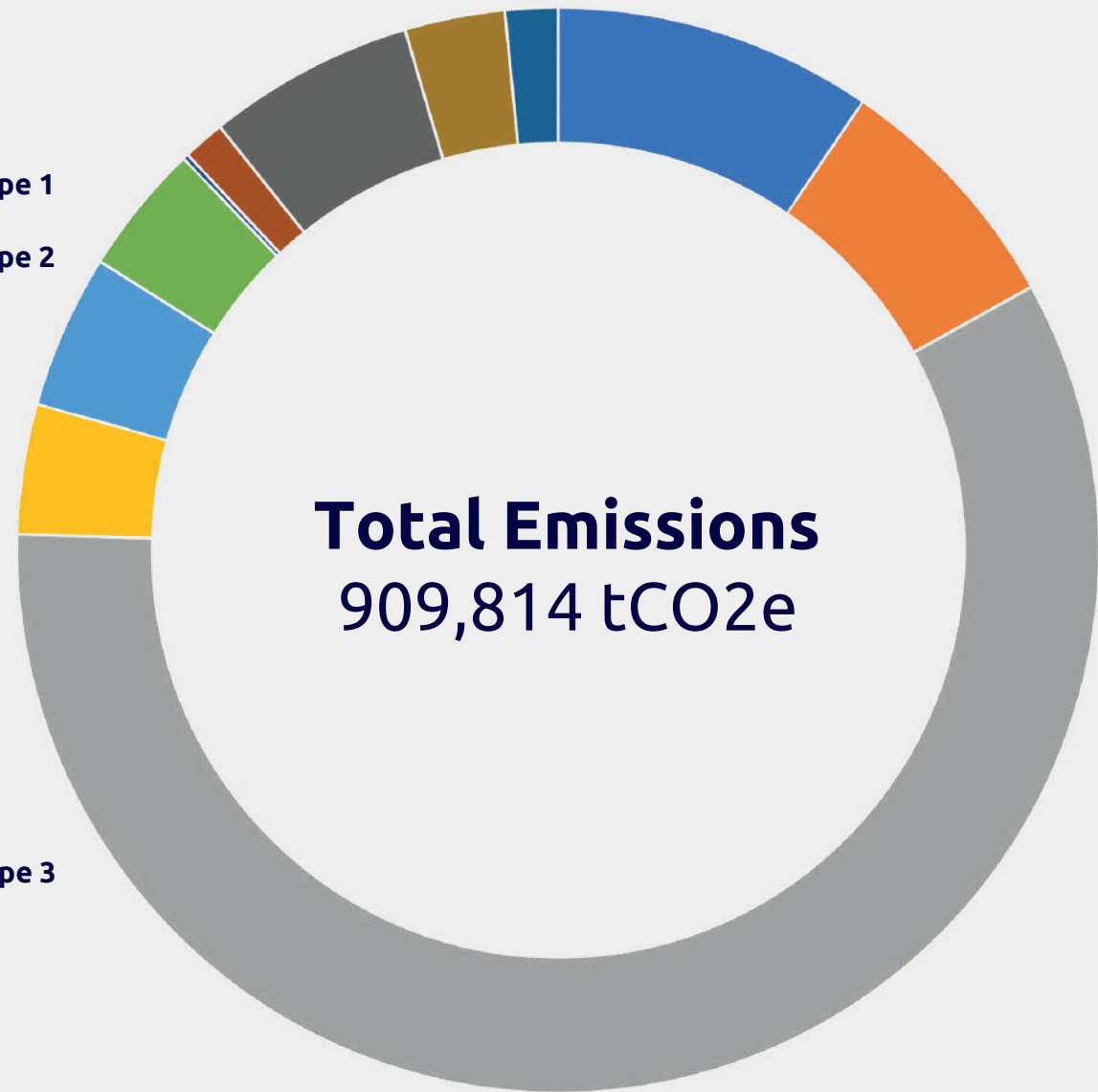
In accordance with to the GHG Protocol, we have included well-to-tank emissions under relevant categories. These emissions, which account for upstream activities such as the extraction, refining and transportation of fuels, typically contribute between **5% to 10%** of the total reported emissions. This inclusion ensures a more accurate representation of indirect emissions associated with our operations, consistent with the GHG Protocol standards for calculating Scope 3 emissions

By continuing to track and reduce our Scope 3 emissions, we aim to significantly lower our overall environmental impact and achieve long-term sustainability goals.

Footprint

Coal: 60,435 tCO2e

Light Diesel Oil: 3,549 tCO2e

HSD: 1,539 tCO2e

Petrol: 35 tCO2e

Diesel in vehicles: 68 tCO2e

Refrigerants: R22, R134a, R410A emissions

Handprint

Renewable energy consumption increased **(55,996 MWh renewable energy).**

Reduction in HSD by **462 tCO2e.**

Reduction in Diesel consumption by **12 tCO2e.**
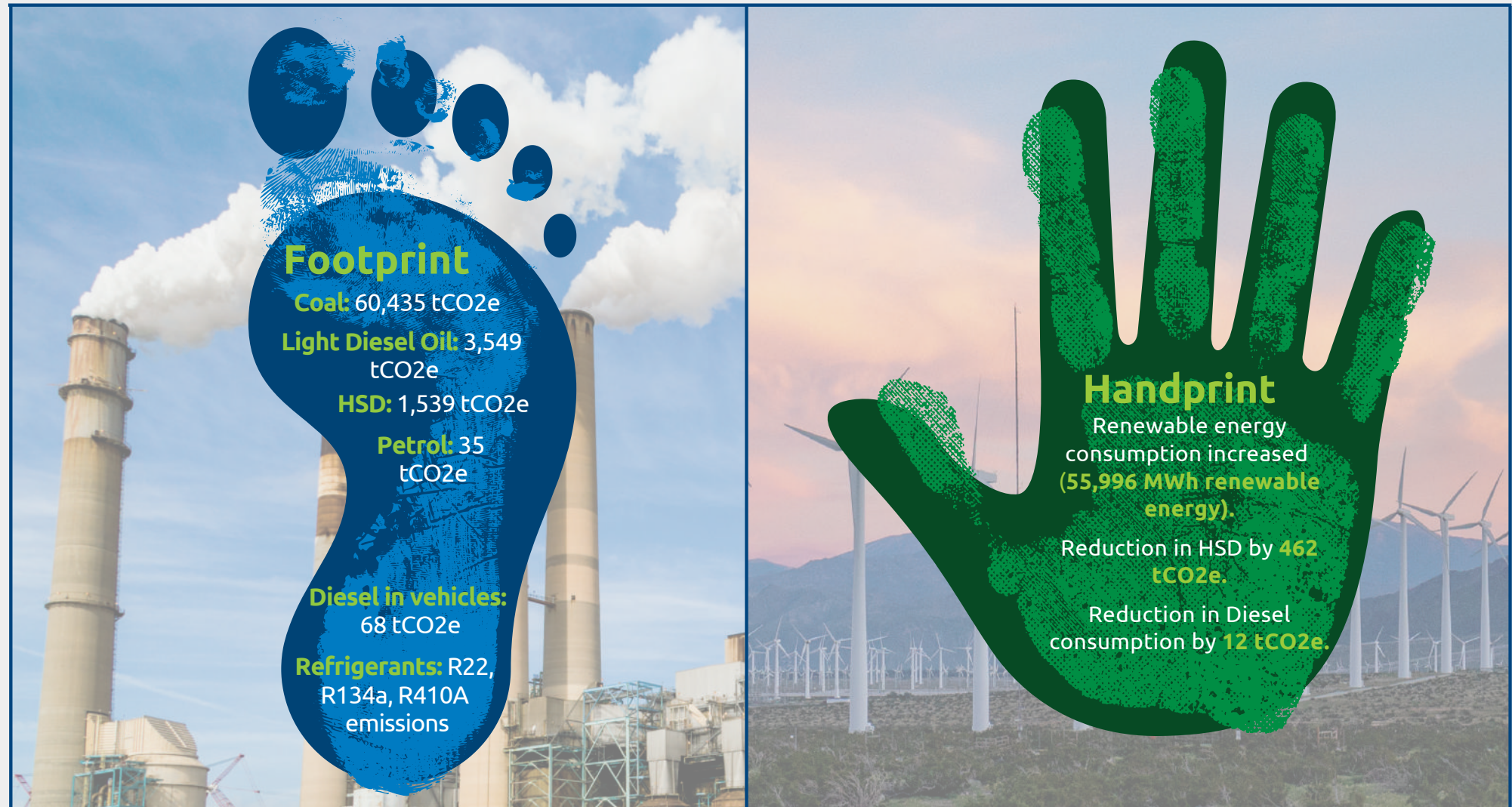
GHG Emissions Data: Scope 3 (Other Indirect Emissions) (GRI 305-3)

At Alembic, we have conducted comprehensive assessments for all relevant sources of our Scope 3 emissions in line with GHG Protocol standards. This ensures that our data reflects the full extent of our indirect emissions and allows us to prioritise reduction efforts where the environmental impact is most significant.

Key Sources of Scope 3 Emissions

- **Purchased Goods and Services**: Emissions from the production of goods and services that Alembic purchases from its suppliers. Our emissions from purchased goods and services have been thoroughly assessed to capture the upstream impacts of our procurement activities.
- **Capital Goods**: Emissions related to the production and transportation of capital goods.
- **Fuel and Energy related Activities**: Emissions from the extraction, production and transportation of fuels and energy purchased and consumed by the company.
- **Upstream Transportation and Distribution**: Emissions from the transportation and distribution of products, raw materials and intermediates before they reach our facilities.
- **Waste Generated in Operations**: Emissions resulting from the disposal and treatment of waste generated in our facilities.
- **Business Travel**: Emissions from employee travel for business purposes.
- **Employee Commuting**: Emissions associated with the transportation of employees between their homes and places of work.
- **Downstream Transportation and Distribution**: Emissions from the transportation of products from our distribution centres to end customers.

Future Commitments

Alembic is committed to reducing Scope 3 emissions across our value chain.

Key focus areas

Supplier Engagement

Collaborating with suppliers to reduce emissions from purchased goods and services.

Logistics Optimization

Enhancing transportation efficiency to reduce emissions from both upstream and downstream logistics.

Waste Reduction

Continuing to improve waste management practices to further reduce emissions from waste generated.

Energy Efficiency

Expanding the use of renewable energy and improving energy efficiency to mitigate fuel- and energy-related emissions.

Waste Management and Recycling Efforts

Waste Minimisation Programs

Establishing programs to reduce waste generation at the source through efficient use of materials and waste prevention practices.

Recycling Initiatives

Enhancing recycling efforts by segregating waste at the source, promoting the use of recyclable materials and partnering with recycling companies for proper disposal and reuse.

Alembic has initiated a drive within its manufacturing operations to segregate mixed waste at the source and separate recyclable materials such as waste liners, PPEs, shoe/head covers, paper and cardboard from general waste. This initiative has fostered a more environmentally conscious culture among employees. Additionally, the company is working on various software solutions to reduce paper waste, including tools like LIMS, EBMR, LMS, WMS, Documentum, TrackWise and its ERP system. Alembic is also implementing ESG software to integrate real-time environmental data from all its sites.

We have CPCB Registration for Plastic Waste Disposal Alembic has been granted registration by the Central Pollution Control Board (CPCB) for the disposal of Multi-Layered Plastic (MLP) and other plastic waste generated from our products. Our plastic waste collection & disposal target the collection and processing of **266 MT** of plastic waste, categorised across various types of plastic materials.

These targets were accomplished through partnerships with registered plastic waste processors, ensuring that waste was responsibly managed and recycled. The company has utilised the CPCB's online portal to track EPR credits and ensure complete transparency in its plastic waste management practices.

Certified Waste Processing: Alembic ensures that all plastic waste is managed by certified plastic waste processors, providing full traceability and compliance with the required standards.

Regulatory Adherence: We strictly comply with the Plastic Waste Management Rules, 2016 and all subsequent amendments, including the prohibition on banned Single-Use Plastics (SUP) as per the 2021 amendments.

AMR Compliance: ZLD status of API units helps us ensuring zero ppm of antibiotics in our treated effluent. Company has taken a programme to ensure no mixing of process effluent into storm water drains. All vents containing anti biotic powders are diverted to bag filters. All date expired medicines are strictly incinerated. The company is highly sensitive to the emerging challenge of Antimicrobial Resistance (AMR) and upcoming regulations. Alembic has taken rigorous steps to ensure that its antibiotic products do not contaminate the environment, maintaining compliance with future regulations.

