

October 6, 2022

To Listing Department, NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (E), MUMBAI -400 051 Company Code No. AUROPHARMA	To The Corporate Relations Department BSE LIMITED Phiroz Jeejeebhoy Towers, 25 th floor, Dalal Street, MUMBAI -400 001 Company Code No. 524804
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Dear Sirs,

Sub: Sustainability Report for the FY 2021-22

Please find enclosed our Sustainability Report for the Financial Year 2021-22. The report is also being made available on the Company's website www.aurobindo.com

Please take the information on record.

Yours faithfully,
For AUROBINDO PHARMA LIMITED

B. Adi Reddy
Company Secretary

Encl: as above.

Committed to a better tomorrow



Delivering value

By being conscious of the environment

10%

Reduction in carbon emissions from baseline year FY20

(Achieved 80% of 2025 target)

1.2%

Reduction in energy consumption

(75,612 GJ reduction compared to FY21)

31%

Reuse of treated wastewater out of total wastewater generated

5.1%

Utilisation of renewable energy across our operations

(3,11,176 GJ)

By imbibing ethical and transparent practices

44%

Of the Board comprises Independent Directors, of which 2 are women

17+ years

Average tenure of the Directors on our Board

By creating social impact

10%

Women in workforce

₹ 536 mn

Total CSR spend

8.64 lakh

Lives impacted through CSR interventions

By driving economic growth

₹ 2,34,555 mn

Revenue

₹ 26,471 mn

Net profit

₹ 43,868 mn

EBITDA

52.3%

Debt reduction

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GRI content index



Committed to a better tomorrow



With over three decades of experience, we have expertise in chemistry, world-class infrastructure, and a talented team. We are committed to creating value for all stakeholders. We are diligently and sustainably achieving excellence in all that we do.

At Aurobindo Pharma, sustainability means responsible business practices and consistent engagement with all stakeholders. We are focussed on achieving economic success, environmental stewardship, and social progress. We strive to integrate sustainability into the core of our functioning. Through this, we aim to contribute towards achieving the UN Sustainable Development Goals (SDGs) as well as deliver on our commitments.

For us, sustainability is a journey that we embark on today for a better tomorrow. It is as much about achieving business excellence as it is about contributing to the greater good. The pursuit of excellence resonates in our efforts to become a more sustainable organisation. This report articulates our commitment to shape and share solutions that help us create shared value.

Environmental performance



➤ Please refer to page 38

Social performance



➤ Please refer to page 52

Corporate governance



➤ Please refer to page 28

Approach to reporting

Aurobindo Pharma continues to make significant efforts across the entire value chain to strengthen our progress sustainably. Our management committee, along with an increased stakeholder interest in disclosures about our sustainability performance, have been instrumental in propelling this journey forward. Through this report, we aim to share important aspects about our material matters transparency and integrity. We evaluate our performance on sustainability parameters regularly and share the findings with our stakeholders.

The Aurobindo Sustainability Report 2021-22 highlights our sustainability journey and approach to integrating sustainability into our governance system, strategy, and performance. This Report communicates our sustainability commitments to a wide range of stakeholders, including investors, shareholders, customers, suppliers, employees, the community, and the government.

Scope and boundary

This Report covers the period from April 1, 2021 to March 31, 2022 and contains material information about Aurobindo Pharma's sustainability strategy, performance, and governance. This Report provides insights into our operations across all our manufacturing facilities research and development efforts worldwide, and the initiatives taken by our corporate office in Hyderabad, India.

➤ Please refer to page 12 (Operational footprint) to read about all our facilities.

This Report is aligned and mapped to:

- Global Reporting Initiative (GRI): in accordance with the core option
- United Nations Sustainable Development Goals (UN SDGs)

Materiality approach

Our stakeholders are individuals or organisations whose activities have an influence on our strategy execution. We regularly interact with various stakeholder groups in order to address their issues and concerns. This Report focusses on information that is material to our business. It provides a concise overview of the Company's performance, prospects and ability to deliver sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been taken into account, and all material information has been included in this Report.

Feedback

Your suggestions, views, and opinions allow us to further improve our reporting. Please email your feedback to

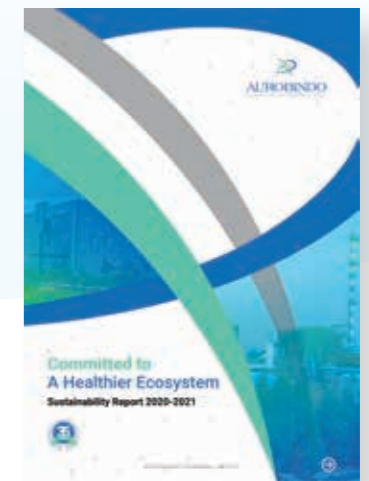
Dr. JVN Reddy
President - Corporate Environment, Health and Safety (EHS)
jvnreddy@aurobindo.com

Aurobindo Pharma Ltd., Head Office, 24th Floor, Galaxy Towers, Plot No-1, Hyderabad Knowledge City, Raidurg Panmaktha, Serilingampally Mandal, Ranga Reddy District, Hyderabad – 500032

Our reporting suite



➤
Annual Report
2021-22



➤
Sustainability Report
2020-21



Message from Vice Chairman and Managing Director

Driving sustainable transformation



“ For us, the ethos of sustainable development has been an essential tenet of doing business. In recent years, we have made significant progress across key performance indicators such as increased wastewater recycling and energy conservation, increasing the diversity of our workforce, and maintaining a strong commitment to our CSR initiatives in healthcare and education.

Dear stakeholders,

I trust this message finds you and your family in good health.

The recent years have underscored one timeless principle: change is the only constant. We are seeing this play out in various ways with the pandemic, the geopolitical conflict and the environmental crisis. It has become important for governments, organisations and individuals to take cognisance and adapt to protect the planet and its people.

During the recurring COVID-19 waves, we witnessed constrained healthcare systems and increasing demands on services and solutions. The need for sustainable

healthcare systems has become more pronounced than ever before. At the same time, the climate crisis emphasises the importance of reducing our global carbon footprint in accordance with the most recent climate science. At Aurobindo, our teams are working tirelessly to meet the evolving healthcare needs with a sustainability strategy that aims to address immediate and long-term societal challenges.

For us, the ethos of sustainable development has been an essential tenet of doing business. In recent years, we have made significant progress across key performance indicators such as increased wastewater recycling and energy conservation, increasing the diversity of our workforce, and maintaining a strong commitment to our CSR initiatives in healthcare and education.

We are working towards our goals of reducing carbon emissions, replacing traditional fuel sources with renewable energy, managing water and waste responsibly, and conserving biodiversity. Adoption of sustainable packaging techniques and practices increased steadily over the year, as did our efforts to continue "greening" our supply chain. We have successfully built solar power generation capabilities, and generated and consumed 43,000 MWh of solar energy last year. We have started receding the wastewater generated during product manufacturing at API manufacturing and formulation facilities, with the goal of reusing the treated wastewater.

We invest in our employees and instil a sense of entrepreneurship and ownership. Their advancement within the organisation is facilitated by the learning and development programmes, which are designed to provide individualised skill development journeys and differentiated careers. We have zero tolerance for any form of discrimination and are fully compliant with the Preventing Sexual Harassment Act (PoSH).

We are dedicated to transforming the communities and societies through high-impact solutions, thought leadership, and collaboration. Innovative approaches and solutions assist us in overcoming critical roadblocks and having a greater impact. We believe in working with like-minded partners to develop projects that are scalable and have a long-term impact.

Every year, our products significantly improve the quality of life for millions of patients. We strive to deliver cost-effective, high-quality life-saving and life-improving products to people worldwide while creating value for our shareholders.

My colleagues and I are encouraged by the rapid progress being made towards a universal framework for ESG. We are proud of the progress we have made towards this and remain steadfast in our mission to do more. I thank the Board for its guidance and express my heartfelt appreciation to all stakeholders for their continued belief in our abilities.

Regards,

K. Nithyananda Reddy

“ We have successfully built solar power generation capabilities, and generated and consumed 43,000 MWh of solar energy last year.



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Company overview

Improving health outcomes, globally

Since our inception in 1986, we have remained committed to creating value and being a partner of choice for our all our stakeholders. This approach helped us consolidate our leadership position and steered us towards the path of steady growth. In keeping with the changing times and to meet the evolving needs in the pharma sector, we are consistently innovating our products and processes to make advanced medicines accessible to patients globally at affordable prices.

We provide medicines across a wide range of therapeutic areas, including neurosciences, cardiovascular, anti-retrovirals, anti-diabetics, gastrointestinal, and anti-biotics, and others.

2nd

Largest listed Indian pharmaceutical company (by revenues)

#1

Largest generic company in the US (by RX dispensed)

Amongst

Top 10

Generics companies in six out of nine European countries



Our Vision

To become a leading and an admired global pharma company, ranked within the top 25 by 2030.



Our Mission

To become the most valued pharma partner to the world pharma fraternity by continuously researching, developing, and manufacturing a wide range of pharmaceutical products that comply with the highest regulatory standards.

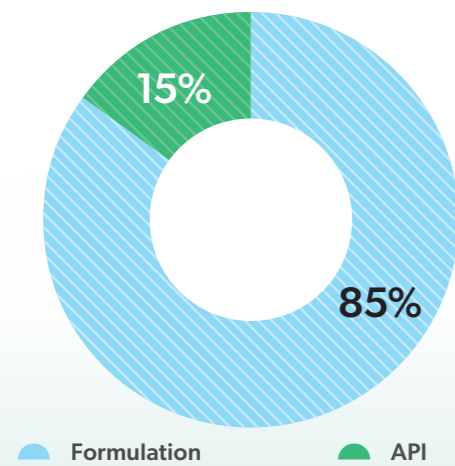


Company overview

Our key business segments

With a vertically integrated business model and cost-effective manufacturing, from discovery to development to commercialisation, we are well-positioned to cater to the diverse needs in healthcare. We have expanded our reach to create access to our products in over 150 countries.

Contribution of total revenue



Formulation

We have developed extensive production capabilities in formulation, which have been approved by regulators, and are focused on leveraging technology and investing in knowledge to create a diverse product portfolio.

Our 14 state-of-the-art formulation manufacturing facilities are located in India, USA, Portugal and Brazil and have received accreditations from the following regulatory bodies:

US FDA (United States Food and Drug Administration)

UK's MHRA (United Kingdom's Medicines and Health products Regulatory Agency)

TGA Australia (Therapeutic Goods Administration)

MCC South Africa (Medicines Control Council)

ANVISA Brazil (National Health Surveillance Agency)

Health Canada

WHO (World Health Organisation)

GCC DR (Gulf Central Committee for Drug Registration)



APIs

We are one of the largest API producers in the world with over 200 commercialised APIs and have 10 API production sites with new capacity added regularly to serve our evolving formulation business. Five of our production sites have been inspected and authorised by the US FDA, UK MHRA, TGA Australia, ANVISA, and other reputable regulatory bodies. We believe that this testifies our commitment to quality, safety, and best-in-class people and environmental practices.

Our strengths

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State-of-the art manufacturing and packaging facilities

1,500+

Analysts and scientists involved globally

₹16 bn

R&D Spend

9

R&D centres

Robust R&D facility

Our robust R&D infrastructure consists of five R&D centres in India and four in the United States, with 1500+ scientists and analysts driving innovation to meet the evolving needs. Our focus on capability development has been significant in the submission of Drug Master Files (DMFs), Abbreviated New Drug Applications (ANDAs), and formulation dossiers. We are one of the most frequent DMF and ANDA filers in the United States.

Manufacturing facilities

Our large-scale manufacturing capacity supports us in our wide range of final formulation products, including oral, injectable, and over-the-counter (OTC), as well as active pharmaceutical components (APIs). The USFDA, EDQM, UK MHRA, TGA Australia, GCC DR, WHO, Health Canada, MCC SA, ANVISA Brazil, and Japan PMDA have all given their approval to our production facilities.

Diverse portfolio

Our diverse product portfolio consists of complicated compounds across many therapeutic areas, which has been made possible by our in-house product development skills.



To broaden our product portfolio, we have also accelerated targeted acquisitions of selected business, diversifying our product portfolio across key markets.

Significant acquisitions over the years



Operational footprint

Expansive global presence

We have steadily increased our reach across the global landscape with manufacturing facilities in advanced and emerging markets. With the right due diligence and focus on quality, we are able to meet the highest standards of compliance in the countries where we operate.