We are committed to environmental stewardship and have registered with the CPCB. We are working to minimise waste to landfill by expanding our waste initiatives and focusing on waste minimisation, recycling and co-processing/pre-processing.

F-1 Unit

Recycling of Waste

Expand waste initiatives, focusing on waste minimisation, recycling and co-processing/pre-processing to move closer to our goal of reduce waste to landfill.

Year	Total Waste Generated (MT)	Non-Hazardous Waste (MT)	Hazardous Waste (MT)	Waste to Landfill (MT)	Recycled + Reuse Waste (MT)	Recycling Rate (%)
2020-21	24,264	2,048	22,216	1,673	10,483	43.21
2021-22	17,384	1,441	15,943	3,732	8,017	46.12
2022-23	24,485	1,612	22,873	3,731	14,073	57.48
2023-24	30,322	3,342	26,980	4,281	15,974	52.67

F-1 Waste Area

Waste Management and Recycling Efforts

Effective waste management and recycling are critical components of our environmental sustainability strategy. Alembic is committed to minimising waste generation, maximising recycling and ensuring the responsible disposal of waste to reduce our environmental footprint.

Solvent Recovery

Alembic has enhanced its solvent recovery plant efficiencies, leading to significant savings. The company has improved its stripper efficiencies to boost the quantity and quality of recycled solvents.

Solvent recovery is a critical area for Alembic's operations. During FY24, the company strengthened its efforts to improve the efficiency of its solvent recovery plants and strippers. This led to significant increases in the proportion of recycled solvents and substantial cost savings for the company.

Waste Minimisation Programs

Source Reduction: Implementing measures to reduce waste generation at the source. This includes optimising material use, improving process efficiencies and adopting lean manufacturing principles.

Employee Training: Conducting regular training programs for employees to raise awareness about waste minimisation practices and encourage participation in waste reduction initiatives.

Solid Waste Management

Alembic uses a **5R strategy (Reduce, Reuse, Recycle, Recover, Rethink)** for waste management. The company has installed screw presses in its ETPs to compact sludge, which is then sent to designated landfills. High calorific value waste is utilised by cement manufacturers and e-waste is sent to authorised recyclers.

REUSE REDUCE RECYCLE

Waste Reduction Initiatives Chart

Waste Type	FY 2022-23 (MT)	FY 2023-24 (MT)	Amount Reduced (MT)
E-waste (B)	4	1	3

Recycling Initiatives

- **Segregation at Source**: Ensuring that waste is properly segregated at the source to facilitate efficient recycling. This includes providing designated bins for different types of waste and training employees on proper waste segregation.
- **Partnerships with Recycling Companies**: Collaborating with certified recycling companies to ensure that recyclable materials are processed and reused effectively. This includes paper, plastics, metals and electronic waste.

Hazardous Waste Recycling Rates (GRI 301-1, 306 3,4,5)

Year	2022-23	2023-24
E-waste Generated (MT)	4	2
E-waste Recycled (MT)	4	2
E-waste Recycling Rate (%)	100	100
Battery Waste Generated (MT)	4	13
Battery Waste Recycled (MT)	4	13
Battery Waste Recycling Rate (%)	100	100
Hazardous Waste Generated (MT)	22,843	26,942
Hazardous Waste Recycled (MT)	12,460	12,633
Hazardous Waste Recycling Rate (%)	54	46

Minimise Waste to Landfill Goal

Expand waste initiatives, focusing on waste minimisation, recycling and co-processing/pre-processing to move closer to our goal of reduce waste to landfill.

Year	Total Waste Generated (MT)	Total Waste to Landfill (MT)	% Waste to Landfill	Milestones Achieved
2022-23	24,485	3,731	15.24	Initiated reduction Waste to Landfill Program
2023-24	30,322	4,281	14.12	Improved waste segregation and recycling

Hazardous Waste Management

Safe Disposal: Partnering with certified hazardous waste disposal companies to ensure that hazardous waste is treated and disposed of in an environmentally safe manner.

Strict Compliance of all Hazardous Waste Disposal Sites by Alembic: Ensuring strict compliance with all regulations related to the handling, storage and disposal of hazardous waste. This includes regular audits and inspections to ensure safe practices.

Step	Description	Actions Taken	Responsible Department
1. Waste Generation	Generation of hazardous waste	Identification and classification of hazardous waste	Responsibilities divided amongst many teams
2. Waste Collection and Segregation	Collection and segregation of hazardous waste at source	Sent to hazardous waste storage area with disposal slip	EHS Team
3. Waste Transportation	Safe transportation to storage/processing site	Use of licensed waste transporters	EHS Team
4. Waste Storage	Temporary storage of hazardous waste	Secure and designated storage facilities	EHS Team
5. Waste Disposal	Final disposal of hazardous waste	Incineration, landfilling, or other approved methods	EHS Team
6. Record Keeping	Documentation of waste management activities	Maintain records of waste generation, treatment and disposal	EHS Team
7. Reporting	Reporting to regulatory authorities	Submit regular reports as per legal requirements	EHS Team

Innovative Solutions

Waste Reduction at community level: Exploring and adopting innovative waste management solutions such as composting organic waste, converting waste to energy and utilising industrial symbiosis where waste from one process becomes a resource for another.

Suposhan

Shiksha Setu Initiative

Social Responsibility

Employee Welfare and Engagement (GRI 2-8, GRI 401-2)

At Alembic, our employees are our most valuable assets. We are committed to fostering a supportive, inclusive and engaging workplace that promotes the health, safety and well-being of our employees.

In addition to our full-time employees, Alembic engages with various non-permanent workers such as, Contractors: Specialists who provide short-term project support.

This section outlines our key initiatives aimed at enhancing employee welfare and engagement. Health and Safety Initiatives:

- **Comprehensive Safety Programs**: Implementing robust health and safety programs to ensure a safe working environment. This includes regular safety training, risk assessments and the provision of personal protective equipment (PPE).
- **Health Screenings:** Offering regular health screenings and medical check-ups to monitor and promote the well-being of our employees.
- **Mental Health Support:** Providing mental health support, including counselling services and stress management programs, to support the psychological well-being of our workforce.

100%

Participation in Health and Mental Health Programs in FY 2023-24 ensures Alembic Prioritising Employee Well-being

Employee Engagement Programs

Training and Development: Offering continuous learning and development opportunities to help employees enhance their skills and advance their careers. This includes technical training, leadership development programs and access to online learning platforms.

Employee Feedback Mechanisms: Establishing platforms for employees to provide feedback and suggestions. This includes regular surveys, suggestion boxes and town hall meetings.

As part of our commitment to transparency and fostering open communication, Alembic holds regular Town Hall meetings across all units to ensure dialogue and engagement with our teams. These sessions provide a platform for employees to voice their concerns, engage with leadership and receive updates on the company's performance and future direction. For instance, the Town Hall at ARC Hyderabad saw active participation and open discussions between employees and senior leadership, fostering a culture of inclusivity and responsiveness.

Recognition and Rewards: Implementing recognition and reward programs to acknowledge and celebrate employee achievements and contributions.

At Alembic, we value the contributions of our scientists to the company's innovation and growth. Through the **'Scientist of the Quarter'** program, we recognise and celebrate the achievements of individuals driving research and development. This initiative has strengthened our innovation culture by motivating scientists to push the boundaries of their work.

Participation Rate (%)	FY 22-23	FY 23-24
Training & Development (Health & Safety)	100.00	100.00
Skill Upgradation for Permanent employees	0.17	8.18

Diversity and Inclusion

Inclusive Policies: Developing and implementing policies that promote diversity and inclusion in the workplace. This includes anti-discrimination policies, equal opportunity practices and support for underrepresented groups. All employees are provided with fair and equitable employment contracts.

During the celebration of **International Women's Day 2024**, Alembic organised events across multiple locations, including wellness sessions, fun activities and collaborative workshops. These events promoted camaraderie, bonding and the well-being of women employees. Such initiatives underscore our commitment to foster a diverse and inclusive work environment, where every voice is valued.

Employee Resource Groups: Supporting the formation of employee resource groups that provide a platform for employees to connect, share experiences and promote diversity and inclusion initiatives.

Cultural Competency Training: Offering training programs to enhance cultural competency and foster an inclusive work environment where all employees feel valued and respected.

### Parental Leave, Return to work and Retention rates (GRI 410-3)

Category	Return to Work Rate (%)	Retention Rate (%)
Employees	95.62	85.00
Permanent Workers	100.00	NA

Health and Safety Metrics Table

Year	Incident Rates (LTIFR per million hours)	Total Recordable Injuries	Fatalities	Health Screening Participation(%)
2022-23	Employees: 0.08, Workers: 0.00	Employees: 32, Workers: 27 (Including minor Injuries)	Employees: 0, Workers: 0	100
2023-24	Employees: 0.00, Workers: 0.04	Employees: 0, Workers: 1	Employees: 0, Workers: 0	100

Diversity and Inclusion Metrics Table (GRI 2-7)

FY 2022-2023 (Individuals)

Total: 14,071
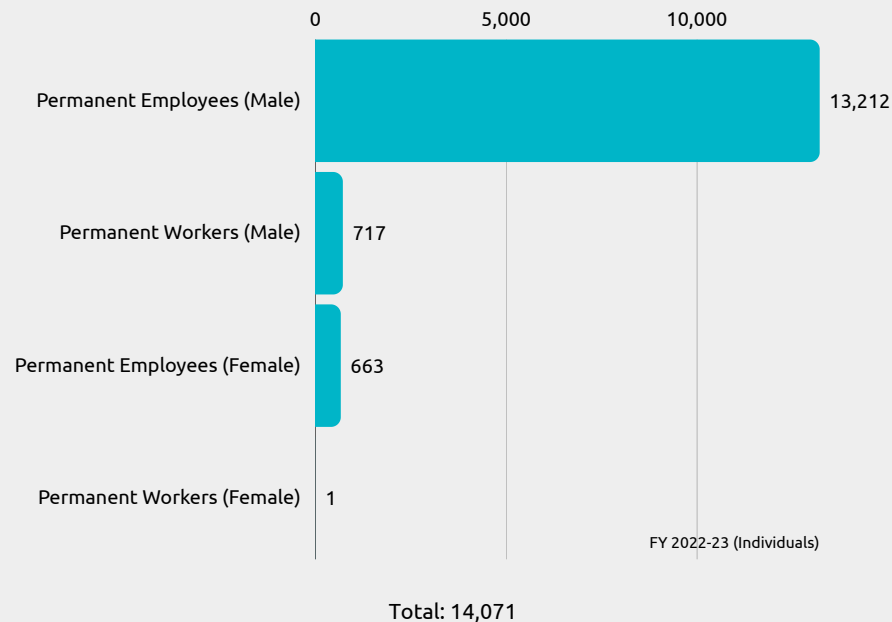
FY 2023-2024 (Individuals)

Total: 14,858
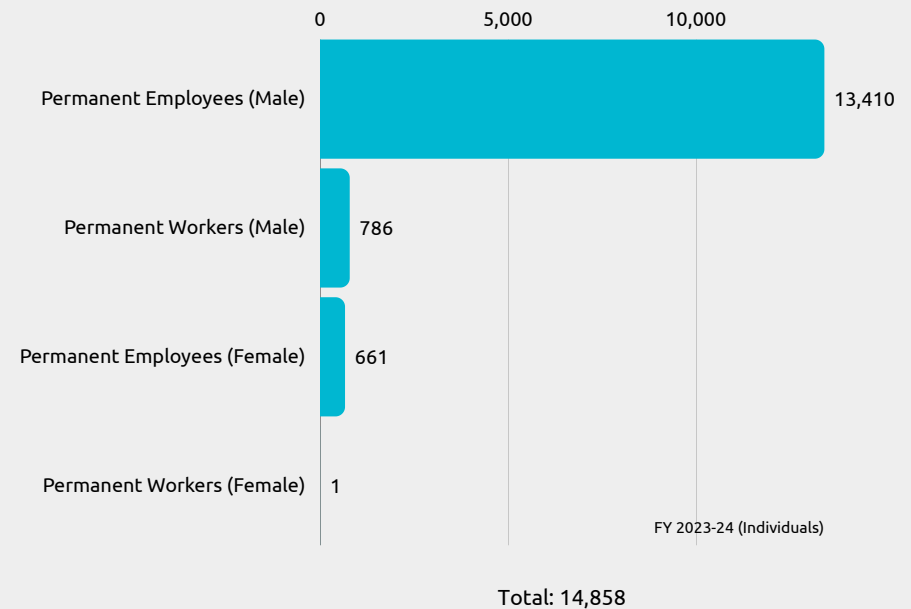
Year	Total Employees	% Female Employees	Female in Leadership Roles (%)
2022-23	14,071	4.78	Board of Directors: 11.11, Key Management Personnel: 0
2023-24	14,858	4.70	Board of Directors: 9.09, Key Management Personnel: 100

Employee Wellness Programs

Comprehensive Wellness Programs

Providing a range of wellness programs that support **physical, mental and emotional health**. This includes fitness challenges, nutrition workshops and mindfulness sessions.

Recognising the importance of physical health and team spirit, Alembic conducts annual sports initiatives, such as the **2024 Annual Sports event**. These initiatives encourage teamwork, promote employee well-being and foster a sense of unity across the organization, contributing to a healthier, more engaged workforce.
Alembic also encourages cross-functional collaboration through initiatives such as **'Team Link'**. The Hyderabad R&D team visited Vadodara for a series of sessions aimed at knowledge sharing and team building. This initiative reinforced communication across departments and enhanced collaboration between our R&D teams and operations, driving operational excellence.

Flexible Work Arrangements

Offering flexible work arrangements, such as remote work options and flexible hours, to help employees achieve a better work-life balance for some of the facilities.

Workplace Amenities

Enhancing workplace amenities to promote well-being, such as **healthy cafeteria options and relaxation areas**. This includes providing **creche facilities**, ensuring employees with young children have access to reliable childcare services within or near the workplace, helping them balance work and family responsibilities more effectively. Additionally, the company offers a healthy cafeteria, which serves nutritious and balanced meal options to support the physical health and wellness of employees. These initiatives aim to foster a more supportive and health-conscious work environment, contributing to overall employee satisfaction and productivity.

Employee Wellness Participation Chart

Category	FY 22-23					FY 23-24				
	Health Insurance	Accident Insurance	Maternity Benefits	Paternity Benefits	Day Care Facilities	Health Insurance	Accident Insurance	Maternity Benefits	Paternity Benefits	Day Care Facilities
Permanent Employees(%)	100.00	100.00	4.45	0.00	100.00	100.00	100.00	4.70	38.84	100.00
Permanent Workers(%)	100.00	100.00	0.00	0.00	0.00	100.00	100.00	0.13	99.87	100.00

Health and Safety initiatives

Year	Health Support Program	Impact on Employee Well-being
2023-24	**Employee Assistance Program**	Working in partnership with Human Resources, Employee Assistance Programs are delivered through Zoom sessions, alongside ongoing training for both office and field employees throughout the financial year
	Counselling Services	Counselling session are conducted by HR and EHS as and when any concerns are raised by the employees
	Stress Management Workshops	Employee engagement activities are conducted for employees

Fire fighting training at F-2 Unit

Safety Culture

Safety Committees

Established safety committee includes representatives from various departments. These committees are responsible for monitoring safety practices, addressing concerns and promoting a culture of safety.

Incident Reporting Systems

Implementing robust incident reporting systems that encourage employees to report safety incidents and near-misses without fear of retaliation. This helps in identifying trends and implementing corrective actions.

Safety Campaigns

Running regular safety campaigns to raise awareness about specific safety issues and promote a culture of vigilance and responsibility.

Accident/Incident Trends and Safety Initiatives

Alembic has seen a notable improvement in safety performance metrics, thanks to our focused safety initiatives and continuous monitoring.

Accident and Incident Trends:

- **Severe Incidents:** Severe accidents were reduced significantly, with only 1 incident reported in during 2023-24, compared to 4 incidents in the previous year.

Safety Initiatives:

- **EHS Portal Implementation:** Rolled out across all sites, the EHS portal has enhanced the tracking of safety observations and CAPA (Corrective and Preventive Actions). Over 10,000 safety observations were recorded in 2023-24, with **11% increase** from the previous year.
- **"Best Safety Plant" System:** This initiative has engaged 100% of the employees at the sites, leading to a 15% improvement in safety compliance scores.

Mental Health Support

Counselling Services

Offering confidential counselling services to support employees' mental health and well-being. This includes access to licensed counsellors and mental health professionals.

Stress Management Programs

Implementing stress management programs, including workshops, mindfulness sessions and relaxation techniques, to help employees manage work-related stress.

Employee Assistance Programs (EAPs)

Providing EAPs that offer resources and support for a range of personal and professional issues, including mental health, financial planning and family care.

Our commitment to employee welfare and engagement is integral to our success. By fostering a safe, inclusive and supportive workplace, we empower our employees to thrive and contribute to the company's goals.

Mock Drill

Community Engagement and Development Projects

Alembic is dedicated to making a positive impact on the communities where we operate. We engage with local communities through various development projects that promote health, education and environmental sustainability.

The Rural Development Society, established in 1979, is a vital part of Alembic's social responsibility efforts. It is designed to promote sustainable economic development in rural areas by providing opportunities for self-employment and income generation.

Objectives

- **Economic Empowerment**: The initiative empowers villagers to become self-reliant by developing income-generating opportunities and strengthening their entrepreneurial skills.
- **Education and Healthcare**: The Rural Development Society also ensures that essential services such as education and healthcare are accessible to local communities, offering schools, hostels and medical facilities.

Over the years, the Rural Development Society has had a profound impact on the lives of countless individuals in rural areas. Through its efforts, Alembic has made significant strides in fostering sustainable development and improving the living standards of these communities.

Health Initiatives

- **Medical Camps**: Organising free medical camps to provide healthcare services to underserved communities. These camps offer general health check-ups, specialised consultations and essential medicines.
- **Health Awareness Programs**: Conducting health awareness programs to educate communities about preventive healthcare, hygiene and nutrition. These programs aim to empower individuals with knowledge to lead healthier lives.
- **Support for Local Healthcare Facilities**: Providing support to local healthcare facilities through donations of medical equipment, supplies and infrastructure improvements.

Health Initiatives Impact Table

Year	Number of Medical Camps Organised	People Served	Number of Health Awareness Programs Conducted
2022-23	341	15,470	1,168
2023-24	334	12,991	1,116

Mobile Health Checkup

Shiksha Setu

Stitching Unit

Shiksha Setu

Health Initiatives Impact Table

Initiative	Details
Health - Swasthya Setu	Benefited 58,000+ individuals in 28 neighbourhood villages
	Conducted 9,391 Village OPDs
	Issued 23,625 Ayushman Cards
	Organised 1,100+ Health Awareness Programs in FY 2023-24
	Provided medical care to 10,000+ patients in FY 2023-24
	55,000+ beneficiaries reached through Medical Camps since 2021
Suposhan Initiative	Reached 16,145 beneficiaries across 26 neighbourhood villages
Health Awareness Programs	Emphasis on breast screening camps for in urban and rural areas in FY 2024-25
Future Health Targets	Targeting 58,000 beneficiaries in 28 villages for FY 2024-25
	Expanding medical camps and health awareness programs further

Safety Campaign Impact Table (GRI 403-1,2,3,4,5)

Year	Campaign Name	Topics Covered	Improvements in Safety Metrics
2022-23	PPE Compliance Campaign	Importance of PPE	Increased PPE compliance and decreased injuries
2022-23	Safety Training Programs	Health & Safety Procedures	Improved safety awareness and reduction in incident rates
2023-24	Emergency Preparedness Drills	Emergency Response Procedures	Enhanced preparedness and reduced response times
2023-24	Hazard Identification Workshops	Identifying and Reporting Hazards	Improved hazard reporting and reduction in high-risk activities

Educational Programs

- **School Support**: Supporting local schools by providing educational materials, scholarships and infrastructure improvements. This includes building classrooms, libraries and sanitation facilities.

- **Teacher Training**: Offering training programs for teachers to enhance their skills and improve the quality of education. These programs focus on modern teaching methods, subject-specific training and leadership development.

- **Student Engagement**: Organising extracurricular activities, workshops and competitions to encourage student engagement and holistic development.

Year	Number of Schools Supported	Number of Teachers Trained	Number of Students Benefited
2022-23	16	27	2725
2023-24	20	34	3861

ARC Library

Initiative/Program	Details
Sports Initiative	5,000 children from 28 schools participated in various sports activities
	1,000 youth from 19 schools benefited through Alembic Sports Initiative
	Promoting Fitness, organising Summer Sports Training Camps for 1,500+ youth/adults with 28 schools benefitting 5,000+ children
SEWA (Supporting Enablement & Wellbeing Action) Initiative	500 children supported for education, health and livelihood through SEWA
	Support provided to 53 children suffering from Thalassemia
Education Initiative	340 students from 15 villages benefitted through Vikas Vidyalaya
	1,500+ students benefited through Mobile Science Lab
	883 students in 15 schools benefited through Shiksha Setu
	Free residential and food facility for 200 underprivileged boys
	Target of 360 students from 15 neighbourhood villages with activities such as Child Parliament and child counselling
	1,200 students from 19 schools through Shiksha Setu initiative
Livelihood	45,380 beneficiaries in 27 neighbourhood villages through Sustainable Agriculture (Farmers' Empowerment Project)
	33% increase in Farmers' contribution in FY 2023-24
	7,500+ vaccinations through Animal Husbandry
	Livestock Project implemented in 7 villages
Shiksha Setu – Mobile Science Lab	Proposed target of 1,200 students from 19 schools through the Shiksha Setu initiative
Vikas School	151 students appeared for the SSC and HSC exams
Anjani Program	1,550 students will benefit through the Anjani Program – Advocacy on Education and regular Science Sessions in Schools and Communities

Environmental Sustainability Projects

- **Tree Planting Drives:** Conducting tree planting drives to improve local green cover and promote biodiversity. These initiatives involve community participation and awareness about the importance of Green belt. Alembic has set an ambitious target to plant 50,000 trees by 2027 and 1 lakh by 2029 using the Miyawaki technique. This method allows for dense, native forests to grow quickly in small spaces. The company successfully developed a sample forest of 7450 trees and plans to expand this to 1 lakh trees over the next five years, significantly reducing its carbon footprint and improving the surrounding environment.

- **Water Conservation Projects**: Implementing water conservation projects, such as rainwater harvesting systems and watershed management, to improve water availability and quality in local communities.

- **Clean-Up Campaigns**: Organising community clean-up campaigns to promote environmental cleanliness and waste management. These campaigns involve cleaning public spaces, raising awareness about littering and promoting recycling.

API-II Unit - Miyawaki

Environmental Projects Impact Chart (GRI 301-1)

Project Type	Indicator	Measurement Unit	Total Quantity
Tree Plantation	Number of trees planted	Trees	25,450
Water Conservation Projects	Number of projects implemented	Projects	102 recharge wells
Energy Conservation	Amount of energy saved	Kilowatt-hours (kWh)	Through various initiatives 54,500 kWh/day saved across API Units so far
Community Engagement	Number of participants in environmental activities	Participants	41,538 individuals impacted through healthcare program, 12,000+ through nutritional program

Economic Development

- **Skill Development Programs**: Offering skill development programs to enhance employability and entrepreneurship among community members. These programs focus on vocational training, financial literacy and business development.

- **Support for Local Businesses**: Providing support to local businesses through mentorship, access to resources and market linkages. This helps in promoting economic self-reliance and growth.

- **Infrastructure Development**: Investing in community infrastructure projects, such as sanitation facilities and community centers, to improve the quality of life and economic opportunities.

Our community engagement and development projects are a testament to our commitment to social responsibility. By focusing on health, education, environmental sustainability and economic development, we strive to create positive and everlasting impacts in the communities we serve.

API-II New Building

Economic Development Impact Summary (GRI 403-1)

Project Type	Indicator	Measurement Unit	Total Quantity
Skill Development Programs	Total women engaged	Individuals	12
	Bags stitched	Bags	43,000
	Average income per person	INR	4266
	Training participants	Individuals	181
	Income generation activities	Individuals	63
	Training on sustainable agriculture	Individuals	250
Support for Local Businesses	Farmers engaged in direct marketing	Farmers	5
	Capacity building programs	Programs	10
	Labor saving tools distributed	Tools	26
	Farmers with QR code profiles	Farmers	3
	Drone demonstrations conducted	Villages	26
	Women auto drivers identified	Individuals	7
Infrastructure Development Projects	Mycorrhiza constructed	Packets and Tonnage	Packets : 275 Tonnage : 400
	Distributed Improved Variety Seed	Households	2550
	Water ATMs installed	ATMs	7
	Residents benefitted by water ATMs	Individuals	20,000
	Toilets constructed	Toilets	2,300

Diversity and Inclusion Policies

At Alembic, we believe that a diverse and inclusive workplace fosters innovation, enhances employee engagement and drives better business outcomes. Our diversity and inclusion policies are designed to create a supportive and equitable environment where all employees feel valued and empowered to contribute to their fullest potential.