Finished dosage formulations (FDF) units

India	
Unit III	General oral solids & liquids
Unit VI B	Cephalosporin
Unit VII	Non-antibiotics, ARVs/Orals
Unit XII	Antibiotics, injectables and Orals
Unit XV	Non-antibiotics, Solid & Liquid Orals (EU)
Eugia Unit I	Oncology and Hormones
Eugia Unit II (formerly known as AuroNext)	Penem formulations
Eugia Unit III (formerly known as Unit IV)	Injectables (Non-antibiotics) and Ophthalmic
Wytells Unit I (formerly known as Unit XVI)	Antibiotics, Injectables
APL Healthcare Unit I	Pharma OTC, Solid Orals
APL Healthcare Unit IV (formerly known as Unit X)	Non-antibiotics, Solid Orals
Curateq* (formerly known as Unit XVII)	Biosimilars
Auro Vaccines (formerly known as Unit XVIII)*	Vaccines

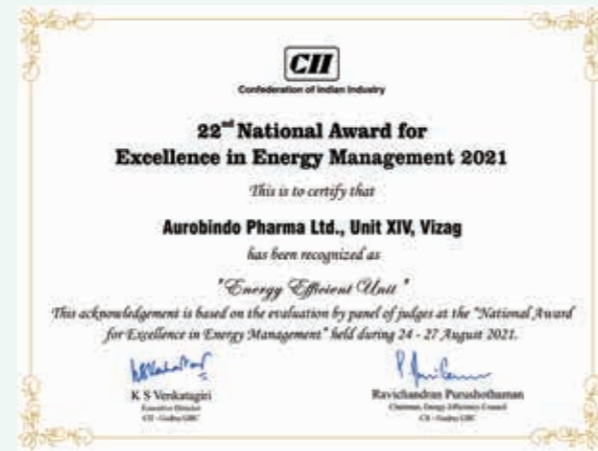
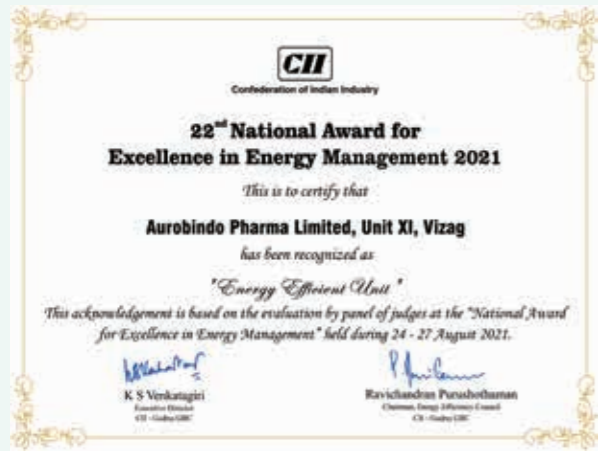
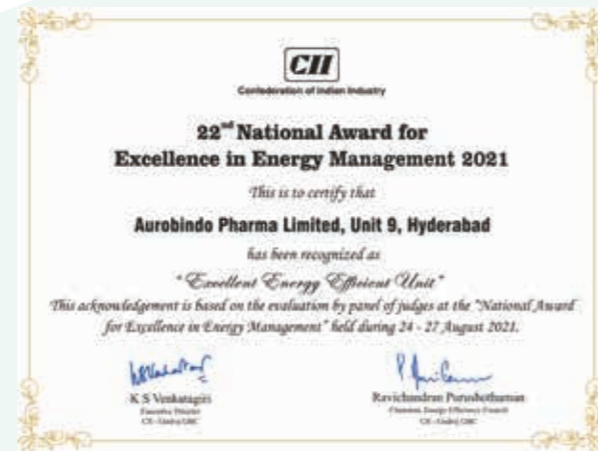
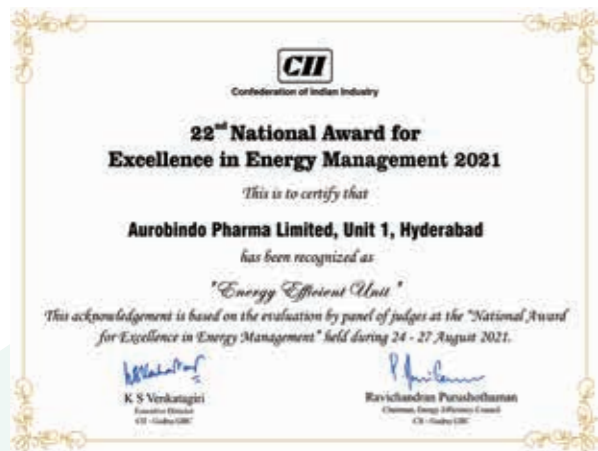
Active Pharmaceutical Ingredients (API) units

India	
Unit I	General APIs, Cephalosporin and Oncology
Unit II	Intermediates
Unit V	Antibiotics (Sterile and Non-sterile)
Unit VIA	Cephalosporins (Sterile)
Unit VIII	General APIs
Unit IX	Intermediates
Unit XI	Non antibiotics
Unit XIV	General APIs
Unit XVII (Formerly known as Silicon LS)	Penem (Non-sterile)
AuroPeptide	Peptides

* Yet to start commercial production (Integrated facilities with both drug substance and drug product capabilities)

Awards and recognition

Being recognised for excellence



National Award for Excellence in Energy Management 2021

- Energy Efficient Units
- Unit I, Hyderabad
- Unit, IX Hyderabad
- Unit XIV, Vizag
- Unit XI, Vizag



HR Innovation & Tech Fest 2021

- 'Most Collaborative Hiring team' and 'Innovation in Employee Engagement'

Global Healthcare Awards 2021

- Global Healthcare Operational Excellence Company of the year



Golden peacock Award

- Occupational Health & Safety Award 2021 for Unit XIV, Vishakhapatnam



Economic Times Human Capital Awards

- Excellence in Business Partnering



12th CII National HR Excellence Awards

- Aurobindo Pharma Limited - Formulations division'



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Sustainability framework

Responsible actions for a better world

As our goals and practices evolve to meet diverse patient and consumer needs, we remain cognisant of our role in using natural resources responsibly. At Aurobindo Pharma, our sustainability framework is integrated in our strategy and daily operations, which lends towards creating a culture of strong ethics and accountability.

For us, sustainability entails adopting responsible business practices and ensuring that our strategies, processes, and operations are ethical, inclusive, and environmentally responsible. Our sustainability framework is built on a systematic approach that aims to integrate ESG principles across our value chain. It is guided by our materiality assessment, which highlights the material issues significant to our Company as well as stakeholders.



The framework is built on six key pillars:



Responsible Manufacturing
Focuses on the sustainable use of natural resources such as energy, water, and waste management, in addition to tackling issues such as PiE and Antimicrobial Resistance (AMR).



Social Equity
Focuses on creating a rewarding work culture that encourages diversity, inclusion, and holistic development of human resources.



Effective Governance
Demands effective governance above and beyond the scope of compliance.



Sustainable Sourcing
Enables ethical, transparent, and accountable supply chain.



Healthcare Access
Ensures accessible and affordable medication in areas where we serve.



Corporate Social Responsibility
Encourages community engagement and empowerment by providing comprehensive social value.

Sustainability targets and achievements 2025

Paving the path for sustainable progress

In line with our commitment towards the planet and its people, we have resolved to become one of the most sustainable pharmaceutical companies. The insights provided by our stakeholders have led to short and long-term goals across six sustainability pillars. The progress we have made towards achieving these goals reflects the success of our efforts so far and inspires us to continue onwards in this journey to drive meaningful impact.

Pillar	2025 goals	Progress made so far	Status
Responsible Manufacturing	20% renewable energy share (Power-to-Power)	6.7% renewable energy share (Power-to-Power)	●
	12.5% reduction in carbon footprint (as per Science Based Targets initiative – well below 2°C scenario)	10% reduction from base FY20	●
	Towards water neutrality – 35% water conservation/restoration	Achieved ~37% water conservation/restoration	●
	60% co-processing of hazardous waste	Achieved 85% of the target	●
	100% reuse / recycle of non-hazardous waste	Achieved 100%	●
Sustainable Sourcing	100% of key starting material suppliers in India of finished dosage forms (drug product) shall be assessed on Suppliers' Code Of Conduct	45% of our new suppliers were screened in FY22 as compared to 35% screened in FY21	●
Social Equity	12.75% women out of total workforce	Achieved 10% gender diversity in FY22 as compared to 9% in FY21	●
	25 hours of learning per employee	Achieved 19.71 hours of learning per employee in FY22 as compared to 17.35 hours in FY21	●
	Zero reportable incidents across operations	Measures have been taken along with training to ensure no reportable incidents	●
Corporate Social Responsibility	Empowering communities to build a progressive ecosystem	Need-based programmes are being implemented	●
Effective Governance	Highest levels of governance beyond compliance	Implementing industry-best practices, ensuring highest level of governance	●
Access to Healthcare	Innovating and strengthening healthcare systems across	Promoting innovative measures to strengthen healthcare systems	●

● In progress ● Achieved





Stakeholder engagement

Strengthening our relationships

We believe that the bond we have nurtured with our stakeholders over these years is critical to our development and sustainable expansion. Their contribution holds great value for us, whether it is from investors who support us with financial capital or the communities that provide our social license to operate.

Stakeholder engagement

The material issues including ESG and economic factors that are priorities for our stakeholders form an important part of our actions and decisions. Moreover, our operations are also aligned to these priorities in order to ensure inclusive growth. To achieve this, the Board and the Management have identified the key stakeholders of the Company and mapped out the focus areas that will lead to more impact.



Healthcare Professionals (HCPs)

Why are they significant to us?	Mode of engagement	Focus areas
HCPs are our critical collaborators. They assist us in interpreting the patients' requirements and their insights help us improve how we develop and administer medications for optimum patient benefit.	<ul style="list-style-type: none"> • Meetings • Conferences • Seminars 	<ul style="list-style-type: none"> • Affordable medicines • Emergency medicines • Breakthrough cure



Employees

Why are they significant to us?	Mode of engagement	Focus areas
Employees are significant to the success of our organisation. We have a people-first strategy, focusing on individual development that will eventually contribute to the organisation's success.	<ul style="list-style-type: none"> • Employee engagement and training • Interactions with senior leadership • Various HR communication and initiatives 	<ul style="list-style-type: none"> • Learning and development • Technical upskilling • Succession planning • Occupational health and safety • Diversity • Code of conduct



Investors

Why are they significant to us?	Mode of engagement	Focus areas
Our investors and shareholders provide financial capital for business continuity and promote good corporate governance and ensure the Company is managed for the long-term.	<ul style="list-style-type: none"> • Meetings • Conference calls • AGM • Website • Investor meetings 	<ul style="list-style-type: none"> • Economic performance • Capital allocation • Reporting and disclosures



Suppliers

Why are they significant to us?	Mode of engagement	Focus areas
API, other input materials and vital services providers are important for the continuation of our operations.	<ul style="list-style-type: none"> • Visits • Meetings • Audits • Facility visits 	<ul style="list-style-type: none"> • Economic growth and financial stability • Incorporation of industry best practices



Communities, NGOs and government bodies

Why are they significant to us?	Mode of engagement	Focus areas
Our communities provide opportunities to collaborate and take up different social development activities. Our partnership with NGOs and government organisations supports our efforts to create a shared value in communities.	<ul style="list-style-type: none"> • Interacting with communities to identify their needs and embrace ownership • Partnering with NGOs to execute various CSR projects and do necessary assessments • Collaborating with government bodies on projects to bring holistic development as per the state and national agenda and policies 	<ul style="list-style-type: none"> • Education and skill development • Healthcare and disaster relief programmes • Eradication of hunger and malnutrition • Sustainable agriculture and environment protection • Other rural development activities

Materiality assessment

Understanding what matters in the long term

The materiality assessment we conduct forms the basis of our sustainability strategy. This assessment outlines significant ESG and economic issues, where we have the greatest capacity for impact and action.

We undertook a materiality evaluation in FY21 based on the GRI Framework to assess the concerns of our stakeholders. This evaluation is significant for us since it helps us identify essential focus areas from our stakeholders' perspectives. Our materiality assessment covers environmental, economic, social and governance aspects of our business.

Stakeholders

Internal

Employees, senior management, and the Steering Committee

External

Suppliers, healthcare experts, investors, and non-governmental organisations (NGOs)

Methodology

Our materiality tool uses a systematic five component approach to identify and prioritise key issues that are relevant to our organisation.

Universe of issues

A comprehensive list of issues related to environmental, economic, and social aspects was developed using industry trends, worldwide sector-specific industry studies, peer references, and discussions with the senior management.

Business objectives and risk assessment

We examined the primary issues considering our business risks and objectives and evaluated each case for its significance and capacity to assist the Company in accomplishing business goals and exercising risk management. The issues were compiled into a materiality framework, with each issue mapped to a business area and impact.