Inclusive Workplace Policies (GRI 2-19)

- **Anti-Discrimination Policy**: Enforcing a strict anti-discrimination policy that prohibits any form of discrimination based on race, gender, age, disability, religion, sexual orientation, or any other protected characteristic.
- **Equal Opportunity Employment**: Committing to equal opportunity in all aspects of employment, including hiring, promotion, compensation and training. We ensure that all employment decisions are based on merit and qualifications.

Median Salary

1. **Male employees** (excluding BoD, KMP and workers): **Rs. 6,39,176**
2. **Female employees** (excluding BoD, KMP and workers): **Rs. 5,50,000**

Total Remuneration/Salary Ratio (Women to Men)

0.86:1

New Employee Hires: (GRI 401-1)

Metric	FY 2022-23	FY 2023-24
Total New Hires	4725	5500
By Age Group		
<30 years	3663	4173
30-50 years	1044	1254
>50 years	18	73
By Gender		
Male	4528	5042
Female	197	458

Employee Turnover

Metric	FY 2022-23	FY 2023-24
Total Turnover	3559	4356
By Age Group		
<30 years	2353	2906
30-50 years	1160	1371
>50 years	46	79
By Gender		
Male	3347	4117
Female	197	239

Training and Development

At Alembic, we believe that a diverse and inclusive workplace fosters innovation, enhances employee engagement and drives better business outcomes. Our diversity and inclusion policies are designed to create a supportive and equitable environment where all employees feel valued and empowered to contribute to their fullest potential.
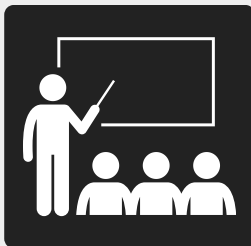
Cultural Competency Training:
Offering training programs that enhance cultural competency and promote understanding and respect among employees. These programs cover topics such as unconscious bias, cross-cultural communication and inclusive leadership.

Leadership Development
Providing leadership development programs that emphasise the importance of diversity and inclusion in effective leadership. These programs aim to equip leaders with the skills to foster an inclusive work environment.

Diversity and inclusion chart

Category	FY 2022-23 (Individuals)	FY 2023-24 (Individuals)
Permanent Employees (Male)	13,212	13,410
Permanent Employees (Female)	663	661
Permanent Employees (Total)	13,875	14,071
Permanent Workers (Male)	717	786
Permanent Workers (Female)	1	1
Permanent Workers (Total)	718	787
Non-Permanent Workers (Male)	2,006	2,427
Non-Permanent Workers (Female)	41	99
Non-Permanent Workers (Total)	2,047	2,526
Differently-Abled Employees (Male)	10	4
Differently-Abled Employees (Female)	2	2
Differently-Abled Workers (Male)	1	2
Differently-Abled Non-Permanent Workers (Male)	0	9

Diversity and Inclusion Training

14,858
Number of permanent employees + workers

100%
Workforce trained

Employee Participation & Feedback

- **Work-Life Balance:** Supporting flexible work arrangements that help employees balance their personal and professional lives. This includes options such as remote work, flexible hours and job sharing.
- **Family-Friendly Policies:** Implementing family-friendly policies, such as parental leave, childcare support and eldercare assistance to support employees with caregiving responsibilities.

Flexible Work Option	Availability	Employees Utilising
Flexible Hours	Yes	Corporates, ARCs, BEs, R&D Inj, HYD, Mumbai office only. Not applicable for Manufacturing sites.

Employee Feedback and Improvement (GRI 2-20)

- **Regular Surveys:** Conducting regular employee surveys to gather feedback on diversity and inclusion efforts and identify areas for improvement. These surveys help us understand employee perceptions and experiences, guiding our future initiatives.

- **Continuous Improvement:** Committing to continuous improvement by regularly reviewing and updating our diversity and inclusion policies and practices based on feedback and evolving best practices.

Employee Review Participation

Annual assessment ratio (GRI 2-21, 404-3)	Value
Percentage of Employees Reviewed Annually	100%
Total Employees and Workers Reviewed	14,858

Employee Feedback Results

Area of Focus	Key Findings
Overall Perception	Generally positive responses
Overall Perception	Room for improvement in understanding diversity
Leadership Support	Strong support at executive levels
Leadership Support	Desire for more visible commitment
Inclusive Culture	Positive feedback on team dynamics
Inclusive Culture	Suggestions for enhancing inclusivity training
Career Development	Mixed responses on equal opportunities
Career Development	Calls for more structured advancement pathways
Feedback Mechanisms	Satisfaction with current feedback channels
Feedback Mechanisms	Requests for anonymous options for sensitive issues

Conclusion

Our diversity and inclusion policies are integral to creating a workplace where every employee feels respected, valued and empowered. By promoting diversity, fostering inclusion and supporting work-life balance, we are building a stronger, more innovative and more successful organisation.

Economic
Performance

Economic Performance

Alembic is dedicated to achieving robust financial performance while integrating sustainability into our business operations. Our approach ensures long-term value creation for our stakeholders, including investors, employees, customers and the communities we serve. This section outlines our key financial achievements and how sustainability is embedded in our economic strategies.

Key Financial Highlights

- **Revenue Growth**: Achieving consistent revenue growth year-over-year through strategic market expansion, innovative product development and efficient operations.

- **Profitability**: Maintaining strong profitability by optimising cost structures, enhancing operational efficiencies and delivering high-quality products.

- **Investment in R&D**: Allocating a significant portion of our revenue to research and development to drive innovation and ensure a pipeline of new and improved pharmaceutical products.

Sustainable Business Practices

Resource Efficiency: Implementing resource-efficient practices that reduce costs and minimise environmental impact. This includes energy-saving measures, water conservation and waste reduction initiatives.

Supply Chain Sustainability: Ensuring sustainability throughout our supply chain by collaborating with suppliers who adhere to ethical and environmental standards. We focus on sourcing raw materials responsibly and supporting suppliers in their sustainability efforts.

Our **Audit Corrective Action Template** is a critical document used to capture the mutual understanding of audit findings and the agreed-upon corrective actions between Alembic and its suppliers.

Resource Efficiency Impacts

Rs. 16 Cr.
Cost savings through Energy Efficiency Projects

Rs. 4 Cr.
Cost savings in Water Conservation Measures

19,500 +
beneficiaries provided with clean water through community water projects

4.35 meters
cumulative rise in water table

1,300 ppm
reduction in TDS

14%
Energy use reduction

Financial Performance Summary (Standalone basis)

Year	Revenue (Rs. in Cr.)	Net Profit (Rs. in Cr.)	EBITDA (Rs. in Cr.)	R&D Investment (Rs. in Cr.)
2024	5874	666	1029	476
2023	5149	346	667	730 out of which 155 is non-recurring investment
2022	5035	543	959	869 out of which 188 is non-recurring investment

Investment in Sustainable Projects

- **Green Infrastructure**: Investing in green infrastructure projects that enhance our operational efficiency and environmental performance. This includes installing **renewable energy systems, upgrading to energy-efficient equipment.**
- **Community Development**: Allocating funds to community development projects that create shared value and support the social and economic well-being of the communities we operate in.

Sustainable Investment Summary

Project	Type of Investment	Financial Impact (Rs. in Cr.)	Social Impact
Green Infrastructure	Renewable energy projects	50	Job creation in local communities, reduced emissions
Community Development	Social housing projects	13	Improved living conditions, community engagement-CSR projects
Conservation Initiatives	Ecosystem preservation		Biodiversity conservation, education programs – afforestation programs

The impact assessment of community projects for 2023-24 evaluated various initiatives in education, health, livelihood and nutrition sectors. The assessment measured the projects' effectiveness, relevance, efficiency, social impact and sustainability.

Key Findings

1. Education:
- **VIKAS School**: Focuses on providing quality education to underprivileged students in Gujarat. The project is highly coherent with national education goals and the Alembic CSR policy. However, while the school has seen improvements in pass rates for some classes, there are concerns about the overall effectiveness, particularly in the XII board exams. Recommendations include strengthening vocational education and improving hostel facilities.
- **Shiksha Setu**: Aims to improve foundational literacy and numeracy skills in government schools. The project aligns well with state and national educational objectives. It has been effective in improving reading and writing skills, though numeracy skills require further attention. The project is rated highly overall.

2. Health:
- **Mobile Healthcare Unit (MHU):** Provides primary healthcare to remote villages. While the project aligns with national healthcare goals, its relevance is moderate due to the availability of other healthcare options in the area. The project faces challenges in effectiveness and sustainability due to low patient footfall.
- **Ayushman Card Issuance:** Facilitates access to government healthcare schemes by issuing Ayushman cards. The project is highly effective and sustainable, significantly increasing healthcare access for the underprivileged.

3. Livelihood:
- **Sustainable Agriculture:** Supports smallholder farmers in adopting new agricultural technologies to improve productivity. The project has been highly effective in increasing yields and introducing crop diversification. It is also sustainable, aiming to create farmer collectives for long-term support.
- **Animal Husbandry:** Focuses on improving livestock productivity through better management practices and artificial insemination. The project is highly relevant and sustainable but needs improvements in vaccination and deworming schedules.

4. Nutrition:
- **SUPOSHAN:** Targets malnutrition and anemia in women and children through interventions in Anganwadi centers and schools. The project has shown significant progress in improving health indicators, although sustainability remains a concern once Alembic exists.

Economic Value Generated and Distributed

Alembic is dedicated to generating economic value through its operations and distributing this value among various stakeholders. This approach not only supports our business growth but also contributes to the social and economic development of the communities we operate in. This section provides a detailed overview of the economic value we generate and its distribution.

Value Creation

- **Revenue Generation**: Through the sale of pharmaceutical products, we generate significant revenue, which is the foundation of our economic value creation.

- **Operational Efficiency**: By optimising our operations and enhancing productivity, we maximise the economic value generated from our resources and investments.

Direct Economic Value Generated (Consolidated basis)

Category	FY 2023-24 (Rs. in Cr.)	FY 2022-23 (Rs. in Cr.)	FY 2021-22 (Rs. in Cr.)
Gross Revenues from operations	6229	5653	5306
Economic value generated from investment and other sources	28	3	50
Employee wages and benefits	1446	1169	1133
Operating cost (includes cost of raw materials, depreciation and other expenses)	4122	4051	3585
Interest payment to providers of credit	56	50	18
Dividend/Payout to shareholders	157	197	275
Community Investments	16	22	22
Payment to government (taxes)	16	13	104

Our commitment to generating and distributing economic value reflects our dedication to sustainable business practices and social responsibility. By investing in our employees, suppliers, communities, shareholders and governments, we contribute to the overall well-being and development of the societies we operate in.

Distribution of Economic Value

1. Employees

- **Salaries and Benefits:** Providing competitive salaries and comprehensive benefits to our employees, ensuring their well-being and financial security.
- **Training and Development**: Investing in employee training and development programs to enhance their skills and career growth.

2. Suppliers

- **Supplier Payments:** Ensuring timely and fair payments to our suppliers, supporting their business sustainability and fostering long-term partnerships.
- **Ethical Sourcing**: Collaborating with suppliers who adhere to ethical practices and sustainability standards, ensuring responsible sourcing of raw materials. After the audit, the supplier is responsible for completing the corrective actions, with the opportunity to amend them, which must be validated by the auditor within 10 days. Deadlines for completing actions are set based on the severity of the findings.

3. Communities

- **Community Investments:** Allocating funds to community development projects, such as healthcare, education and infrastructure, to improve the quality of life for local residents.
- **Philanthropic Activities:** Supporting various philanthropic activities and non-profit organizations that address social and environmental challenges.

4. Shareholders

- **Dividends**: Providing regular dividends to our shareholders, delivering a return on their investment.
- **Shareholder Value**: Enhancing shareholder value through sustainable business practices, strategic growth initiatives and robust financial performance.

5. Governments

- **Tax Contributions**: Paying taxes to local, state and national governments, contributing to public services and infrastructure development.

Investment in Sustainable Projects and R&D

At Alembic, investing in sustainable projects and research and development (R&D) is fundamental to our long-term success and innovation. These investments enable us to develop new products, enhance operational efficiency and reduce our environmental impact. This section details our commitment to sustainability and innovation through strategic investments.