Stakeholder engagement

Through surveys and interviews, we developed a systematic method to establish effective lines of engagement with stakeholders. Internal stakeholders, such as our senior

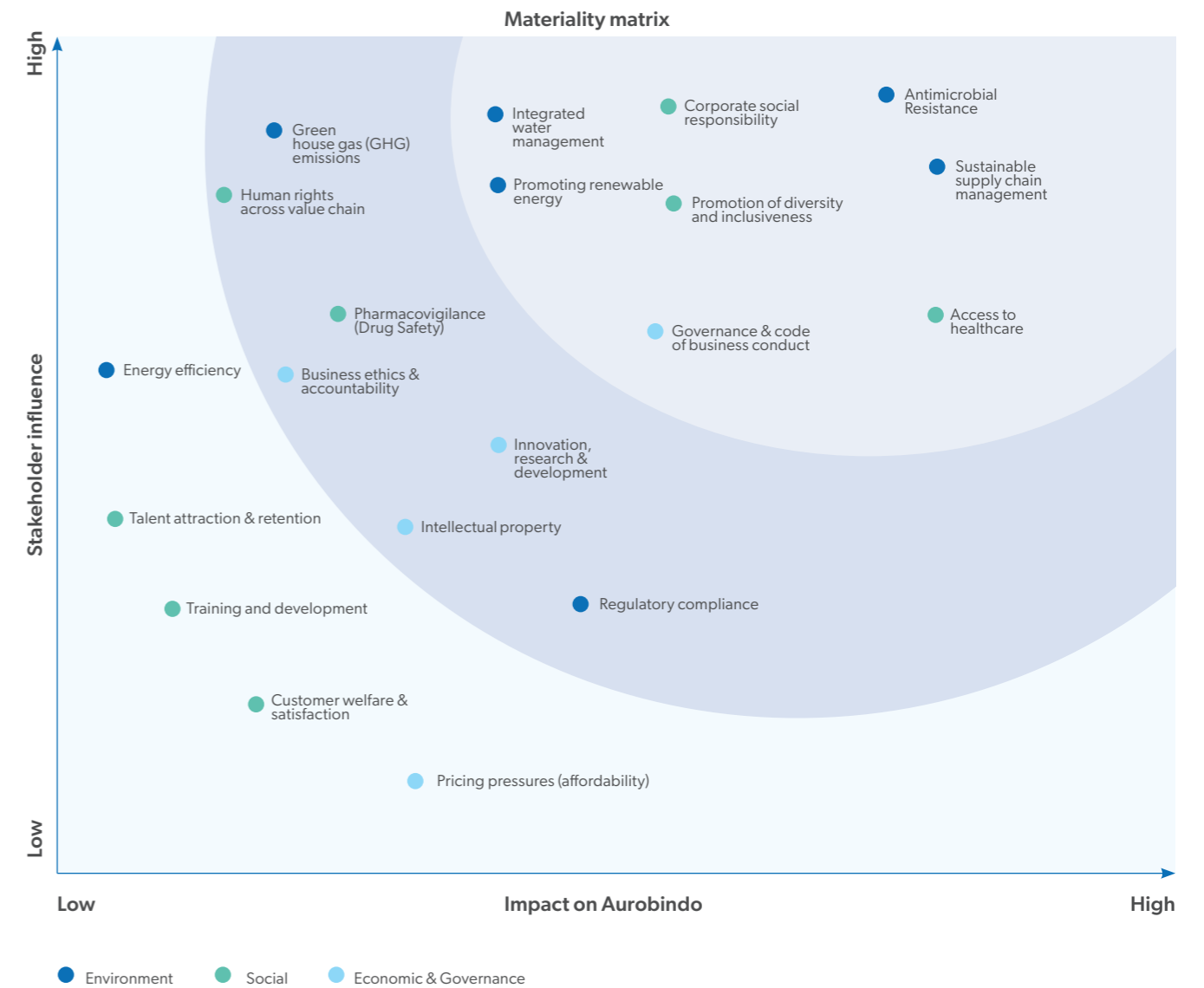
management and function heads set the sustainability priorities, which also addressed the concerns shared by external stakeholders. The data obtained during consultations with stakeholders were aggregated and the responses were then given a weightage depending on the intensity of impact on our performance and the extent to which our Company's performance influences them.

External requirements

We analysed and evaluated each of the identified concerns against the appropriate external reporting standards for their degree of relevance, including the UN SDGs, National Voluntary Guidelines (NVGs), and Dow Jones Sustainability Indices. Finally, the importance of each significant issue was assessed by integrating stakeholder feedback with regulatory and other reporting requirements.

Results of materiality assessment

We combined the stakeholder responses and plotted them against two parameters: stakeholders' ability to influence or be influenced by the issues and their impact on our business. As shown in the diagram below, the elements in the top-right quadrant represent material challenges of critical relevance to our stakeholders and the Company. These material challenges have a significant influence on our capacity to create value.



Materiality assessment

The table below maps material issues with key risks and opportunities:

Material issue	SDGs impacted	Risks
Promoting renewable energy	  	<ul style="list-style-type: none"> Increasing energy cost Peers focusing on renewable energy
Integrated water management	  	<ul style="list-style-type: none"> Location-specific water stress Groundwater depletion Dynamic regulatory landscape
Anti-microbial resistance	  	<ul style="list-style-type: none"> Health risk
Governance & code of business conduct	  	<ul style="list-style-type: none"> Ongoing high priority in line with Aurobindo Pharma's values
Corporate social responsibility	   	<ul style="list-style-type: none"> Opposition from the local communities
Promotion of diversity and inclusiveness	 	<ul style="list-style-type: none"> Increasing attrition rates
Sustainable supply chain management	 	<ul style="list-style-type: none"> Falling behind sector peers Need for increased efficiency and cost reduction
Access to healthcare	 	<ul style="list-style-type: none"> Delay in medicine availability for patients in need

Opportunities	Approach	Progress in FY22
<ul style="list-style-type: none"> Reduce dependency on conventional sources of energy Reduction in cost and brand image (carbon-neutral/positive) 	<ul style="list-style-type: none"> Strategic plan to become carbon neutral/ positive Implement solar rooftop projects and carbon offset programmes 	<ul style="list-style-type: none"> Increased share of renewable energy from 4.9% in FY21 to 5.1% in FY22
<ul style="list-style-type: none"> Reduce dependency on freshwater withdrawal through rainwater harvesting and reduction in cost Brand image (water neutral/positive) Water offset programmes 	<ul style="list-style-type: none"> Execution of water conservation programmes in the form of rainwater harvesting Strengthening water reuse and recycle 	<ul style="list-style-type: none"> Achieved ~37% water conservation through rainwater conservation 31% of the treated wastewater out of the total wastewater generated is reused
<ul style="list-style-type: none"> Responsible manufacturing Enhanced brand image Strategic collaboration to combat AMR 	<ul style="list-style-type: none"> Aiming towards Predicted No-Effect Concentrations (PNECs) targets for antibiotics in wastewater as per AMR Industry Alliance targets 	<ul style="list-style-type: none"> Ensured the Predicted No-Effect Concentrations (PNECs) for antibiotics in wastewater stays within limits as per AMR Industry Alliance framework Aurobindo has been recognised as a leader among generic manufacturers during Antimicrobial Resistance benchmark 2021 study with overall score of 71%.
<ul style="list-style-type: none"> Board-level Sustainability Committee Greater integration of ESG into business functions 	<ul style="list-style-type: none"> Highest levels of governance beyond compliance requirements 	<ul style="list-style-type: none"> We ensured that the highest level of governance is being maintained
<ul style="list-style-type: none"> Enhanced brand image Social license to operate 	<ul style="list-style-type: none"> Implement need-based CSR projects with impact assessment 	<ul style="list-style-type: none"> Multiple CSR projects based on the needs of the communities were implemented
<ul style="list-style-type: none"> Enhanced brand image Talent retention 	<ul style="list-style-type: none"> Promoting balanced gender & equal opportunity Incorporating diversity and inclusion into hiring practices 	<ul style="list-style-type: none"> Increased diversity percentage to 10% in FY22 against 9% in FY21
<ul style="list-style-type: none"> Establish traceable and transparent supply chain Supplier assessment program covering ESG aspects 	<ul style="list-style-type: none"> Introduce a Supplier Code of Conduct and ensure partners and suppliers adhere to the policy through engagements and audits Shifting towards low carbon logistics 	<ul style="list-style-type: none"> Implemented the Supplier Code of Conduct Initiated audit for suppliers' key-starting materials New suppliers screened using Environmental criteria increased to 45% in FY22 as compared to 35% in FY21
<ul style="list-style-type: none"> Opportunity to develop a robust pipeline of medicines for unmet medical needs Brand image 	<ul style="list-style-type: none"> Ensuring access to medicines and better connectivity with communities through health camps - Improve product registrations in various countries 	<ul style="list-style-type: none"> Continuing product registrations in various countries



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Corporate governance

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Corporate governance

Integrity is our strategy for success

We uphold our values across the organisation in every decision and action. This is reflected in the robust governance system we have established that serves to ensure that our ethos is respected, and stringent standards are adhered to.

Our Board of Directors are responsible for establishing our Company's strategic direction and examining our operations and performance on a continuous basis. We believe that the Company belongs to all stakeholders and our objective is to maximise shareholder value ethically and legally. Efforts are, therefore, made to increase the level of trust and confidence in stakeholders in the Company through a transparent governance mechanism.

4
Executive Directors

5
Non-Executive Directors

17+ years
Average tenure of the Directors on our Board



Ethics and responsibility

We believe that our Company's values have been the building blocks of our ethos. Each employee of Aurobindo Pharma across levels is encouraged to imbibe these values and act with utmost respect and responsibility towards our stakeholders and the people we serve.

Code of conduct

Our Code of Conduct affirms our commitment to the highest standards of integrity and ethics. It guides all supervisory, executive, and managerial employees of our Company, including the Board members and subsidiaries. The policy is widely shared with employees and published on our internal portal for ready reference.

Policy framework

Corporate social responsibility policy	Terms and conditions of appointment of Independent Directors
Policy on board diversity	Supplier code of conduct
Nomination and remuneration policy	POSH policy
Policy on preservation of documents	Related party transaction policy
HR policy	Archival policy
Whistle-blower policy	EHS & S policy

Board of Directors

The Board provides oversight on long-term business objectives, organisational strategy and risk management. The Board of Directors plays an important role in protecting the interests of stakeholders and is instrumental in the management, general affairs, direction and performance of the organisation within a well-defined responsibility framework.



Mr. K. Ragunathan
Non-Executive Chairman,
Independent Director



Mr. K. Nithyananda Reddy
Vice Chairman & Managing
Director



Dr. M. Sivakumaran
Whole-time Director



Mr. M. Madan Mohan Reddy
Whole-time Director



Mr. P. Sarath Chandra Reddy
Whole-time Director



Mr. P. V. Ramprasad Reddy
Non-Executive Director,
Promoter



Dr. (Mrs.) Avnit Bimal Singh
Non-Executive, Independent
Director



Mrs. Savita Mahajan
Non-Executive, Independent
Director



Mr. Girish P Vanvari
Non-Executive, Independent
Director

To read more, refer to Annual Report 2021-22 (Page 48)

Our Board Committees

Audit Committee

The Audit Committee examines internal control systems and processes, accounting policies, and other matters regularly to protect stakeholder interests and ensure compliance with the laws of the land. It monitors the management process to provide accurate, timely, and proper disclosures with transparency and integrity.

Risk Management Committee

The Risk Management Committee is responsible for developing and monitoring our Company's risk management policies. They identify, measure and monitor various risks Aurobindo Pharma is exposed to and initiate appropriate mitigating measures. The committee reports to the Board of Directors.

Nomination and Remuneration/Compensation Committee

The Nomination and Remuneration/Compensation Committee identifies and recommends persons qualified to become Directors and for appointment to senior management roles, as per the criteria laid down. Furthermore, it advises the Board on the extension of terms for Independent Directors subject to evaluation of their performance. The Nomination and Remuneration/Compensation Committee comprises three Non-Executive Directors, all of them being Independent Directors.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee considers and resolves grievances of Aurobindo Pharma's security holders, including complaints related to transfer of shares, non-receipt of annual reports, dividends, issue of duplicate share certificates, and others. The Committee comprises a Non-Executive, Independent Director as the Chair along with three Whole-time Directors.

Corporate Social Responsibility Committee

Aurobindo Pharma's CSR Committee aims to formulate relevant policies and monitor community-facing initiatives. The Committee recommends the expenditure to be incurred on the activities specified according to its social objectives and monitors related activities from time to time.

Sustainable governance

Our sustainability governance acts as an anchor to our strategy and targets. We strive to maximise economic value while living up to environmental and social expectations.

Our sustainability governance strategy establishes the goals and framework of the sustainability policy and supervises the execution of relevant programmes. It also oversees the incorporation of ESG principles into our Company's operations. The current Board of Directors leads and oversees the Company's sustainability purpose, as well as establishes future goals.

The Council is in control of devising a sustainability strategy and ensuring that it is incorporated into all business operations. Effective management of stakeholders and driving sustainable values through collaborative partnerships are overseen by the council.

Implementing initiatives relevant to their function, supervising on-the-ground personnel, and providing feedback on the feasibility of various sustainability projects are carried out by the working group. Representatives from the team supply facility-level data for sustainability indicators and collaborate with respective plant heads and suppliers to establish programmes at manufacturing units. This committee meets every two months.

Membership of associations

Aurobindo Pharma is associated with various national and international forums and organisations to address global environmental concerns as a responsible corporate. We are a member of:

- Export Promotion Council for EOU and SEZ
- AMR Industry Alliance (AMRIA)
- Indian Drug Manufacturers Association
- Indian Chamber of Commerce & Industry
- The Federation TG and AP Chambers of Commerce & Industry (FAPCCI)
- Confederation of Indian Industry
- Andhra Chamber of Commerce
- Bulk Drug Manufacturers Association
- Pharmaceuticals Export Promotion Council of India
- Indo American Chamber of Commerce
- JNPC Manufactures Association
- Telangana Chambers of Commerce and Industry
- Federation of Indian Micro and Small and Medium Enterprises (FIMSE)
- Indo Australian Chamber of Commerce
- Indian Pharmaceutical Alliance (IPA)
- ANZ business
- Council for Healthcare and Pharma
- Federation of Asian Biotech Associations

Risk management

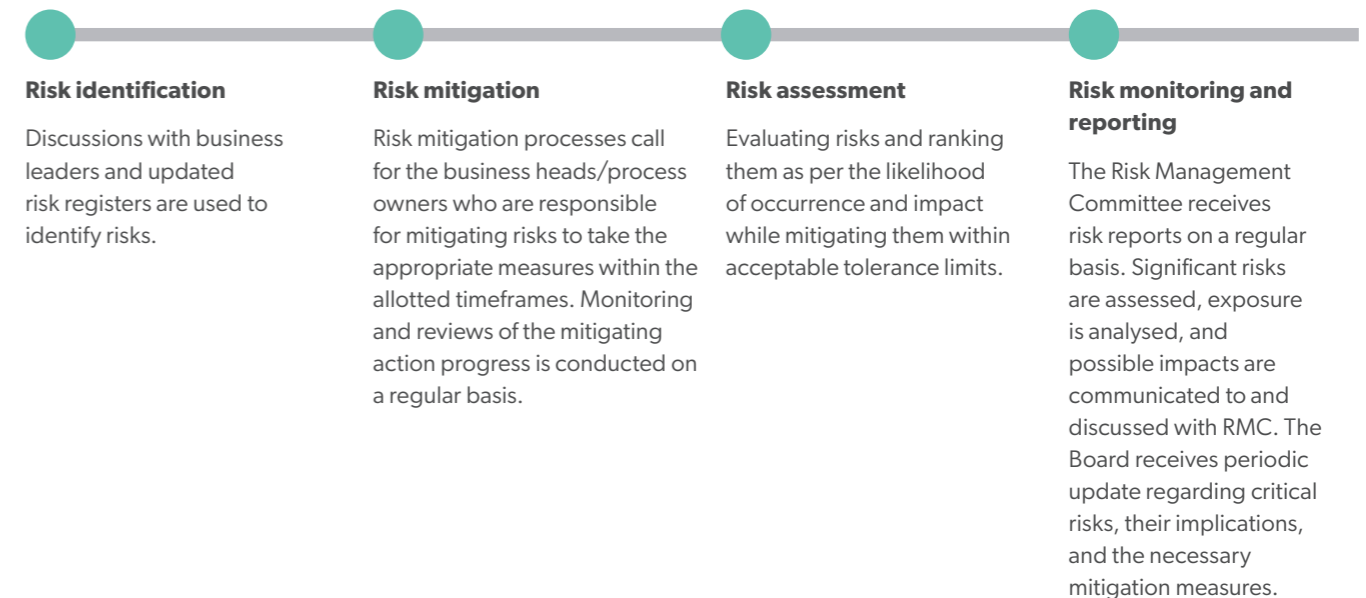
Our operations are susceptible to multiple risks including those related to financial, market, technological, operations, and regulatory and compliance. With a strong Enterprise Risk Management (ERM) framework, we are able to detect, evaluate, mitigate, and monitor any risks or possible threats that our Company may incur in the short- or long-term.

This framework aligns with the global standards defined by the COSO ERM Framework 2017, developed by the Treadway Commission. Our Enterprise Risk Management (ERM) framework aims at proactively managing significant risks by incorporating risk management practices across our value chain. This framework is designed to reduce the adverse impact of risks, enabling the Company to leverage market opportunities, strengthen its competitive edge and create value for its stakeholders.

Risk governance structure



Risk management process



Key business risks

To identify both existing and developing risks that can impact our operations, we use a structured methodology. We have identified the following business risk categories for FY22.

- | | |
|--|---|
| 1 Supply chain disruption risks | 7 Environment, Health and Safety (EHS) risks |
| 2 Economic and geopolitical risks | 8 Patent protection risks |
| 3 Competition risks | 9 Financial risks |
| 4 Pricing risks | 10 People risks |
| 5 Market risks | 11 Information technology (IT) and cyber security risks |
| 6 Regulatory, statutory and legal compliance risks | |

For risk management process, risk description and mitigation strategies, please refer to our Annual Report FY22.



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Economic performance

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37 Performance discussion



Financial highlights

Creating shared value

Our sustainability strategy is fundamental to achieving our long-term vision. By embedding sustainability in our business strategy, we can balance risk and deliver strong growth while creating a positive impact on people and the environment.

2021-22 financial highlights**₹ 2,34,555 mn**

Revenue

₹ 26,471 mn

Net Profit

₹ 43,868 mn

EBITDA

11.4%

Return on Equity

18.7%

EBITDA Margin

₹ 3,39,217 mn

Balance sheet size

Formulations**₹ 1,99,393 mn**

Revenue from formulations during FY22

APIs**₹ 35,156 mn**

Revenue from APIs during FY22

85%

Contribution to the total revenue

14%

y-o-y growth in API revenue

15%

Contribution to the total revenue

FY22 key achievements**₹ 2,34,555 mn**

Recorded a revenue generation

18.7%

Clocked an EBITDA of ₹ 43,868 million with margins

60

ANDAs were filled with USFDA, 13 of which are for injectables

19

Final approval Received from USFDA ANDAs, 7 of which are for injectables

22

Products launched in USA, including 10 injectables

Phase I trials for the lead molecule in Bevacizumab biosimilar division have been completed and phase III trial activities have started.

Awarded for setting up capacity for Pen G based fermentation-based products by the Government of India under PLI scheme

Filled first two biosimilar products

Received two import drug approvals in China

Adding economic value to stakeholders

We consider effective capital deployment and income creation as an essential commitment to our financial capital contributors. Establishing a distinct and valued business, we have been able to produce value for the full fraternity of our stakeholders. We are continuously improving our financial performance via cutting-edge innovation.

Direct economic value generated and distributed	FY20	FY21	FY22	FY20	FY21	FY22
	Standalone (in ₹ mn)			Consolidated (in ₹ mn)		
Revenue from operations	1,33,708	1,58,237	1,12,871	2,30,985	2,47,746	2,34,555
COGS + other expenses	90,958	99,684	82,137	1,50,150	1,59,062	1,56,178
Employee benefits expense	15,771	17,354	16,000	32,192	35,350	34,509
Depreciation & Amortisation exp.	4,733	4,880	4,153	9,667	10,554	11,265
Finance cost	2,433	287	169	3,051	745	486
Tax expense	4,932	10,801	1,828	8,994	20,098	7,256
Total value distributed	1,18,827	1,33,006	1,04,287	2,04,054	2,25,809	2,09,695
Net profit	18,769	31,129	14,547	28,437	53,338	26,471



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Environmental performance

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Message from President – Corporate Environment, Health and Safety (EHS)

Catalysing a sustainable future



“ We have implemented a massive plantation drive across 807 hectares of land inside and outside the boundary of our facilities and planted over 4,33,117 trees over five years providing much-needed green cover and ecological balance.

Dear stakeholders,

We are pleased to present our ESG performance through our second Sustainability Report, which we believe reflects our commitment and responsibility as a global pharma company.

Fostering environmental stewardship

Renewable energy

We generated and consumed around 43,000 MWh of solar energy in FY22. We use biomass as a fuel for our boilers in addition to renewable energy, which accounts for around 3% of our total energy usage.

Reducing carbon footprint

We have implemented several energy conservation measures and achieved 10% reduction in carbon emissions against a target of 12% reduction from baseline year FY20 (97,211 tCo₂e in FY22).

Responsible waste management

This year we reused 2,98,804 KL of treated wastewater at our operational facilities. The wastes are segregated into process and non-process, and securely stored on site. Wastes that are primarily organic in nature (liquid and solid wastes) are disposed to cement plants, where they are processed as alternate fuel, accounting for approximately 51% of total waste generated in FY22.

Antimicrobial resistance (AMR)

We collaborated with ‘The Access to Medicine’ Foundation and became a member of the ‘AMR Industry Alliance’ to improve access to high quality antimicrobial products, support appropriate use and minimise environmental risks. We have been recognised as an overall leader among generic manufacturers in the 2021 Antimicrobial Resistance Benchmark study with a score of 71%.

Plantation drive

We have implemented a massive plantation drive across 807 hectares of land inside and outside the boundary of our facilities and planted over 4,33,117 trees over a course of five years providing much-needed green cover and ecological balance.

Occupational health and safety

We are committed to providing a safe and healthy working environment to all employees and workers. To ensure the safety and health of all employees and workers, risk identification and assessments are performed and a hazard and operability study (HAZOP) is conducted before the initiation of a chemical process. We follow and monitor the safety rules and policies for all new projects, existing manufacturing units, distribution centres, etc. Relevant SOPs and protocols are established and regular training is provided on safety standards. We provide suitable personal protective equipment to prevent the occurrence of any accidents.

Responsible supply chain initiative

We recognise the importance of a sustainable supply chain and screened 45% of suppliers on environmental criteria this year.

We are focused on ensuring that we take the necessary actions in our journey to achieve our long-term sustainability goals with responsible value creation for all stakeholders.

Regards,

Dr. J.V.N. Reddy

President - Corporate Environment, Health and Safety (EHS)

Economic performance



Environment

Towards a low-carbon future

We are standing with the world in its fight against the burning issue of climate change. While we have always prioritised the well-being and safety of the planet and our people, we are moving with agility to minimise any adverse impact as a result of our operations. As further affirmation of our commitment, we have aligned our sustainability framework to global climate action and protecting the environment.

Strategic focus areas



Climate change and Energy



Biodiversity



Water



Waste



Sustainable packaging



Responsible supply chain

Environmental preservation has been critical to Aurobindo Pharma and is assigned the highest level of priority across our units. To accomplish this sustainability goals, we have set for ourselves, we are leaning more towards renewable energy, improving the co-processing of hazardous waste, reusing/recycling 100% of non-hazardous waste, managing water resources responsibly, and expanding green belts around our facilities. We have adopted the best standards of responsible manufacturing across our supply chain.

10%
Reduction in carbon emissions from baseline year FY20 (Achieved 80% of 2025 target)

31%
Reuse of treated wastewater out of total wastewater generated

1.2%
Reduction in energy consumption (75,612 GJ reduction compared to FY21)

5.1%
Utilisation of renewable energy across our operations (3,11,176 GJ)

Climate change

We are cognisant of carbon emissions produced across our supply chain, from manufacturing and transportation to emissions from storage and distribution. We have introduced several measures to monitor and minimise our carbon footprint across operations.

We are aligning our low carbon journey with Science-Based Target initiative (SBTi) to limit global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C, as per the Paris Agreement.

As part of our sustainability journey, we monitor emissions and have implemented several mitigation and reduction initiatives. We have a well-designed process that supports us in achieving these goals with standard operating procedures (SOPs), systematic assessment, and monitoring and evaluation methods.