Investment in Sustainable Projects

1. Green Infrastructure:
- **Renewable Energy Projects:** Investing in renewable energy installations such as solar panels and wind turbines to reduce our carbon footprint and reliance on non-renewable energy sources.
- **Energy-Efficient Buildings:** Rehabilitating and retrofitting buildings to meet energy-efficient standards, incorporating green building practices such as natural lighting, efficient HVAC systems and sustainable materials.
- **Water Conservation Systems:** Alembic has implemented advanced water conservation measures at its Panelav and Halol units to reduce water consumption and promote sustainability. These measures include the installation of Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP), which allow for the reuse of treated water, primarily for gardening purposes. Additionally, the company has established rainwater harvesting systems with a total storage capacity of 100 KL and has optimised cooling tower operations, **resulting in 22.22% reduction** in water consumption. To further enhance water efficiency, Alembic has adopted drip irrigation systems for landscaping, ensuring minimal water wastage. Continuous monitoring and maintenance of these systems are carried out to sustain water conservation efforts. Collectively, these initiatives have significantly reduced water consumption, minimised environmental impact and ensured compliance with regulatory standards.

Sustainable Projects Investment Chart

Project Type	Details of the Initiatives	Environmental Benefits
Renewable Energy Projects	12 MW solar power plant	Reduction in CO2 emissions, clean energy generation, support for sustainable operations
Water Conservation Initiatives	102 numbers of recharge wells	Conservation of water resources, sustainable use, improvement in groundwater levels, reduction in TDS levels

2. Waste Management Innovations:
- **Recycling Facilities**: Establishing on-site recycling facilities to manage and process waste materials efficiently, reducing the amount of waste sent to landfills.
- **Waste-to-Energy Initiatives**: Exploring waste-to-energy technologies that convert waste into usable energy, thereby minimising waste and generating renewable energy.

Collaborations and Partnerships

Partner Organisation	Type	Objectives	Outcomes
API and Raw Material Suppliers	Industry	Ensure compliance with quality and safety standards in the supply chain	Improved product quality and safety, enhanced operational efficiency
Global Regulatory Bodies (e.g., USFDA)	Regulatory	Conduct audits and inspections to enforce compliance with industry regulations	Successful audits, adherence to global regulatory standards
Industry Alliances (PSCI)	Industry	Promote sustainable practices across the pharmaceutical supply chain	EHS & ESG Practices aligned with world class systems
Academic Institutions and Research Institutes	Academic	Collaborate on research projects to innovate and improve sustainability in pharmaceutical manufacturing	Development of new technologies, publication of research papers and patents related to sustainability

Waste Management Projects Summary

Project Description	Recycling Rate (%)
Recycling Program	Non-Hazardous Waste: 100%
	Hazardous Waste: 54.64%
12,901 metric tonnes of CO2e avoided.	

Investment in Research and Development (R&D):

1. New Product Development:
- **Innovative Pharmaceuticals:** Focusing on the development of new and innovative pharmaceutical products that address unmet medical needs and improve patient outcomes.
- **Sustainable Formulations**: Researching and developing sustainable formulations that use environmentally friendly ingredients and processes.

2. Technological Advancements:
- **Advanced Manufacturing Technologies:** Investing in cutting-edge manufacturing technologies that enhance efficiency, reduce waste and improve product quality.
- **Digital Health Solutions:** Developing digital health solutions, such as telemedicine platforms and health monitoring apps, to enhance patient care and accessibility.

Conclusion

Our investments in sustainable projects and R&D are critical to our commitment to innovation, efficiency and environmental stewardship. By focusing on green infrastructure, waste management innovations and cutting-edge research, we are driving progress towards a sustainable and prosperous future for Alembic and our stakeholders.

Sustainable
Supply Chain

Warehouse

Supply Chain and Sustainability Practices

Our supply chain is an integral component of our operations, ensuring that our products are delivered efficiently and sustainably. Alembic is committed to implementing and maintaining sustainable practices throughout our supply chain.

Supply Chain Structure

Raw Material Sourcing

We procure raw materials and packaging material from a network of trusted suppliers who adhere to our rigorous quality and sustainability standards. These suppliers are evaluated based on their capability to deliver high-quality materials and packaging, their compliance with regulatory requirements and their dedication to sustainable practices

Manufacturing

Our manufacturing facilities are strategically located to optimise production efficiency and reduce transportation emissions. We have implemented advanced manufacturing technologies and processes to minimise waste, water and energy consumption.

Distribution

We employ a comprehensive distribution network to ensure timely delivery of our products to various markets. Our distribution strategy focuses on reducing carbon emissions by optimising logistics and transportation routes.

Sustainable Supply Chain

Alembic is committed to fostering a sustainable supply chain that aligns with our environmental, social and governance (ESG) goals. By engaging with suppliers and implementing stringent sustainability criteria, we ensure that our supply chain practices contribute to our overall sustainability strategy. This section outlines our approach to supplier engagement and the sustainability criteria we uphold.

Supplier Engagement

- **Collaboration and Partnerships:** Building long-term relationships with suppliers based on mutual trust, transparency and collaboration. We work closely with our suppliers to promote sustainability and innovation throughout the supply chain.
- **Supplier Assessments:** Conducting regular assessments of our suppliers to ensure compliance with our sustainability standards. This includes evaluating their environmental practices, social responsibilities and ethical conduct. The scoring criteria include categories like Legal, Management System, Supply Chain, Safety, Health & Fire, Environment, Ethics and Labour, with a total of 100 possible marks. A risk matrix is used to evaluate and mitigate supply chain risks based on probability and severity.

Supplier Engagement Process

1. Initial Assessment
- Evaluate supplier suitability based on sustainability criteria.
- Conduct initial audits or assessments.

2. Negotiation and Agreement
- Define terms of engagement, including sustainability expectations.
- Establish contractual agreements and commitments.

3. Onboarding
- Define terms of engagement, including sustainability expectations.
- Establish contractual agreements and commitments.

4. Monitoring and Evaluation
- Regularly monitor supplier performance against sustainability criteria.
- Conduct periodic audits and reviews.

5. Continuous Improvement
- Provide feedback and support for improvement initiatives.
- Collaborate on innovation and best practices.

6. Renewal or Termination
- Renew contracts based on performance and alignment with sustainability goals.
- Consider termination if suppliers fail to meet criteria or improve.

7. Reporting and Transparency
- Communicate outcomes and progress to stakeholders.
- Ensure transparency in supplier relationships and sustainability efforts.

Sustainability Criteria

Supplier screened as per sustainability criteria: 4.47%

All suppliers undergo an initial ESG assessment before on-boarding. Additionally all critical suppliers are required to be audited against ESG Criteria on periodic basis.

Sustainability Criteria for Suppliers

Environmental Standards

- Legal Compliances
- Reduction of greenhouse gas emissions
- Waste management and recycling practices

Ethical Standards

- Anti-corruption policies
- Ethical sourcing of materials
- Compliance with legal regulations

Community Engagement

- Support for local communities
- Engagement in community development projects
- Stakeholder engagement and transparency

Social Standards

- Labor rights and fair wages
- Health and safety practices
- Diversity and inclusion policies

Quality and Innovation

- Product quality standards
- Innovation in sustainable practices
- Continuous improvement initiatives

Governance

- Corporate governance practices
- Ethics and integrity in business operations
- Compliance with international standards and certifications

Supplier Training and Capacity Building

For reducing **Scope-3 emission** which is the largest portion of total emission, it is imperative that suppliers minimise their emissions. This is also important to build a reliable and resilient supply of input materials for smooth operations.

- **Training Programs**: Various modes of communication are strived to be used for making all the suppliers aware about Alembic's sustainability goals with expectations from supplier. Mode of communication include awareness session during audit, communication mailers, meetings etc. Offering training programs for suppliers to enhance their understanding of sustainability practices and standards. These programs cover topics such as resource efficiency, waste management and ethical business practices.

- **Capacity Building Initiatives**: Supporting suppliers in building their capacity to meet our sustainability criteria. This includes providing awareness, technical assistance and best practice sharing

Conclusion

Our commitment to a sustainable supply chain is integral to our overall sustainability strategy. By engaging with suppliers and upholding stringent sustainability criteria, we ensure that our supply chain practices contribute to environmental protection, social responsibility and ethical business conduct.

Water Neutrality in the Supply Chain

Achieving water neutrality is a key objective of our sustainability strategy and this commitment extends to our supply chain. We shall work with our suppliers to ensure that water conservation and management practices are integrated into their operations, contributing to our overall goal of water neutrality.

Supplier Water Management

- **Water Efficiency Practices**: Encouraging suppliers to implement water-efficient practices, such as optimising water use in production processes, reducing water wastage and recycling water where possible.
- **Water Footprint Assessment:** Collaborating with suppliers to conduct water footprint assessments of their operations. This helps identify areas for improvement and implement targeted water conservation measures.

Sustainability Standards and Compliance

- **Water Use Standards:** Establishing clear water use standards for suppliers that align with our sustainability criteria. Suppliers are required to adhere to these standards and demonstrate continuous improvement in their water management practices.
- **Regular Audits:** Conducting regular audits of supplier water use to ensure compliance with our standards. This includes on-site inspections, performance reviews and corrective action plans for non-compliance.

Supplier Water Management

Water Management Practice	Description	Effectiveness
Water Audits	Conducted at all manufacturing facilities to identify potential water-saving areas	High
Sewage Treatment Plants (STPs)	Treat sewage water separately for reuse in gardening	Effective
Effluent Treatment Plants (ETPs)	Recover and recycle effluents generated from operations	Effective
Reverse Osmosis (RO) Plants	Treat water and recover effluents for maximum recycling	High
Freshwater Consumption Monitoring	Increased monitoring as new facilities commenced operations	Effective

Training and Capacity Building

- **Water Conservation Training**: Providing **training programs for suppliers** on water conservation techniques and best practices. These programs cover topics such as efficient irrigation, wastewater treatment and water recycling technologies. Alembic recognises that successful water conservation requires the involvement of all employees. The company has initiated programs to educate and engage staff on the importance of water conservation. Through training sessions and awareness campaigns, employees are encouraged to **adopt water-saving practices in their daily activities**, both within the plant and at home.

- **Capacity Building Workshops**: Organising workshops and seminars to help suppliers build their capacity to implement and maintain effective water management practices. These workshops facilitate knowledge sharing and collaboration among suppliers.

Conclusion

Our efforts to achieve water neutrality extend beyond our direct operations to include our supply chain. By working closely with suppliers on water management and conservation initiatives, we are making significant progress towards our goal of water neutrality and contributing to the sustainable management of water resources.

Ethical Sourcing and Procurement Practices

At Alembic, we are committed to ensuring that our sourcing and procurement practices are ethical, sustainable and aligned with our core values. We strive to work with suppliers who share our commitment to environmental stewardship, social responsibility and ethical business conduct. This section outlines our ethical sourcing and procurement practices.

Ethical Sourcing Standards

- **Code of Conduct for Suppliers**: Establishing a comprehensive Code of Conduct for suppliers that outlines our expectations for ethical behavior, environmental responsibility and social practices. Suppliers are required to adhere to this Code of Conduct as a condition of their partnership with us.
- **Sustainability Criteria:** Integrating sustainability criteria into our procurement processes to ensure that the products and services we purchase meet high environmental and social standards.

Risk Management in Procurement

- **Risk Assessment:** Conducting risk assessments to identify potential ethical and sustainability risks in our supply chain. This helps us prioritise areas that require attention and implement mitigation strategies.
- **Supplier Risk Profiles:** Developing risk profiles for suppliers based on their performance in key areas such as environmental impact, Labour practices and compliance with ethical standards.

Conclusion

Our commitment to ethical sourcing and procurement practices is integral to our sustainability strategy. By working with suppliers who share our values and holding them to high standards of environmental and social responsibility, we ensure that our supply chain contributes positively to our sustainability goals and ethical business conduct.

Supplier Code of Conduct

Principle	Environmental Standards	Social Standards	Ethical Standards
Commitment to Sustainability	Compliance with environmental regulations	Respect for Labour rights	Anti-corruption policies
	Reduction of environmental impact	Fair treatment of workers	Ethical sourcing of materials
Community Engagement	Support for local communities	Engagement in community development initiatives	Transparency in business operations
Quality and Safety	Product quality standards	Health and safety practices	Compliance with legal regulations

100% ETHICAL
ETHICALLY SOURCED

Innovation and Technology

Innovation and Technology

Innovation is at the heart of Alembic's approach to sustainability. We are dedicated to developing and implementing advanced technologies that enhance water conservation and treatment, contributing to our goal of water neutrality. This section highlights our key innovations in water management.

Advanced Water Treatment Technologies

- **Ultra Filtration Systems:** Utilising advanced membrane filtration systems to treat and purify water. These systems effectively remove contaminants and enable the recycling of water within our operations.

- **Reverse Osmosis (RO)**: Implementing RO technology to achieve high levels of water purification. RO systems are used to treat wastewater, making it suitable for reuse in various processes.