GHG emissions: Scope 1 and Scope 2 (tCO₂e)

Emissions	FY19	FY20	FY21	FY22
Scope 1	4,09,572	3,90,910	3,59,387	3,61,621
Scope 2	5,23,611	5,65,185	5,43,983	4,97,263
Total	9,33,182	9,56,095	9,03,370	8,58,885

GHG emissions intensity

	Unit	FY19	FY20	FY21	FY22
Total emissions	tCO ₂ e	9,33,182	9,56,095	9,03,370	8,58,885
Total revenue	₹ Mn	1,95,636	2,30,985	2,47,746	2,34,555
Total energy	GJ	65,42,714	65,56,122	62,17,790	61,42,177
Emission intensity	tCO ₂ e/₹ Mn	4.77	4.14	3.65	3.66
Emission intensity	tCO ₂ e/GJ	0.14	0.15	0.15	0.14

Regulating Scope 3 emissions

Several initiatives have been implemented to reduce Scope 3 emissions. These include:

- 1) Delivery of export products by sea rather than air, which has led to lowering of supply chain emissions by 11,920 tCO₂e with FY18 as the baseline. We further plan to transport more than 90% of our export products by sea and improve the supply chain efficiency.
- 2) Enabling our logistics providers to maintain emission dashboards in accordance with the GHG Accounting Protocol.

Curbing our carbon emissions – FY22

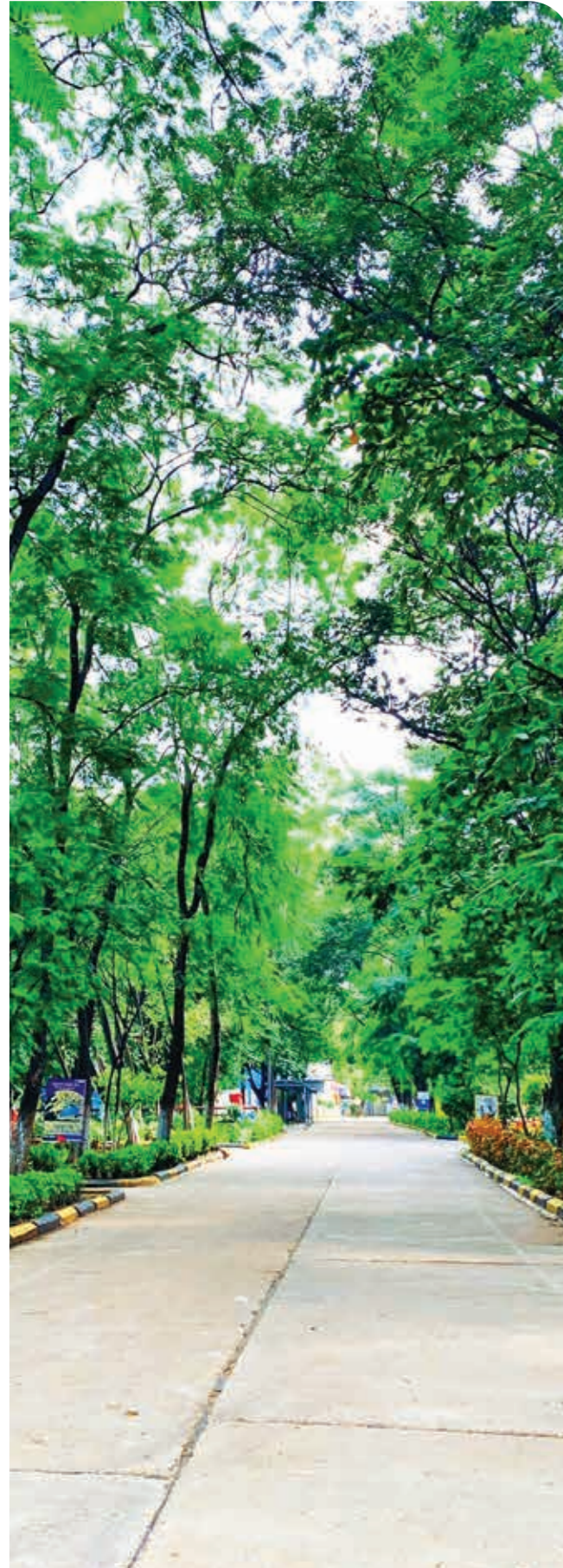
10%
Reduction in carbon emissions from baseline year FY20 (achieved 80% of 2025 target)

1.2%
Reduction in energy consumption (75,612 GJ reduction compared to FY21)

31%
Reuse of treated wastewater out of total wastewater generated

5.1%
Utilisation of renewable energy across our operations (3,11,176 GJ)

Environment


Curbing our carbon emissions – FY22
2,26,969 tCO₂e

Emissions saved through energy-saving initiatives

14,773 tCO₂e

Emissions avoided through substituting coal with biomass

1,37,835 tCO₂e

Emissions avoided through solvent recovery

16,615 tCO₂e

Emissions avoided through redirection of spent solvent to cement kilns

Reducing our energy consumption

We are enhancing our energy efficiency by optimising operations and processes. Our energy conservation team analyses energy and steam consumption sources while the operational excellence team pursues technologically advanced solutions to improve efficiency and lower resource usage.

Energy consumption (GJ)

Energy	FY19	FY20	FY21	FY22
Direct energy	42,64,927	40,98,249	38,51,356	39,78,570
Indirect energy	22,77,788	24,57,873	23,66,434	21,63,607
Total energy	65,42,714	65,56,122	62,17,790	61,42,177

	Unit	FY19	FY20	FY21	FY22
Total energy	GJ	65,42,714	65,56,122	62,17,790	61,42,177
Total revenue	₹ Mn	1,95,636	2,30,985	2,47,746	2,34,555
Energy intensity	GJ/₹ Mn	33.44	28.38	25.10	26.19

To meet our energy requirements, we are dependent on diesel, furnace oil, coal anthracite and bituminous, biomass briquettes, grid electricity, and electricity from solar PV plants.

In order to optimise power utilisation, numerous energy conservation activities were implemented in utilities, effluent treatment, and solvent recovery operations. These measures focused on performance assessments, automation of equipment, standardised procurement of energy-efficient equipment, installation of energy-efficient motors and pump sets, refrigeration systems, and agitators among others.

To minimise the use of non-renewable fuels such as coal, diesel, and furnace oil, we undertook multiple improvement measures during the year. Some of these included the installation of waste heat recovery systems, steam condensate recovery systems, boiler automation, and flue gas parameter monitoring systems.

Transition to renewable energy
3,11,176 GJ

Total renewable energy consumed

1,55,631 GJ

Generated using biomass briquettes

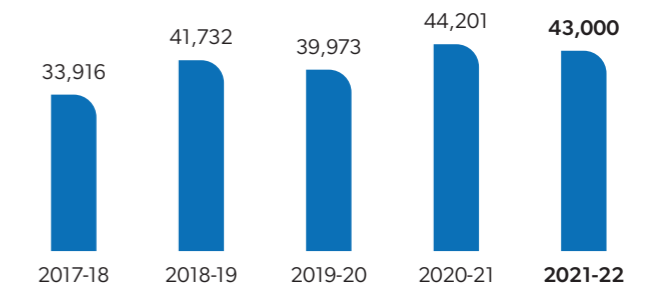
1,55,545 GJ

Generated using solar plants

Our vision extends beyond conserving energy to using excellent engineering practices and cutting-edge technology with an objective to responsibly transform our operations for the better. We deployed Internet of Things (IoT) enabled solutions for real-time monitoring and automation of utility systems; conducted ABC analysis for managing inventory; established SOPs; and enhanced manufacturing equipment dependability. These techniques provided us with competitive advantages in terms of cheaper operating costs, reduced idle equipment time, and the establishment of a virtual central warehouse.

Solar power

To reduce our overall carbon footprint, we are transitioning to alternate energy sources. We constructed a 30 MW captive solar power facility in Varisam, Srikakulam District, Andhra Pradesh. Since FY18, this project has generated around 2,02,822 MWh of solar energy. In FY22, we generated and consumed around 43,000 MWh of solar energy.

Solar generation from FY18 to FY22


Environment

Energy Conservation Initiatives

Implementation of Adiabatic Cooling System



Objective

Our focus was to reduce the power consumption in the air-cooled refrigeration system by pre-cooling the ambient air reaching the refrigerant condenser, thus lowering condensation temperature and reducing back pressure on compressor discharge.

Actions taken

Installed an Adiabatic Cooling System for the air-cooled chiller to ensure the entering ambient air into the condenser is pre-cooled, thereby reducing back pressure on the chiller.

Salient features of this initiative:

- Enables the condenser to reject more heat
- Reduces overall working temperature, thereby increasing reliability
- Improved performance of the refrigeration system
- Decreased specific energy consumption of the chiller
- Intangible benefits include corrosion resistance to the copper coils of the condenser

Impacts

This technology reduced our power consumption by 410 MWh due to the decrease in back pressure.

410 MWh

Reduction in power consumption

Implementation of double effect vapour absorption machines (VAMs)

Objective

Our objective was to conserve energy by replacing the existing energy-intensive Air-Cooled Chiller Compressors and Reciprocating Chiller Compressors with Highly Efficient Double Effect Vapor Absorption Machines (VAMs).

Actions Taken

We installed five double-effect high energy efficient Vapor Absorption Machines (VAMs), replacing the old chiller compressors and Reciprocating Chiller Compressors.

Impacts

Installing these VAMs increased the steam demand in existing cogeneration power plants.

1,209 MWh

Increase in power generation

1,446 MWh

Reduction in power consumption

Implementation of three-way actuated control valves in air handling units (AHUs)

Objective

We aimed to reduce the energy consumption in Chilling Plants and Air Handling Units (AHUs) by operating at optimum load and maintaining uniform ambient conditions in Air Conditioning Spaces (HVAC) system.

Actions Taken

Installed a 3-way actuated auto control system in the AHUs cooling and heating circuit, to control the chilled water flow as per the cooling requirement and to maintain uniform temperature & RH as per the setting.

Impacts

This automation helped in operating the AHUs at optimum load through a precise temperature control point by cutting-off chilled water flow once the temperature reached a set point. Through this initiative, 35 MWh of consumption has been reduced.

35 MWh

Reduction in power consumption

Salient features of this initiative:

- Achieved precise and optimum controls in the room ambient conditions like temperature and RH
- Avoids manual intervention and thereby reduces operating time
- Reduced excess load on chilling plants thereby achieved energy savings

Implementation of vertical inline pumps

Objective

Introducing new technology in pumps to make them efficient.

Actions taken

We installed energy-efficient vertical in-line pumps by replacing the existing low-efficient pumps. These pumps are Split Coupled vertical in-line pumps.

Impacts

Through this initiative, we could reduce our energy consumption by 140 MWh. Other intangible benefits include low maintenance and reduced downtime.

140 MWh

Reduction in energy consumption

Salient features of Vertical Inline Pumps:

- Low maintenance, as well as low footprint, compared to horizontal pumps
- Minimal vibrations and less noise make them more reliable
- Improved performance in pumping operations
- Easy installation compared to horizontal base mounted pumps

Environment

Biodiversity

We have been focusing our efforts on implementing measures that sustain the organic equilibrium and preserve ecosystems where we operate. We consciously structure our processes to limit how our operations impact the environment. Our strategies are also designed to conserve and create balance in the ecosystem.

The eco-development wing of our Environment Health and Safety (EHS) team is responsible for overseeing our efforts in this direction. We have carried out a large planting drive covering 807 hectares of land both within and outside our facilities. We planted approximately 4,33,117 trees of diverse indigenous species over a course of six years, which not only provided green cover but also created balance through carbon sequestration. The consistent monitoring and maintenance of this green belt has resulted in the survival of more than 80% of the established greenbelts. We also have a captive decomposition of garden waste in some units, which helps us maintain the greenbelt.

Key initiatives

- Planted nitrogen-fixing trees such as Pongamia pinnata, Dalbergia sissoo, Cassia siamea, and Bauhinia variegata as well as tree species such as Acacia, Azadirachta, Delonix, Melia, Cassia fistula, Neolamarckia cadamba and Peltophor
- Used high-density plantations to sustain numerous plants in a smaller area
- Actively engaged in government-sponsored green belt development programmes such as Vanamahotsavam (MoEF&CC), Telangana ku Harithaharam (Telangana), and Vanam-Manam (Andhra Pradesh)
- Actively participated in projects such as avenue plantation, which includes planting near schools and water bodies (tanks), recycling garden waste into vermicompost, and filling gaps in existing greenbelts to solve mortality-related losses
- Deployed drip irrigation for plantation within and beyond our unit premises

4,33,117 trees

Of diverse species during the last six-year period

14,724 tCO₂e

Carbon sequestration

Water management

For us, water is a vital commodity utilised extensively in the processing, formulation, and production of pharmaceutical goods, active pharmaceutical ingredients (APIs) and intermediates, and analytical reagents as raw material, ingredient, and solvent.