MVR - API-II Unit

Alembic has implemented several advanced environmental technologies aimed at reducing our environmental impact and improving operational efficiency.

New Technology Induction

- **Screw Press Installation**: The installation of a Screw Press for ETP sludge has replaced traditional filter press methods, improving efficiency and reducing waste. This upgrade contributes to reduction in sludge management costs.

- **MBR Technology Upgrade**: The old Sewage Treatment Plant (STP) was upgraded with Membrane Bioreactor (MBR) Technology, allowing us to **treat 100%** of the sewage on-site and reuse it for gardening, leads to reduction in freshwater consumption.

- **MVR System Replacement**: By replacing the Multiple Effect Evaporator (MEE) with a Mechanical Vapor Recompression (MVR) system, Steam consumption considerably reduced, which translates to savings of **Rs. 10 Lakhs** per year in operational costs and zero steam consumption.

Future Expansions
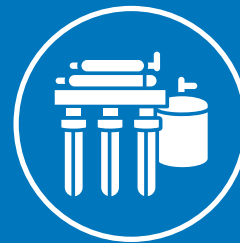
UF in place of Secondary Clarifier: The upcoming installation of Ultra-Filtration (UF) technology is expected to further enhance water treatment efficiency by 30%.

Sludge Dryer: Planned for the next fiscal year, this will reduce sludge volume by **40%**, leading to significant cost savings in waste disposal.

Water Treatment Technologies

Effluent Treatment Plants (ETPs)

- **Applications:** Treatment of industrial wastewater to remove pollutants before recycle.
- **Benefits**: Reduces environmental pollution, ensures compliance with regulatory standards, allows for the reuse of treated water in industrial processes

Sewage Treatment Plants (STPs)

- **Applications:** Treatment of domestic sewage to produce reusable water.
- **Benefits:** Produces water suitable for gardening and non-potable uses, reduces environmental impact of sewage discharge, helps in maintaining public health.

Mechanical Vapor Recompression (MVR)

- **Applications**: Used in evaporation processes to concentrate liquids, especially in effluent treatment.
- **Benefits**: Zero steam consumptiom lowers energy costs, minimises environmental impact.

Reverse Osmosis

- **Application**: 3 Stage RO System comprises of CDRO, SWRO & HPRO enhances quality of the treated water & making it suitable for reuse in the system.
- **Benefits:** Reduce fresh water consumption, RO permeate utilised directly in the Utilities.

ETP Area

API-II Unit - STP

MVR - API-II Unit

F-3 Unit - RO Plant

Technological Improvements in Effluent Treatment Processes

Screw Press for ETP Sludge

Less Maintenance, Easy & Silent Operation

- **85% to 75%**
  Reduction
  in moisture content
- **90,000 kWh**
  Reduction
  in Annual power consumption
- **200 to 50 NTU**
  Reduction
  in Turbidity

Membrane Bioreactor (MBR) in ETP

Utilised to improve the ETP's performance

- **less space**
  Required
  compared to traditional clarifiers
- **150-200 NTU**
  to 30-45 NTU
  Reduction in Turbidity
- **75% to 80%**
  Increase
  in RO plant recovery rate

Mechanical Vapor Re-Compressor (MVR)

Use in Place of Multiple Effect Evaporator

- **14 MT/day**
  reduction
  in Steam Consumption
- **RS. 10,00,000**
  Cost Saving
  in operations per annum
- **Simplified Operations**
  with
  Reduced maintainence costs

Sludge Dryer

Fully automated system

- **80%**
  Reduction
  in sludge disposal quantity
- **Reduced**
  Transportation
  cost
- **Compliance**
  with legal requirements
  for robust disposal systems

Water Conservation Innovations

- **Leak Detection and Repair**: Using advanced leak detection technologies to identify and repair leaks in water distribution systems promptly. This helps prevent water loss and ensures efficient water use.

- **Water-Saving Fixtures:** Installing water-saving fixtures such as low-flow faucets, toilets and showerheads across our facilities. These fixtures significantly reduce water consumption without compromising functionality.

Energy Conservation Impact

Innovation	Savings (UoM)	Reduction in Wastage (%)
Mechanical Vapor Re-compressor (MVR), Steam Saving	51,10,000 kg/year	40
Installation of HVLS Fans, Power	6,57,000 kWh/year	20
Variable Frequency Drive (VFD) in Chillers, Power	5,47,500 kWh/year	15

Digital Water Management Solutions

- **Real-Time Monitoring:** Implementing real-time water monitoring systems that provide continuous data on water usage, quality and efficiency. These systems enable proactive management and quick response to any issues.

- **Data Analytics:** Using data analytics to analyse water usage patterns and identify opportunities for improvement. This helps optimise water use and enhance conservation efforts. To ensure the effectiveness of its water conservation efforts, Alembic has implemented a **robust water metering and monitoring system**. Regular maintenance and calibration of water meters and flow meters ensure accurate tracking of water usage and early detection of any leaks or inefficiencies. This ongoing monitoring is critical to sustaining the gains made through the company's water conservation initiatives.

- **Automated Controls:** Deploying automated control systems that adjust water use based on real-time data and predefined parameters. This ensures optimal water management and reduces human error.

Collaborative Research and Development

- **Partnerships with Research Institutions:** Collaborating with universities and research institutions to develop new water treatment and conservation technologies. These partnerships drive innovation and provide access to cutting-edge research.

- **Industry Collaborations**: Working with other companies in the pharmaceutical and technology sectors to share knowledge, resources and best practices in water management.

Energy Management Technologies

- **Smart Energy Management Systems**: Implementing smart energy management systems that monitor and control energy use in real-time. These systems help optimise energy consumption, reduce waste and improve efficiency.

- **Renewable Energy Integration:** Utilising technology to integrate renewable energy sources such as solar and wind into our energy mix. This includes energy storage solutions that ensure a stable and reliable power supply.

- **Energy-efficient Equipment and Practices:** Upgrading to energy-efficient equipment and machinery that consume less power while maintaining high performance. This includes **high-efficiency motors, LED lighting and HVAC systems, replacement of MEE with MVR** results in lower steam consumption, installation of High Volume Low Speed (HVLS) Fans, by implementing practice of shutting-off non-operational manufacturing area AHU utility, .Shutting-off non-operational, by installing high efficient cooling tower with VFD control & temperature controller in utility to achieve desire cooling water temperature at chiller condenser inlet, Some of the high power consuming motors were replaced with latest **International Efficiency ('IE')- 4 motors**.

Technology/Initiative	Energy Consumption Reduction (kWh/year)	Cost Savings (INR)
Solar Panel Installation	96,82,208	5,89,56,344
HVLS Fan in place of AHU	6,57,000	38,18,812
VFD in Chillers	5,47,500	20,36,700

Conclusion

Alembic has effectively reduced energy consumption by adopting energy-efficient technologies, strategic power management and renewable energy sources. This approach lowers operational costs, enhances sustainability and reinforces its commitment to eco-friendly practices. Through continuous monitoring and adaptive adjustments, Alembic ensures efficient energy use, yielding financial savings that support growth and innovation, while promoting environmental responsibility and long-term business resilience.

F-2 Unit

Performance Metrics and Targets

Performance Metrics and Targets

Alembic is committed to transparency and accountability in sustainability efforts. To track our progress and ensure continuous improvement, we have established a comprehensive set of Environmental, Social and Governance (ESG) performance metrics. This section outlines our key ESG metrics and the targets we aim to achieve.

Environment

1. Water Management
- **Water Use Reduction**: **Targeting 20%** reduction in water use by 2025 through efficiency measures and water recycling initiatives.
- **Water Recycling Rate**: Aiming to **recycle 50%** of the water used in our operations by 2025.

2. Energy and Emissions
- **Energy Consumption Reduction**: Targeting a reduction in energy consumption through the adoption of energy-efficient technologies.
- **Renewable Energy Use**: Increasing the share of renewable energy in our energy mix to 50% **by 2025.**
- **GHG Emissions Reduction**: Aiming to reduce GHG emission aligned with **net zero pathway** by 2050. **63% greenhouse gas emission** reduction by 2035.

3. Waste Management
- **Non-Hazardous Waste Reduction**: Reducing waste generation upto 25% by 2025 through waste minimisation and recycling programs.
- **Minimise Waste to Landfill:** Expand waste initiatives, focusing on waste minimisation, **95% plastic waste recycling** and co-processing/pre-processing.

Target: Water neutrality by 2027
Actual: Developed 85% of total water consumption
Metric: Water Recharge Capacity

Target: Achieving net zero with strategy aligned to 1.5 degree C pathway
Actual: Achieved 5.55% reduction in Scope 1 and 2
Metric: Emissions Reduction (CO_2 equivalent)

Social

1. Employee Health and Safety
- **Incident Rate Reduction:** Reducing workplace incident rates through enhanced safety programs and training.
- **Health and Wellness Participation**: Ensuring 100% employee participation in health and wellness programs.
- **Increasing Safety Observations:** Increasing awareness amongst all sites to increase safety observations by 15% by 2025.
- **Risk Assessment:** All manual activities to be assessed for risk by HIRA Method by 2025.

2. Diversity and Inclusion
- **Inclusive Policies**: Implementing and monitoring inclusive policies that promote diversity and prevent discrimination. Improving gender ratio from 4% to 10% by 2027

3. Community Engagement: (GRI 413-1)
- **Community Investment**: Increasing beneficiaries from 1.48 lakhs to 2 lakhs by 2027.

Target: Zero fatality
Actual: Zero fatality
Metric: Health and Safety Incidents

Target: Zero reportable accident
Actual: 1 reportable accident
Metric: LTIFR

Governance

1. Corporate Governance
- **Ethics Training**: Providing annual ethics training for 100% of employees to reinforce our commitment to ethical conduct.

2. Compliance and Transparency
- **Regulatory Compliance:** Achieving 100% compliance with all applicable regulations and standards.

3. ESG Awareness
- **Training:** Target to train 90% of employees for ESG by 2025

4. Vendor Assessment
- **Assessment:** 30% vendor assessment against ESG criteria by 2027

Target: 50% completion by all employees
Actual: 40% completion
Metric: ESG Training

Target: Full compliance
Actual: No major violations
Metric: Compliance with Legal Standards

Target: Zero incidents
Actual: Zero incidents
Metric: Corruption and Conflicts of Interest

Specific Targets Related to Water Neutrality

Water neutrality is a central theme of our sustainability strategy, underscoring our commitment to balancing water consumption with replenishment efforts. To achieve this, we have established specific targets that drive our initiatives and ensure measurable progress. This section details the targets we have set to achieve water neutrality and the strategies employed to meet these goals.

Water Use Reduction Targets

- **Water neutrality by 2027:** Implementing comprehensive water efficiency measures across all operations, including process optimisation, advanced water-saving technologies and behavioural changes among employees and transitioning to alternative water sources and enhancing the recycling and reuse of water within our facilities to significantly reduce dependence on freshwater resources.

Community Water Projects

- **Support Community Water Projects Annually.** We developed 102 recharge wells for rainwater harvesting, infiltrating **75,000 liters per hour**. Since 2019, we have seen a **4.35 m cumulative rise** in groundwater levels and a 65.5% reduction in TDS levels in groundwater in the Panelav and Karkhadi regions. We saved 677,200 KL of water using Hydrogel technology in irrigation, benefiting 17,952 individuals in 11 villages through the Sanrakshit Paryavaran Initiative.
- **Provide Access to Clean Water for local communities by 2025.** More than 20,000 residents have benefited from water ATMs and **2300+ toilets** have been constructed since FY 2020-21.

Water Footprint Reduction

- **Conduct Annual Water Footprint Assessments:** Regularly assessing the water footprint of our operations to identify high-impact areas and implement targeted water reduction strategies.
- **Achieve 20% Reduction in Water Footprint by 2030:** Utilising the insights gained from water footprint assessments to guide our water management practices and achieve significant reductions in our overall water footprint.

Water ATM constructed by Alembic

Water Footprint Reduction Progress:

Year	Water Footprint Assessment (kilo-liters)	Reduction Achieved against baseline of FY 2020-21 (%)
2021	728,710	0 (Base Year)
2024	612,752	15.91

Conclusion

Setting specific, measurable targets is critical to our pursuit of water neutrality. By focusing on water use reduction, recycling, community projects and footprint assessments, we are systematically working towards our goal of balancing water consumption with replenishment. Our commitment to these targets reflects our dedication to sustainable water management and the broader environmental stewardship.

GRI Content Index

ARC Unit

GRI Content Index with BRSR, CDP, TCFD and UNSDG Cross-Reference

The Global Reporting Initiative (GRI) Content Index provides a comprehensive overview of the GRI Standards disclosures included in this report. This index ensures transparency and helps stakeholders easily locate information on specific sustainability topics.