We adhere to all the pollution prevention and control standards and ensure that the Predicted No-Effect Concentrations (PNECs) for antibiotics in wastewater is within limits as per the AMR Industry Alliance framework. We also monitor our water usage on a fortnightly basis and review relevant processes daily.

Our fully operational Effluent Treatment Plants (ETPs) deploy innovative technologies to collect, store, treat, and manage wastewater across all our units, and we have achieved Zero Liquid Discharge status at several of the units. In addition, we have implemented multiple rainwater conservation strategies to restore groundwater at several of our production facilities.

2,98,804 KL

Of treated wastewater is reused at our production plants in FY22

Aurobindo has been recognised as a leader among generic manufacturers during Antimicrobial Resistance benchmark 2021 study with overall score of 71%.

Water withdrawal (million litres)

Fresh water withdrawal (ML)	FY19	FY20	FY21	FY22
Groundwater	1,429	1,737	1,568	1,824
Third-party water	1,782	1,759	1,908	1,512
Total fresh water withdrawal	3,210	3,496	3,476	3,336

Water withdrawal intensity (million litres)

	Unit	FY19	FY20	FY21	FY22
Total fresh water withdrawal	(ML)	3,210	3,496	3,476	3,336
Total revenue	₹ Mn	1,95,636	2,30,985	2,47,746	2,34,555
Fresh water withdrawal intensity	ML/₹ Mn	0.0164	0.015	0.014	0.014

Responsibly managing waste

Responsible waste management is critical to the seamless continuity of our operations. To manage our waste, we have implemented a two-point strategy: reduce waste at the source and handle it responsibly till the last mile. Towards this, we separate waste at the source to enable efficient and timely waste treatment, reuse, or disposal.

85% (9,295MT)

Of targeted hazardous waste is sent for co-processing, which is used as alternate fuel in cement industry

49%

Of hazardous waste is sent to TSDF (Treatment, Storage and Disposal Facilities) for safe disposal

100%

Of non-hazardous waste is recycled/reused

Waste generated	FY19	FY20	FY21	FY22
Hazardous (in MT)	27,917	30,044	25,147	18,445
Other recyclable Waste (in MT)	20,836	17,568	15,325	31,527
Bio-medical (in MT)	185	229	248	220
E-Waste (in MT)	6	5	1	6
Used Oil (in MT)	29	36	27	24
Waste Intensity (MT/₹ Mn)	0.25	0.21	0.16	0.21

9,295 tonnes

Hazardous waste used as alternate fuel resource

31,502 tonnes

Other recyclable waste handed over to authorised recyclers for reuse/recycling

~6.4 tonnes

E-waste sent for recycling

2,785

Used batteries disposed through buyback for recycling

The increased generation of solid waste has created a bias for action across organisations that aim to reduce their impact to limit the waste that reaches landfills. Against this backdrop, Aurobindo Pharma takes accountability to ensure compliance with all waste management regulations and aims to achieve 'Zero Waste to Landfill' for non-hazardous waste.

Sustainable packaging

It is critical for pharmaceutical firms across the world to decrease plastic in package design and lower carbon footprints across the packaging supply chain. With the increasing thrust on sustainable packaging, we have reviewed existing systems and further adapted them in line with country-specific regulatory packaging standards. We are also developing environmentally friendly packaging by minimising total material use and energy consumption. We believe that efficient and sustainable packaging solutions is an important part of our journey to being a sustainable organisation.





Environment

Moving towards sustainable packaging using value engineering, alternatives and standardising

We undertake several strategic actions towards sustainable packaging while ensuring customer convenience.

All our shipments to the USA are generally shipped in pallets which are loaded into refrigerated containers. We have made substantial efforts to minimise the overall number of reefer containers.

Shippers or products ready to be shipped to the USA are placed on a wooden pallet whose corners are strengthened using an angular board and then strapped and wrapped tightly using a thin film. Only 40 of these pallets can be loaded onto 40 feet refrigerated container packed in this manner.

Conducting further research and risk assessment, we have started dispatching the shipments directly without the use of pallets. This optimises the space available in the containers, thus reducing the total number of reefer containers shipped. The products are palletised on the ground for distribution on reaching the destination.

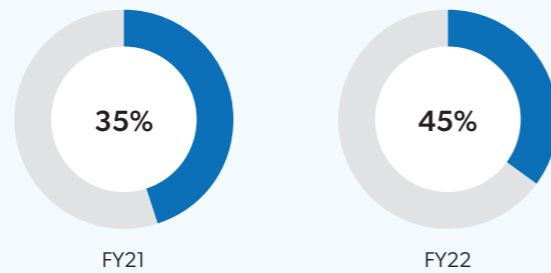
Savings of pallets, shrink film, carry strap, edge board and buckle clips due to stuffing of pallets for US market

888 Reefer containers saved	35,520 Number of pallets	14,208 kgs Shrink film
10,656 kgs Carry strap	67,488 kgs Edge board	2841 kgs Buckle clips

We prioritise Environmental and Social (E&S) components of the supply chain and work in partnership with our suppliers to improve their performance on these metrics. Our suppliers are selected based on a thorough examination regarding their credibility, environmental procedures, sound manufacturing techniques, and environmentally friendly goods. Our team monitors and evaluates these criteria for critical suppliers responsible for vital raw material intermediates and API procurement.

To ensure compliance with local labour laws and international norms related to social responsibility, we conduct SA 8000 audits. All our vendors are required to adhere to social elements such as contract labour, non-discrimination, equal rights, working hours, and environmental considerations. We have a supplier Code of Conduct in place that addresses both quality and coating.

% of new suppliers screened



Local sourcing

Our business objective places significant value on local sourcing. Procurement of products and services from local vendors boosts green manufacturing and reduces transportation-related externalities. Collaborative partnerships with local communities are a part of our efforts to empower them while also making them a part of our successful journey.

We partner with suppliers nearby to our production facilities that adhere to the required compliance and quality standards. Since most of our activities are in Andhra Pradesh and Telangana, the majority of our suppliers are from these states.

34%
Of spending on local suppliers

14%
Of spending on local-local suppliers
(55% Telangana and 45% Andhra Pradesh)

Responsible supply chain

The global value of pharmaceutical items sold has increased sixfold over the last two decades and during this period of expansion, supply networks have grown more global, complicated, and opaque. Therefore, any disruption to the supply-chain significantly influences our business.

We place a strong emphasis on maintaining a responsible supply chain. To ensure that our operations run smoothly, maximise customer value and give ourselves a competitive advantage across regions, we are consistently simplifying and streamlining our supply activities. We have a rigorous and meticulous system in place for identifying, selecting, and engaging suppliers with whom we have formed long-term partnerships. Our dedicated technical team implements industry best practices for vendor management and organises supplier meetings on a regular basis to explain our strategic ideas and new projects.

Note: Suppliers located in the limits of the India territory are defined as local. Suppliers located in the limits of Andhra Pradesh and Telangana states (i.e., where majority of Aurobindo's operations are situated) are defined as local-local.





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Social performance

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Our people

Creating a positive employee experience

We believe in building a sense of belonging at the workplace, encouraging employees to care about each other, and inspiring them to grow by creating an environment where they feel valued and appreciated. Our policies and systems reflect our belief that employees are integral to the business and play an important role in our success.

Strategic focus areas


Employment



Diversity and inclusion



Learning & development



Employee engagement



Rewards and recognition



Human rights



Health and safety



Succession planning



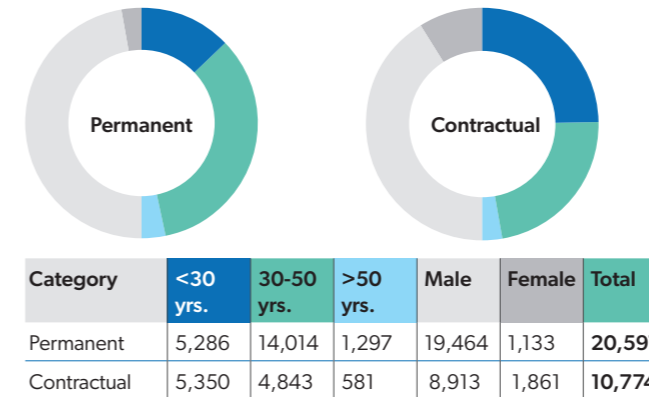
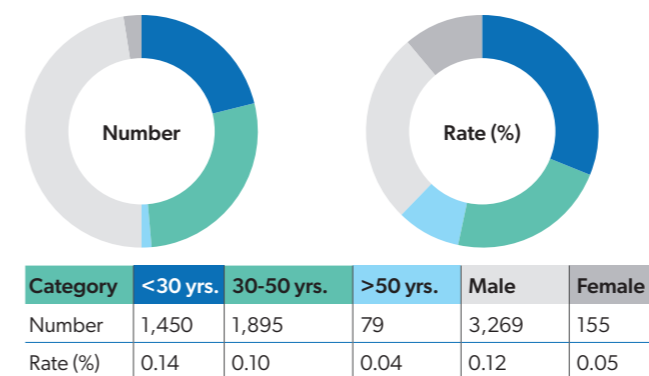
Response to COVID-19

Our people function derives its mission and purpose from the strategic focus areas and strives to deliver organisational performance.

- Conducting talent acquisition with an emphasis on cultural alignment and technical capability
- Building a high-performance culture through continuous capacity building and periodic and transparent appraisal systems
- Creating and nurturing leaders at all levels through trust, responsibility, empowerment, and transparency
- Enabling equal opportunity by making diversity and inclusion central to talent management
- Management of compensation, benefits, and rewards to foster a dynamic work culture focused on creativity, cooperation, and performance
- Maintaining the highest levels of statutory compliance and social accountability in conformity with global standards in the face of rising consumer demands

Employee base

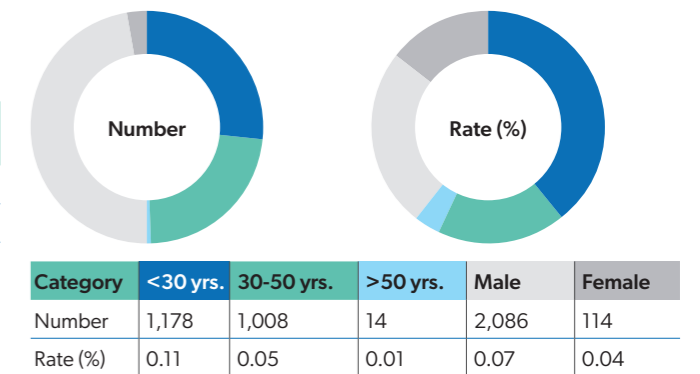
Based on our years of experience, we have improved our recruitment processes and developed a comprehensive human resource management system to attract and retain the best talent. Our permanent employee base has burgeoned to over 20,000 as of March 31, 2022, alongside an additional 10,000+ people working on contract basis.

Employee diversity by age and gender

Employee turnover


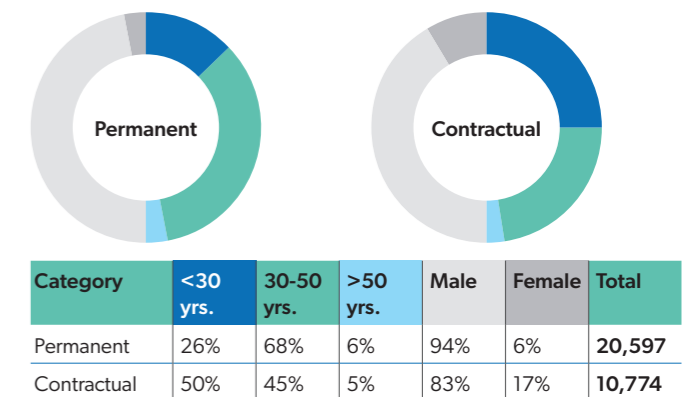
Note: Above data represents manufacturing, research & development facility, and head office only


New hires

We believe that it is important to seamlessly onboard new employees and we have set up strong digital infrastructure to support and elevate the experience. As part of the induction process, new employees receive an overview of the company's history, policies, and unit-specific information. A factory tour is also scheduled for senior hires to provide insights into the manufacturing and production procedures. Our HRM system clearly outlines policies, systems, and processes to ensure that employees are aware of and understand their range of benefits, including leave, insurance, family assistance schemes, and children's education reward scheme, among others.

New hires by age and gender

Diversity and inclusion

Diversity is crucial to fostering a healthy work culture and encouraging varied perspectives. We believe in providing equal opportunities to our employees regardless of their age, gender identity, religion, caste, nationality, race, and ethnicity. Our commitment to diversity is further established through our 'Diversity Management Programme.'