Alignment with GRI Standards and BRSR

Our strategic goals for the next reporting period are ambitious yet achievable, reflecting our dedication to continuous improvement and sustainable growth. By focusing on environmental stewardship, social responsibility and strong governance, we are well-positioned to achieve our long-term sustainability vision and create lasting value for our stakeholders.

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 2	2-1	Organisational details	Company Profile	16-24	Part A, 1-2	C0.2	Governance	16
GRI 2	2-2	Entities included in the organisation's sustainability reporting	About the Report	10	Part A, 1	C0.1		12, 16
GRI 2	2-3	Reporting period, frequency and contact point	About the Report	10	Part A, 3-4	C0.1, C0.2		12
GRI 2	2-4	Restatements of information		10	Part A, 6			
GRI 2	2-5	External assurance	Appendices	128	Part A, 5	C10.1		12
GRI 2	2-6	Activities, value chain and other business relationships	Company Profile	39-43	Part A, 7-8	C2.1	Strategy	8, 9
GRI 2	2-7	Employees	Social Responsibility	75	Part B, 4			8
GRI 2	2-8	Workers who are not employees	Social Responsibility	74	Part B, 4			8
GRI 2	2-9	Governance structure and composition	Governance and Ethics	34	Part C, 1-2	C1.1	Governance	16

GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 2	2-10	Nomination and selection of the highest governance body	Governance and Ethics	35	Part C, 3	C1.1	Governance	16
GRI 2	2-11	Chair of the highest governance body	Governance and Ethics	37	Part C, 4	C1.1	Governance	16
GRI 2	2-12	Role of the highest governance body in overseeing the management of impacts	Governance and Ethics	37	Part C, 5	C1.2	Governance	16
GRI 2	2-13	Delegation of responsibility for managing impacts	Governance and Ethics	37	Part C, 6	C1.2	Risk Management	16
GRI 2	2-14	Role of the highest governance body in sustainability reporting	Governance and Ethics	37	Part C, 7	C1.2	Governance	16
GRI 2	2-15	Conflicts of interest	Governance and Ethics	137	Part C, 8		Governance	16
GRI 2	2-16	Communication of critical concerns	Governance and Ethics	129	Part C, 9			16
GRI 2	2-17	Collective knowledge of the highest governance body	Governance and Ethics	35	Part C, 10	C1.2	Governance	16
GRI 2	2-18	Evaluation of the performance of the highest governance body	Governance and Ethics	35	Part C, 11			16
GRI 2	2-19	Remuneration policies	Governance and Ethics	85	Part C, 12			16
GRI 2	2-20	Process to determine remuneration	Governance and Ethics	87	Part C, 13			16

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 2	2-21	Annual total compensation ratio	Governance and Ethics	87	Part C, 14			16
GRI 2	2-22	Statement on sustainable development strategy	Message from the CEO	26	Part C, 15	C0.1, C0.2	Strategy	13
GRI 2	2-23	Policy commitments	Governance and Ethics	40	Part C, 16		Strategy	13
GRI 2	2-24	Embedding policy commitments	Governance and Ethics	40	Part C, 17		Strategy	13
GRI 2	2-25	Processes to remediate negative impacts	Governance and Ethics	40	Part C, 18		Risk Management	13
GRI 2	2-26	Mechanisms for seeking advice and raising concerns	Governance and Ethics	40	Part C, 19			16
GRI 2	2-27	Compliance with laws and regulations	Governance and Ethics	40	Part C, 20			16
GRI 2	2-28	Membership associations	Governance and Ethics	22	Part C, 21			17
GRI 2	2-29	Approach to stakeholder engagement	Stakeholder Engagement	43	Part D, 1-3			17
GRI 2	2-30	Collective bargaining agreements	Social Responsibility	43	Part D, 4			8

GRI Material Topics 2021

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 3	3-1	Process to determine material topics	Materiality Assessment	47	Part D, 5	C2.1, C2.2	Strategy	17
GRI 3	3-2	List of material topics	Materiality Assessment	47	Part D, 6	C2.1	Strategy	17
GRI 3	3-3	Management of material topics	Materiality Assessment	47	Part D, 7	C2.2	Strategy	17

GRI 301: Materials 2016

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 301	301-1	Materials used by weight or volume	Environmental Performance	71, 83	Part E, 1			12
GRI 301	301-2	Recycled input materials used	Environmental Performance	69	Part E, 2			12
GRI 301	301-3	Reclaimed products and their packaging materials	Environmental Performance	69	Part E, 3			12

GRI 302: Energy 2016

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 302	302-1	Energy consumption within the organisation	Environmental Performance	124	Part E, 4	C8.2	Metrics and Targets	7, 13
GRI 302	302-2	Energy consumption outside of the organisation	Environmental Performance	124	Part E, 5	C8.2	Metrics and Targets	7, 13
GRI 302	302-3	Energy intensity	Environmental Performance	124	Part E, 6	C8.4	Metrics and Targets	7, 13
GRI 302	302-4	Reduction of energy consumption	Environmental Performance	63	Part E, 7	C4.3b, C7.9c	Metrics and Targets	7, 13
GRI 302	302-5	Reductions in energy requirements of products and services	Environmental Performance	63	Part E, 8		Metrics and Targets	7, 13

GRI 303: Water and Effluents 2018

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 303	303-1	Interactions with water as a shared resource	Environmental Performance	109	Part E, 9	C2.1, C2.2	Risk Management	6
GRI 303	303-2	Management of water discharge-related impacts	Environmental Performance	102	Part E, 10	C6.3	Risk Management	6
GRI 303	303-3	Water withdrawal	Environmental Performance	124	Part E, 11	C6.1, C6.2	Metrics and Targets	6
GRI 303	303-4	Water discharge	Environmental Performance	124	Part E, 12	C6.5	Metrics and Targets	6
GRI 303	303-5	Water consumption	Environmental Performance	124	Part E, 13	C6.2	Metrics and Targets	6

GRI 305: Emissions 2016

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 305	305-1	Direct (Scope 1) GHG emissions	Environmental Performance	125	Part E, 14	C6.1	Metrics and Targets	13
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance	125	Part E, 15	C6.3	Metrics and Targets	13
GRI 305	305-3	Other indirect (Scope 3) GHG emissions	Environmental Performance	68	Part E, 16	C6.5	Metrics and Targets	13
GRI 305	305-4	GHG emissions intensity	Environmental Performance	125	Part E, 17	C6.5	Metrics and Targets	13
GRI 305	305-5	Reduction of GHG emissions	Environmental Performance	125	Part E, 18	C4.3b, C7.9c	Metrics and Targets	13

GRI 306: Waste 2020

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals	
GRI 306	306-1	Waste generation and significant waste-related impacts	Environmental Performance	127	Part E, 19	C12.1	Risk Management	12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI 306	306-2	Management of significant waste-related impacts	Environmental Performance	127	Part E, 20	C12.1	Risk Management	12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI 306	306-3	Waste generated	Environmental Performance	71	Part E, 21	C12.2	Metrics and Targets	12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI 306	306-4	Waste diverted from disposal	Environmental Performance	71	Part E, 22	C12.2	Metrics and Targets	12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
GRI 306	306-5	Waste directed to disposal	Environmental Performance	71	Part E, 23	C12.2	Metrics and Targets	12	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

GRI 401: Employment 2016

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals	
GRI 401	401-1	New employee hires and employee turnover	Social Responsibility	85	Part F, 1			8	8 DECENT WORK AND ECONOMIC GROWTH
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Responsibility	74	Part F, 2			8	8 DECENT WORK AND ECONOMIC GROWTH
GRI 401	401-3	Parental leave	Social Responsibility	76	Part F, 3			8	8 DECENT WORK AND ECONOMIC GROWTH

GRI 403: Occupational Health and Safety 2018

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals
GRI 403	403-1	Occupational health and safety management system	Social Responsibility	80, 84	Part F, 4			8, 3
GRI 403	403-2	Hazard identification, risk assessment and incident investigation	Social Responsibility	80	Part F, 5			8, 3
GRI 403	403-3	Occupational health services	Social Responsibility	80	Part F, 6			8, 3
GRI 403	403-4	Worker participation, consultation and communication on occupational health and safety	Social Responsibility	80	Part F, 7			8, 3
GRI 403	403-5	Worker training on occupational health and safety	Social Responsibility	80	Part F, 8			8, 3
GRI 403	403-6	Promotion of worker health	Social Responsibility	77	Part F, 9			8, 3
GRI 403	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social Responsibility	77, 78	Part F, 10			8, 3
GRI 403	403-8	Workers covered by an occupational health and safety management system	Social Responsibility	77	Part F, 11			8, 3
GRI 403	403-9	Work-related injuries	Social Responsibility	108	Part F, 12			8, 3

GRI 404: Training and Education 2016

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals	
GRI 404	404-1	Average hours of training per year per employee	Social Responsibility	86	Part F, 13			4, 8	
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs	Social Responsibility	86	Part F, 14			4, 8	
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews	Social Responsibility	87	Part F, 15			4, 8	

GRI 413: Local Communities 2016

GRI Standard	Disclosure Number	Disclosure Title	Section	Page Number	BRSR Reference	CDP Module	TCFD Alignment	UNSDG Goals	
GRI 413	413-1	Operations with local community engagement, impact assessments and development programs	Social Responsibility - Community Engagement and Development Projects	108	Part F, 16			1, 11	
GRI 413	413-2	Operations with significant actual and potential negative impacts on local communities	Social Responsibility - Community Engagement and Development Projects	108	Part F, 17			1, 11	

F-2 Unit

Appendices

Abbreviations

Here is an extended list of abbreviations from the document in a table format:

Abbreviation	Full Form
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
SDGs	Sustainable Development Goals
GRI	Global Reporting Initiative
CGWA	Central Ground Water Authority
CPCB	Central Pollution Control Board
MBR	Membrane Bioreactor
MVR	Mechanical Vapor Recompressor
UF	Ultra-Filtration
ETP	Effluent Treatment Plant
STP	Sewage Treatment Plant
ZLD	Zero Liquid Discharge
API	Active Pharmaceutical Ingredient
R&D	Research and Development
EPR	Extended Producer Responsibility
ANVISA	Agência Nacional de Vigilância Sanitária
USFDA	United States Food and Drug Administration
LDO	Light Diesel Oil
HSD	High-Speed Diesel
TDS	Total Dissolved Solids
DSE	Direct Stock Exchange

Abbreviation	Full Form
EHS	Environment, Health and Safety
MEE	Multiple Effect Evaporator
MLP	Multi-Layered Plastic
NTU	Nephelometric Turbidity Unit
RWH	Rainwater Harvesting
SEBI	Securities and Exchange Board of India
WHO-GMP	World Health Organisation - Good Manufacturing Practice
PSCI	Pharmaceutical Supply Chain Initiative
BA/BE	Bioavailability/Bioequivalence
TfS	Together for Sustainability

Companies Included in Consolidation:

Name	Country of Incorporation	Nature	Proportion of Ownership Interest as on 31st March, 2024
Alembic Pharmaceuticals Inc	USA	Subsidiary	100% Subsidiary of Alembic Pharmaceuticals Limited
Alembic Global Holding SA	Switzerland	Subsidiary	100% Subsidiary of Alembic Pharmaceuticals Limited
Alembic Pharmaceuticals Chile SpA	Chile	Subsidiary	100% Subsidiary of Alembic Pharmaceuticals Limited
Alembic Pharmaceuticals S.A de C.V	Mexico	Subsidiary	99% held by Alembic Pharmaceuticals Limited and 1% held by Alembic Global Holding SA
Alembic Pharmaceuticals Australia Pty Ltd	Australia	Subsidiary	100% Subsidiary of Alembic Global Holding SA
Alembic Pharmaceuticals Europe Ltd	Malta	Subsidiary	100% Subsidiary of Alembic Global Holding SA
Alnova Pharmaceuticals SA	Switzerland	Subsidiary	100% Subsidiary of Alembic Global Holding SA
Alembic Pharmaceuticals Canada Ltd.	Canada	Subsidiary	100% Subsidiary of Alembic Global Holding SA
Genius LLC	Ukraine	Subsidiary	100% Subsidiary of Alembic Global Holding SA
Alembic Labs LLC	USA	Subsidiary	100% Subsidiary of Alembic Pharmaceuticals Inc.
Okner Realty LLC	USA	Subsidiary	100% Subsidiary of Alembic Pharmaceuticals Inc.
Incozen Therapeutics Pvt. Ltd	India	Associate	50% shareholding of Alembic Pharmaceuticals Limited
Rhizen Pharmaceuticals AG (Formerly Known as Rhizen Pharmaceuticals SA)	Switzerland	Associate	50% shareholding of Alembic Pharmaceuticals Limited
Dahlia Theraputics SA	Switzerland	Subsidiary of Associate	100% subsidiary of Rhizen Pharmaceuticals AG
Alembic Mami SPA	Algeria	Joint Venture	49% shareholding of Alembic Global Holding SA
SPH Sine Alembic (Shanghai) Pharmaceutical Technology Co Ltd	Shanghai	Joint Venture	44% shareholding of Alembic Global Holding SA

Appendices

Glossary of Terms

This glossary provides definitions for key terms used throughout the sustainability report. Understanding these terms will help readers better comprehend the information and context presented in the report.

Glossary

1. Carbon Footprint:
- The total amount of greenhouse gases emitted directly or indirectly by an individual, organisation, event, or product.

2. Circular Economy:
- An economic system aimed at eliminating waste and the continual use of resources through principles of reuse, repair, refurbishment and recycling.

3. Corporate Social Responsibility (CSR):
- A business model in which companies integrate social and environmental concerns in their operations and interactions with stakeholders.

4. Environmental, Social and Governance (ESG):
- Criteria used to evaluate a company's commitment to sustainable and ethical practices in its operations.

5. Greenhouse Gas (GHG) Emissions:
- Gases that trap heat in the atmosphere, contributing to global warming. Major GHGs include carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O).

6. Materiality Assessment:
- The process of identifying and prioritising issues that are most significant to an organisation and its stakeholders.

7. Sustainable Development Goals (SDGs):
- A set of 17 global goals established by the United Nations to address various social, economic and environmental challenges by 2030.

8. Stakeholder Engagement:
- The process by which an organisation involves individuals or groups who may be affected by its actions in decision-making and operations.

9. Triple Bottom Line:
- A business framework that includes social, environmental and financial performance indicators, often summarised as People, Planet and Profit.

10. Water Neutrality:
- The concept of balancing water use with replenishment efforts to ensure sustainable water management.

Detailed Data Tables

This section includes detailed data tables and charts that provide quantitative insights into our sustainability performance. These visuals support the qualitative information presented in the report and offer a clear view of our progress and achievements.

Environmental Performance Data

Water Usage and Recycling Data

Parameter	FY 2023-24	FY 2022-23
	(Current Financial Year)	(Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	305,745	287,549
(iii) Third party water	4,01,255	3,69,423
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	9,710	14,196
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7,16,710	6,71,168
Total volume of water consumption (in kilolitres)	6,12,752	5,70,539
Water intensity per rupee of turnover (Water consumed / turnover) (kl per INR of revenue)	0.00001043149	0.00001108058
Water intensity in terms of physical output (kl consumed/MT of production)	119	99
Water intensity per employee in kL/employee	41	39

Energy Consumption Data GRI 302-1,3

Parameter	FY 2023-24	FY 2022-23
	(Current Financial Year)	(Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)	2,01,587	86,322
Total fuel consumption (B) (GJ)	0	0
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	2,01,587	86,322
From non-renewable sources		
Total electricity consumption (D)	3,39,607	4,19,744
Total fuel consumption (E)	5,47,128	5,23,946
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	8,86,735	9,43,690
Total energy consumed(A+B+C+D+E+F)	10,88,322	10,30,011
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.000018527606	0.000020004111
Energy intensity in terms of physical output (Energy consumed in GJ/MT of production)	211	178
Energy intensity per employee (GJ/employee)	73	70

GHG Emissions Data

Scope 1 Emissions

Source	Unit	Quantity (FY 2022-23)	Emissions (tCO2e) (FY 2022-23)	Quantity (FY 2023-24)	Emissions (tCO2e) (FY 2023-24)
Coal	MT	23,979	57,538	25,218	60,510
High Speed Diesel (HSD)	Litres	752,757	2,001	578,752	1,539
Light Diesel Oil (LDO)	Litres	1,098,080	2,920	1,334,519	3,549
Petrol consumption in vehicles	Litres	13,202	31	15,123	35
Diesel consumption in vehicles	Litres	30,393	80	25,671	68
CO2 refilled	kg	2,553	2	2,283	2
Refrigerant refill R404	kg	-	-	229	904
R22	kg	994	1,749	1,097	1,931
R32	kg	5	3	-	-
R134a	kg	1,072	1,394	1,871	2,432
R410A	kg	-	-	10	20
R407A	kg	13	25	8	15

Scope 2 Emissions

Source	Unit	Quantity (FY 2022-23)	Emissions (tCO2e) (FY 2022-23)	Quantity (FY 2023-24)	Emissions (tCO2e) (FY 2023-24)
Renewable Energy consumption in MWh	MWh	23,978	0	55,996	0
Non-Renewable Energy consumption	MWh	116,595	83,482	94,335	67,544

Total Emissions

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	86,096	79,194
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	67,544	83,482
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e/INR	0.000002358196	0.000002901047
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Emissions in tCO2e/MT of production)	tCO2e/MT	26	25
Total Scope 1 and Scope 2 emission intensity per employee	tCO2e/employee	9	10

Total Scope 1 Emissions:
- **FY 2022-23:** 79,194 tCO2e
- **FY 2023-24:** 86,096 tCO2e

Total Scope 2 Emissions:
- **FY 2022-23:** 83,482 tCO2e
- **FY 2023-24:** 67,544 tCO2e

Scope 3 Emissions

Category	Emissions (tCO2e) FY 2022-23	Emissions (tCO2e) FY 2023-24	Relevance
1. Purchased Goods and Services	4,54,402	5,32,857	Relevant
2. Capital Goods	12,150	35,240	Relevant
3. Fuel- and Energy-related Activities (Not Included in Scope 1 or 2)	41,657	41,784	Relevant
4. Upstream Transportation and Distribution	29,159	35,506	Relevant
5. Waste Generated in Operations	2,841	1,502	Relevant
6. Business Travel	9,555	11,389	Relevant
7. Employee Commuting	36,383	56,299	Relevant
8. Upstream Leased Assets	43,042	27,233	Relevant
9. Downstream Transportation and Distribution	15,806	14,363	Relevant
15. Investments	0	0	Relevant
			Alembic Pharmaceuticals is part of a joint venture (JV) in China, SPH SINE Alembic (Shanghai) Pharmaceutical Technology Co., Ltd., with three partners:
			SPH SINE Pharmaceutical Laboratories Co., Limited (51% stake)
			Alembic Global Holding SA (44% stake)
			Adia (Shanghai) Pharma Co., Limited (5% stake)
			Although the JV is currently not operational, Alembic plans to account for emissions from this venture in upcoming disclosure cycles, ensuring alignment with future environmental reporting and sustainability goals.
Total Scope 3 Emissions	**6,44,996**	**7,56,174**	

* Additionally, Processing of Sold Products, Use of Sold Products, End-of-life Treatment of Sold Products, Downstream Leased Assets and Franchises are not Relevant to our business

Waste Management Data

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated		
Plastic waste (A) in MT	312	100
E-waste (B) in MT	2	4
Bio-medical waste (C) in MT	25	21
Construction and demolition waste (D)	-	-
Battery waste (E) in MT	13	4
Radioactive waste (F) in MT	-	-
Other Hazardous waste. Please specify, if any. (Process residue and waste, Etp sludge, evaporation salt etc.) (G)	26,941	22,844
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (MS Steel, Mix scrap, glass bottles, etc.)	3,029	1,512
Total (A + B + C + D + E + F + G + H)	30,322	24,485
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations in INR)	0.0000005161	0.0000004756
Waste intensity in terms of physical output in MT	5	4
Waste intensity per employee in waste generated in MT/employee	2	1
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	**Non-Hazardous Waste**	**Non-Hazardous Waste**
(i) Recycled	3,342	441
(ii) Re-used (pre-processing)	0	9
(iii) Other disposal operations (Non-hazardous)	0	1,161
Total	3,342	1,612
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	**Hazardous Waste**	**Hazardous Waste**
(i) Incineration	142	251
(ii) Landfilling	4,282	3,731
(iii) Recycling	12,633	12,461
(iv) Co-processing *	9,840	6,356
(v) Other disposal operations	19	4
Total	26,916	22,803

Air Quality Data

Parameter	Unit of measurement	FY 2023-24	FY 2022-23
		(Current Financial Year)	(Previous Financial Year)
Nox	T/year	48	33
Sox	T/year	141	99
Particulate matter (PM)	T/year	48	40
Persistent organic pollutants (POP)	The Company has adopted strict environmental policies to reduce the emission of persistent organic pollutants, volatile organic compounds (VOCs), hazardous air pollutants and other specified substances. All plants are equipped with scrubbers and VOC levels are internally monitored for Active Pharmaceutical Ingredients (APIs).		

Appendices GRI 2-5

External Assurance Statement

To ensure the credibility and reliability of our sustainability reporting, we engage an independent third-party auditor to provide external assurance on selected data and disclosures. The assurance statement verifies the accuracy and completeness of our reported information and confirms that our sustainability practices meet established standards.

External Assurance Provider: For the FY 2023-24 sustainability report, Bureau Veritas Industrial Services (India) Pvt. Ltd., an independent assurance provider, has been engaged to conduct the assurance process. The scope of the assurance includes the environment, social and governance (ESG) data presented in this report.

Scope and Methodology

The assurance process involved:
1. **Data Verification:** Reviewing the reported data for accuracy and completeness.
2. **Site Visits**: Conducting site visits to selected facilities to observe practices and verify data.
3. **Interviews:** Interviewing key personnel responsible for data collection and reporting.
4. **Document Review:** Examining relevant documentation and records.
5. **Evaluation:** Assessing the adherence to the GRI Standards 2021 and BRSR requirements.

Contact Information

We welcome feedback, questions and suggestions from our stakeholders. Your input helps us improve our sustainability practices and reporting. This section provides contact information for reaching our sustainability team

Sustainability Team

Name: Mr Sushil Kharkwal
Title: EHS Head & Lead Sustainability
Email: sushil.kharkwal@alembic.co.in

Corporate Headquarters

Address: Alembic Pharmaceuticals Limited Corporate office, Alembic City, Alembic Rd, Gorwa, Vadodara, Gujarat 390003
Website: www.alembicpharmaceuticals.com

Contact: 02676-664186/ 02676-664151

Feedback and Suggestions

We encourage you to share your feedback and suggestions regarding our sustainability report and practices. Your insights are valuable in helping us enhance our performance and address the concerns of our stakeholders.

How to Provide Feedback

- **Email:** Send your feedback and suggestions to apl.investors@alembic.co.in

- **Postal Mail:** Send your written feedback to our corporate headquarters at the address provided above.

Thank you for your interest in Alembic's sustainability initiatives. We look forward to engaging with you and continuing our journey towards a more sustainable and responsible future.

Independent Assurance Statement

Assurance Statement on Sustainability Report for Alembic Pharmaceuticals Limited

For Reporting Period: April 01, 2023 – March 31, 2024

Bureau Veritas Industrial Services (India) Pvt. Ltd. 72 Business Park, 9 th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2 andheri (East) Mumbai - 400 093 India

Independent 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 2023-24** based on reporting criteria followed within the report.

Verification of the Sustainability related non-financial disclosures and practices adopted by **"APL"** in its operations during **FY April 2023 to March 2024** 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 understandability. 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.

Independent Assurance Statement

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 1 st April 2023 to 31 st March 2024. 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. All other sites mentioned above are following same practice for data compilation.

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

Independent Assurance Statement

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

General Disclosures

➢ Organisational 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 (Scope-1,2 and 3 with its relevant categories) (305-1, 305-2, 305-5, 305-6, 305-7)
➢ Waste (306-1 to 306 -5)

Social

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

Independent Assurance Statement

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 here in above.
- 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

Independent Assurance Statement

➢ 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 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 themonth 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 dated- 10/07/24

➢ 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 andpresent Sustainability Report w.r.t. GRI Standard framework
- Classifying observations and findings and issuance of Assurance Statement

Independent 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 (1 st April 2023 to 31st March 2024).**

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 thes 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 recognise and accept the limitation and scope as mentioned above.

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.

Independent Assurance Statement

Statement of Independence, Impartiality and Competence

Bureau Veritas is an independent professional services company that specialises 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.

72 Business Park, 9 th Floor, MIDC Cross Road 'C', Opp. SEEPZ Gate #2 andheri (East) Mumbai-400093
India.

Mr. Vijaykumar Rabari
Lead Assessor

Mr. Pankaj Sharma
Certification Manager – Baroda

Date: 04/10/2024
Place: Baroda , India