Gender diversity


Note: Above data represents manufacturing, research & development facility, and head office only

Our hiring policies have strict gender neutrality policies with systematic audits and grievance redressal systems ensuring a free and fair workplace. Today, women represent 10% of our total workforce and our Board diversity policy supports women's leadership at all levels. Implementation of our

Our people

Diversity Management Programme has been fruitful in terms of promoting gender neutrality. Our focus has also been on creating employment opportunities for talented individuals regardless of their socioeconomic or cultural background through this initiative.

10%

Women in workforce

We also conduct interactive sessions encouraging employees to actively raise their voices against sexual harassment. These sessions familiarise them with the POSH policy and inspire them to report any incidents without the fear of discrimination and harassment.

To enable timely and effective settlement of employee complaints and issues, we have implemented an online grievance redressal system. These systems also assist the Industrial Relations division in maintaining an open-door approach with employees; thus, ensuring a safe workplace.

Human rights

We are dedicated to creating an environment that promotes human rights and inclusive growth. The principles outlined in the Universal Declaration of Human Rights and ILO agreements guide us. At our workplaces, we comply with and implement policies that prevent child labour, forced labour, sexual harassment, and discrimination. All employees, contractors, suppliers, and stakeholders are covered under our human rights policy.

We, strictly prohibit the use of forced, coerced, or underage labour, as well as abuses of any inherent human rights. During the reporting year, there were no instances of discrimination, child labour, violations of free association, or forced or compelled labour in our activities. Our commitment to human rights extends to our suppliers, ensuring that our end-to-end value chain is free of human rights infractions.

To validate our vendors' conformance with child labour, forced labour, and discriminatory practices, we use an assessment checklist. Certified Standing Orders issued by local governments govern where we operate and the working conditions and disciplinary processes throughout our businesses. To promote internal reporting of any human rights abuses at our facilities, we have built a strong Grievance Redressal and Whistle-blower procedure.

To fight sexual harassment, we have created a Zero-Tolerance policy and undertake internal awareness programmes and seminars regularly. The workplace sexual harassment reporting method assures total anonymity and confidentiality of information. In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013, an internal committee has been formed. During the reporting year, we received no reports of sexual harassment.

Security practices: Our security personnel play a significant role in maintaining the safety of our operations and employees, and in dealing with difficult circumstances. Security employees are made aware of the scope of their tasks, including responsibilities, dangers, vulnerabilities, and threat perception, to prevent any unintended consequences. In addition to regular exercise and training programmes, we ensure that they have access to medical services and regular check-ups by our physicians.

No to child labour: We exclusively recruit adults, as defined by the applicable country's legislation, as employees. We have established fundamental criteria and skill sets, and we undertake frequent reviews to guarantee that they are deployed after adequate verification.

Working hours: Attendance for on-the-rolls and contractual personnel is mapped against prescribed working hours. Overtime is discouraged under the policy; yet employees who work more than eight hours a day are entitled to overtime pay under the law.

No financial reprimand for unsatisfactory performance: We do not penalise employees for unsatisfactory performance. The corporate team ensures that this policy is followed by all of our departments

Equal opportunity to work: All employees are offered equal opportunities regardless of caste, creed, or religion, among other factors. Employment is solely based on merit.

Right to self-prestige and honour: We guarantee that our work environment allows employees to operate with self-respect and honour at all times. Any breach of behaviour by higher officers or supervisors leads to significant consequences and remedies. We have set up different channels for employees to discuss their welfare concerns and other issues.

Right to proper uniform and safety and personal protection equipment: Employees have the right to adequate uniforms, as well as safety and personal protective equipment. To ensure their safety and health, we supply PPE such as safety shoes, uniforms, and other protective equipment.

Sanitation and drinking water facilities: All employees are supplied with sufficient hygienic amenities such as toilets, washbasins, and clean drinking water. Furthermore, workers have access to subsidised cafeteria facilities. For female staff, we provide separate restrooms and changing rooms.

Frisking female employees: Only female security officers are permitted to frisk female employees with respect and privacy inside specially designed closed enclosures for such inspections.

Employee training on human rights: Employees are trained in human rights principles, including behavioural skills.

Health and safety

Health, safety, and well-being of our employees and associates are a crucial material topic for us. We are committed towards instilling a healthy lifestyle, a safe working environment, and a healthy work-life balance.

Safety performance indicators FY22

Indicator	FY21	FY22
No of employees	32,317	31,371
Lost time Incidents (LTI)	4	6
Reportable accidents	1	2
Fatalities	0	1
Lost time incident rate	0.12	0.19
Reportable LTI	0.03	0.06
Injury frequency rate	0.05	0.05
Reportable injury frequency rate	0.01	0.01

Note: The above data represents manufacturing and R&D facilities only

Our EHS framework and management practices assure compliance while prioritising product and process safety and safeguarding all employees. The Central Safety Committee comprises top management and representatives from each production unit. The committee meets every quarter to examine safety performance and streamline operational procedures critical to safety requirements.

Health and safety training is provided to both permanent and contractual workers, ensuring that our team understands the significance of safe procedures and guidelines. Risk identification and assessments are undertaken as part of the process before scaling up. Before commencing any chemical process in the manufacturing area, a hazard and operability study (HAZOP) is conducted. For all new projects, existing production units, and distribution centres among others, the Company observes and monitors the safety laws and procedures.

To enable appropriate risk management, we employ software modelling to produce a quantitative risk assessment for flammable solvent storage sites.

15

ISO 14001:2015 certified plants

During the reporting year, we implemented various measures to improve our overall safety standards, such as upgrading firefighting and monitoring systems, automated extinguishing systems among others. The incorporation of these rules into the Batch Production and Control Record (BPCR) promotes higher safety, reducing accidents throughout the manufacturing process.

National Safety Day Celebrations in 2022

We celebrate National Safety Day to emphasise the significance of safety and raise awareness across our operations, R&D facilities and offices. The Theme of National Safety Day 2022 was 'Nurture Young Minds, Develop Safety Culture.'

The activities were organised to emphasise the significance of Health & safety among the people and to encourage them to follow health, safety, and environmental (HSE) standards. Some of the activities included:

1. **PPE exhibition** - Various types of PPEs are showcased, and contests are held to raise awareness of the necessity.



2. **Emergency preparation** - To help individuals manoeuvre emergency situations, simulated exercises are conducted to create awareness and improve participants' abilities in handling equipment such as fire extinguishers, fire hydrant systems, and so on.

3. Demonstration of safe operating practices and procedures

4. **Reward for best departmental safety coordinator** - This campaign recognised participants/members who addressed concerns presented in the departmental safety committee throughout the fiscal year.

5. **Safety poster competition** - A poster competition on safety subjects is held for both employee and contract workers' children to instil a safety culture in them.



Behaviour Based Safety Training

Behaviour Based Safety Training (BBS) applies behavioural change research to real-world safety challenges or processes. It promotes collaboration between management and workers and sensitises employees on safety at the workplace.

Our people

Dimension I: Creating awareness	Dimension II: Prioritising preventive care	Dimension III: Promoting a healthy and safe environment
<ul style="list-style-type: none"> • Communication mailers • Health-related campaigns • Fitness related screensavers and posters in all our facilities • Roadshows on the shop floor that directly improve individual health or influence a behavioural change 	<ul style="list-style-type: none"> • Employee health check-ups (half-yearly & annually) • Special focus on employees working with hazardous chemicals along with charting a nutritious diet for them • Frequent health reviews of all our manufacturing units by the Chief Medical Officer • Lifestyle modification programmes • Health programmes (yoga, meditation, women wellness), etc. • Talks by eminent specialist doctors to directly influence health outcomes • Counselling sessions with eminent psychologists 	<ul style="list-style-type: none"> • Establishment of an OHC (Occupational Health Centre) in each manufacturing facility led by a qualified Medical Officer and supported by a panel of doctors and psychologists who are available at all times • Comprehensive EHS Management Policy for wellness programmes that address mental and physical well-being • Collaboration with reputable hospitals in major cities to enable rapid care in the event of a medical emergency • Health insurance coverage for necessary preventative screenings

Learning and development

In collaboration with several training organisations, Aurobindo runs various programmes for the overall development of our personnel. Management skills, technical capabilities, behavioural management, productivity, and general staff development are given equal importance.

Sankarman Programme: 1st time managers programme

The programme has been designed to build leadership and managerial capabilities across all manufacturing locations. The programme is facilitated by Senior Management Teams driven by HR & Business Leadership. The key components of the two-day development journey includes: emotional intelligence, employee engagement, employee development and coaching, insight into psychological behaviour and psychometry and live case-studies.

Emerging Leaders have the opportunity to learn more in a casual leadership discussion to understand essential success behaviours and learn from those who have already undergone the journey. Business orientation with functional Leaders include customer orientation, supply chain management, financial acumen and operational excellence. More than 140+ first-time managers have participated in this transformative programme.

Sarathi Programme: Building mentoring skills

Sarathi was created in 2018 and launched this year in collaboration with Pragati Leadership and CoachMantra with the goal of cascading subject matter expertise and fostering informal cross-functional ties throughout the enterprise. Mentor training and development are important stages in developing a mentoring culture in a business. Over the course of two months, a group of 35 mentors participated in a 25–30-hour Mentor Development Programme. Over the next five years, our HR vision is to develop over 1,000+ mentors.

Quality Marshal Programme: Strengthening and institutionalising the Quality Score Card

The programme was initiated in 2015 with the goal of building and preserving the 'Culture of Quality & Compliance' on the work floor by cascading quality behaviours. It starts with a two-day 'Train the Trainer' session led by role-model shop-floor managers with a passion for teaching and training. Every quarter, Quality Marshals attempt to cascade 20 hours of learning. Over the years, the programme has grown to 200+ Quality Marshals. In recent years, the focus has been on developing a system to measure the impact and maintain the rigor. A Quality Score Card was developed to assess shop-floor operators, analysts, technicians, and staff on ten specific behaviours across three parameters: confidence & communication, cGMP processes, and technical ability. Apart from establishing the quality culture on the shopfloor, some intangible benefits include the development of teaching and training capability among supervisors, as well as improved people connections. This year, 200+ Quality Marshals distributed essential learnings across all Formulation Manufacturing units, totalling 1,600+ man-hours.

Year	Total training hours	Training hours per employee
FY21	5,60,840	17.35
FY22	6,18,303	19.71
y-o-y growth	10.24%	13.6%

Technical upskilling

Nalanda

We have partnered with the Nalanda University to help us enhance the global leadership competencies of our organisation. This programme is conducted by India's top academics and boasts of a 95% learning uptake rate.

Training within Industry

Our 'Training within Industry' model has contributed to tangible business results of 70+ crores per year across six Formulation Manufacturing Units. This approach comprises three primary pillars: TWI-JI, TWI-JM, and TWI-JR. These pillars focus on motor skill development, process improvement, and interpersonal synergy development, respectively. We have developed 150+ TWI champions who have trained over 600 operators, technicians, and analysts.

OEM (Original Equipment Manufacturer) collaboration

We trained approximately 400 personnel in operational safety, quality, productivity, and troubleshooting skills in partnership with 15+ OEM partners.

Aurobindo Training and Development Centre (ATDC)

We have built world-class facilities, including classrooms and laboratories, along with modern analytical tools to empower our employees with integrated learning and holistic development. ATDC has been instrumental in limiting attrition well below 5% and increasing productivity by 20%-30%.

Organisational development

3,100

Employees covered

In conjunction with the Kaizen Institute and KPMG, we have implemented an integrated programme. This programme focuses on improving on-time delivery across the board for all customers; high-quality standards in patient care and regulatory compliance; and accountability via clear and quantifiable objectives and expectations. The programme has also enabled us to implement KPIs across organisational levels.





Our people

Talent development process

As part of the development of leaders at all levels, API initiated a Talent Development Process in 2021. This will also support in creating a talent pool and will help us build a responsive, agile, and thriving team that is geared towards superior performance. This initiative has encouraged self-evaluation, which enables one to understand their core competencies and build on the gaps thereafter. An Assessment Development Centre- ADC has been initiated for 46 QC employees in the junior management cadre across API Units.

Programme coverage:

- Online psychometric assessment
- Feedback from Supervisor, Unit Head, and Functional Head
- Feedback session with Head of Departments
- Individual action plan for development initiatives

Objectives:

- To enable the participants to understand their strengths and explore areas of improvement
- To identify the various competencies required to excel in the present role and prepare for the next level
- To provide a development plan for career progression

Programme outcome:

- Linkage to PMS process
- Leverage individual potential
- Internal hiring/movement opportunity for roles in quality control.

Rewards and recognition

Our robust R&R programme inspires employees to deliver their best. Some of the key recognition platforms include:

TEAM (Team Excellence Achievement Award)

- Recognise, cultivate, and reward talent
- Create a competitive atmosphere
- Improve productivity via job satisfaction
- Motivate to work beyond boundaries

Talent of the Month (TOM)

This programme helps us recognise employees who excel in their areas of responsibility through monetary rewards or certification based on an online performance evaluation.

Uttam Vyavahar Purashkar (UVP)

A quarterly programme in which permanent and contractual employees are assessed based on their performance and other aspects that promote overall growth.

Value Champions Programme

Individuals from various teams are chosen for this programme based on their overall performance. This year, the organisation concentrated on three high-impact initiatives: Critically Important Aseptic Behaviours Swachh Aurobindo, COVID Warriors, and Pep Talk.

Score-based R&R

We reward the teams at our manufacturing facilities across seven categories: Best Safety Block, Best Documentation Practice, Best Investigation, Best Process, Best Project, Best KRA Achievement, and Best Facility.



Our communities

Enhancing choices and capabilities

Our impact-oriented philanthropic interventions focus on improving the quality of life of vulnerable communities by providing them with opportunities to upskill themselves and earn their livelihood. We believe in the principle that social good and successful business are inherently interdependent, with one allowing the other to generate greater value.

Strategic focus areas



Eradicating malnutrition



Women empowerment



Education and skill building



Health and sanitation



Rural development



Sustainable agriculture



Aurobindo Pharma Foundation, our humanitarian arm, began its journey in 2015. Social investment is essential for us to contribute to the community while also engaging our employees. Corporate Social Responsibility (CSR) is to deepen human relationships, enhance employment opportunities, and improve the infrastructure of the communities we work along with. Our CSR efforts are in accordance with Section 135 of the Companies Act 2013 and the Corporate Social Responsibility Policy Rules 2014.

CSR Vision

Aurobindo commits itself to create a more equitable and inclusive society by nurturing pathways leading to sustainable transformation and social integration.

₹536 mn

CSR spend in FY22

8.64 lakh

People benefitted in FY22

2.16 lakh

Families benefitted in FY22

Our CSR initiatives are regulated by mature systems, procedures, and norms set by our CSR Committee and as approved by the Board of Directors.

Our CSR Committee is responsible for supervising and tracking our community-led projects and monitoring their progress.

Eradicating malnutrition

Our nutrition initiatives focus on eradicating widespread malnutrition, particularly among children and women. Our newly established kitchen in Mahabubnagar district Telangana, along with the previously established kitchens in Srikakulam in Andhra Pradesh and Narsingi (Hyderabad) Telangana have been providing meals through various avenues and programmes covering government school students, farmers, daily wage labourers, among others. So far, they have successfully provided 9.50 crores meals.

Our newly launched initiative called Swasthya Ahara will be making healthy breakfast available for 150 government schools near the Mahababunagar kitchen. The kitchen at Srikakulam is providing meals for 29,312 students every day by supporting the mid-day meal programme in 309 government schools.

With our support, the Sri Sai Narayana Seva Trust is delivering free healthy meals to outpatients, patient attendants, and impoverished persons in the Govt. Hospital region of Valmikipuram, Chittoor benefitting ~10,000 people.

51,312

Beneficiaries in FY22



Empowering women

We implemented several programmes aiming at empowering women in the adopted model villages of Peyyalapalem in Nellore district, Andhra Pradesh state, Borapatla in Sangareddy district, and Hyderabad district, Telangana state. This continues to have an impact on rural women and strengthen their livelihood prospects. These initiatives focused on providing tailoring training to women to help them increase their income. Furthermore, 108 women farmers in Pileru mandal, Annamayya district, Andhra Pradesh, have been empowered in various aspects of agriculture and allied activities.

108

Women empowered in FY22



Our communities

Rural development

Our rural development efforts aim at fulfilling the needs of our communities and improve the rural landscape. 31,136 villagers benefitted from our programs this year. Facilities such as roads and lighting have benefitted the communities. Various routes have been made available and night-time travel has become easier and safer with the installation of environmentally sustainable solar street lighting. We donated a tractor with a trolley to the gram panchayat in K. Mulapeta village, Kakinada district, Andhra Pradesh, helping them improve solid waste management in the community. In the Srikakulam district's Patharlapalli village, we built a community hall for the villagers.

31,136

Villagers benefitted in FY22



Education and skill-building

Our focus has been to make higher-quality education accessible to rural children through our CSR activities. Dropping-out rates have declined especially amongst female students, with improved infrastructure and sanitation facilities. Students from remote areas can utilise digital classrooms to expand their knowledge, soft skills, and widen their perspectives with increased access to the internet. With our programmes and sponsorship initiatives, many rural students have been able to pursue higher education. This has allowed them to expand their livelihood opportunities even more.

We have installed digital classrooms for ten government schools in the districts of Srikakulam and Vizianagaram in Andhra Pradesh, as well as creative libraries in ten primary schools in the district of Sangareddy in Telangana. We have constructed and restored 16 schools, 81 classrooms, and 24 toilets in villages across Andhra Pradesh and Telangana.

We supported the skill development centre at Alluri Sitaramaju Vignana Kendram in Visakhapatnam. We also assisted Aurobindo Pharma Foundation's (APF) skill development centres in Varisam village, Srikakulam district, Andhra Pradesh, and in Indrakaran village, Sangareddy district, Telangana. Rural graduates have been enhancing their skills and increasing their employability by taking courses at our skill development centres.

15,084

Students benefitted in FY22



Health and sanitation

With the opening of the new oncology block at MNJ Institute of Oncology & Regional Cancer Centre, Hyderabad, Telangana (capacity of 1,000 out-patients per day and approximately 2,20,000 sq. ft. area), many cancer patients in Telangana, Andhra Pradesh, and neighbouring states will be able to obtain quality cancer treatment and healthcare at no cost. The equipment provided to Pushpagiri Vitreo Retina Institute in Kadapa, Andhra Pradesh, will assist about 1 lakh patients yearly, who will now have free access to superior ophthalmic treatment.

Through our partnership with the CARE India NGO, we want to strengthen and improve the primary healthcare accessible to rural communities. This reduces the need for secondary and tertiary treatment, easing the financial burden on these communities. APF's Talapantipeta and K. Mulapeta health clinics in Kakinada, Andhra Pradesh, are offering medical services to many communities in the surrounding villages.

APF has continued to fund rural drinking water systems for preventive healthcare across many regions and has also played a significant role in supplying medications and other requirements during the second wave of the pandemic.

2.10 lakh

People benefitted from improved public health care system in FY21-22



Promoting sustainable agriculture

Our newly established lift-irrigation scheme will support around 1000 farmers in Mojerla village, Wanaparthy district, Telangana in getting adequate irrigation for their 1,030 acres of cultivable land by boosting crop productivity. This will further improve the cropping intensity and the greenbelt space. Farmer Producer Organisations (FPOs) were established and further strengthened as a result of implementing CSR activities in the Borapatla and Pileru villages. Farmers and other stakeholders in these communities were able to access agricultural equipment, visit demonstration plots implementing sustainable agricultural methods, and participate in capacity-building training. These CSR actions have increased farmer confidence and strengthened their economic prospects.

9,906

Small and marginal farmers benefitted in FY22



Contribution to UNSDGs

Alignment with United Nations Sustainable Development Goals

The UN SDGs, also known as the Global Goals, are a collection of 17 goals designed to be a 'blueprint to achieve a better and more sustainable future for all'. All UN Member States adopted SDGs in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

SDGs offer organisations a holistic framework to align and deliver long-term sustainable value to the business and its entire ecosystem making the world more prosperous, inclusive, sustainable and resilient. At Aurobindo Pharma, we have aligned our sustainability strategy with SDGs transforming our ambitions to action in the 'Decade of Action.' We have identified the SDGs where we shall contribute and create value as listed below:

SDGs impacted	Sustainability pillar	Goals, programmes & initiatives
1 NO POVERTY	Empowering communities	Our focus areas under CSR contribute to the comprehensive development of weaker, marginalised and underprivileged sections of the society, including Scheduled Castes and Tribes, Other Backward Classes, minorities, women and children, Below Poverty Line families, old and aged and the physically challenged.
2 ZERO HUNGER	Empowering communities	The broader agenda of our foundation aims to address malnutrition among rural communities and others in need. Our community mobilisation programmes help to deepen awareness on health and nutrition, especially in schools. We also support the HKMCF's mid-day meal programme for schools.
3 GOOD HEALTH AND WELL-BEING	Empowering communities & access to healthcare	In addition to our continuous focus to improve health and quality of life for patients across geographies, we have also contributed to communities around us through our CSR programmes. We have provided amenities to various health organisations helping the poor and needy to obtain better healthcare access to sophisticated medical equipment. - Access to healthcare facilities including sophisticated medical equipment - Infrastructural support to various government and trust-based hospitals - Health and wellness awareness sessions for communities and workforce - Disha counselling programme for employees - Implemented Post-Lockdown Measures (PLM) - COVID relief support
4 QUALITY EDUCATION	Empowering communities	With an objective to improve quality and affordability of education across communities - Learning tools and facilities - Scholarships - Libraries and Reading rooms established - Infrastructural upliftment across government schools and colleges - Employment enhancing skills
5 GENDER EQUALITY	Social equity	Diversity and Inclusion is one of the key focus areas under Social Equity pillar. We initiated 'Diversity Management Programme' to take forward our commitment to diversity, and in the last three years, we witnessed a significant improvement in gender diversity. Our aim is to achieve the target of 12.75% women in the total workforce by FY2025.
6 CLEAN WATER AND SANITATION	Responsible manufacturing	Strengthening integrated water management systems including rainwater harvesting on-site and off-site with an objective to achieve 35% water conservation/restoration by 2025.
7 AFFORDABLE AND CLEAN ENERGY	Responsible manufacturing	We envisage to increase the share of our renewable energy going forward aim to achieve 20% renewable energy share by 2025.
8 DECENT WORK AND ECONOMIC GROWTH	Responsible manufacturing	As part of our procurement process, suppliers shall comply with Supplier code of conduct, which comprises principles for five aspects, namely Ethics, Human Rights and Labour, Health and Safety, Environment and Management Systems. These principles are in line with the Pharmaceutical Supply Chain Initiative (PSCI) Principles for Responsible Supply Chain Management.

SDGs impacted	Sustainability pillar	Goals, programmes & initiatives
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Access to healthcare	Accelerating intellectual property development through increasing share of spend in R&D. In the financial year 2021-22, 6.7% of revenues spent on Research & Development i.e., 16 billion.
10 REDUCED INEQUALITIES	Social equity	Along with our initiatives in Diversity and Inclusion, we have institutionalised systems and processes to foster fair and progressive ecosystem across operations. We have also established and implemented Social accountability standard SA8000 to encourage and develop, maintain, and apply socially acceptable practices in the workplace in some of our units. Along with this we adhere to foundational social elements of UN Declaration of Human Rights, Conventions of the ILO, international human rights norms and national labour laws.
11 SUSTAINABLE CITIES AND COMMUNITIES	-	-
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible manufacturing	We emphasise the Environmental and Social (E&S) aspects of the supply chain and support vendors in improving their performance on these parameters. We evaluate and select vendors who adopt credible, environment-conscious processes, good manufacturing practices and eco-friendly products. We aim to assess 100% of key starting material suppliers in India of finished dosage forms (drug product) by 2025 and we also envisage to enhance our local sourcing component
13 CLIMATE ACTION	Responsible manufacturing	We aim to reduce carbon emissions by 12.5% in alignment with Science Based Target initiative (SBTi) WB2C scenario. We are working towards reducing our carbon emissions across our supply chain by adopting a two prong approach i.e, moving our shipments from air to sea and also actively participating in carbon offsets through our logistic partners. Also, over the years we have been driving agenda to conserve our biodiversity across operations and the communities through green belt development.
14 LIFE BELOW WATER	-	-
15 LIFE ON LAND	-	-
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Effective governance	An effective 3-tier sustainability governance model within the organisation, with a focus on enabling robust governance, transparency and a seamless environment for the flow of information and responsibility far beyond compliance requirement.
17 PARTNERSHIPS FOR THE GOALS	All six pillars of sustainability framework	We are committed to building a healthier ecosystem in partnership with our customers, people, communities, partners, the government and other stakeholders globally. Our Sustainability framework has also been developed in consultation and partnership of our internal and external stakeholders.



GRI content index

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102-10	Significant changes to the organisation and its supply chain	Not applicable
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102-47	List of material topics	24-25
102-48	Restatements of information	No restatement of information was carried out
102-49	Changes in reporting	No changes were made
102-50	Reporting period	3
102-51	Date of most recent report	April 1, 2020, to March 31, 2021
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Notes



Notes





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CORPORATE OFFICE

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