



October 8, 2024

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**The National Stock Exchange of India Limited**  
Exchange Plaza, Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051

Scrip Code: 532531

Scrip Code: STAR

Dear Madam/ Sir,

**Sub: Strides' Sustainability Report for FY24**

We are delighted to submit Strides' maiden Sustainability Report for FY 2023-24, prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, showcasing our Environmental, Social, and Governance performance over FY24 and our sustainability framework, plans, challenges, and goals.

We have also mapped our efforts and activities to the UN Sustainable Development Goals to demonstrate our contribution to the global sustainability agenda.

This is for your information and records.

Thanks & Regards,  
For **Strides Pharma Science Limited**,

**Manjula Ramamurthy**  
Company Secretary  
ICSI Membership No.: A30515



*Encl. As above*

**Strides Pharma Science Limited**

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# Momentum in Action

## Responsible Progress

**Sustainability Report 2023-24**



# Introducing our Sustainability Report

## Introducing the Report<sup>1</sup>

At Strides, we are committed to creating value for our stakeholders while upholding the highest standards of governance and adverse environmental and social impact. Sustainability is essential to our Company's long-term success and sustenance, and we have accordingly integrated these principles into our business operations.

This is our inaugural Sustainability Report showcasing our Environmental, Social, and Governance (ESG) performance over FY24 and our sustainability framework, plans, challenges, and goals.

The materiality analysis and our corporate strategy forms the basis for the prioritisation and selection of topics for reporting. Through this report, we provide a comprehensive view of our sustainability performance and our commitment to responsible business conduct.

Strides' Sustainability Report is prepared in alignment with the Global Reporting Initiative ('GRI') Standards 2021. We have also mapped our efforts and activities to the UN Sustainable Development Goals (SDGs) to demonstrate our contribution to the global sustainability agenda. In addition to the GRI Standards and SDGs, we have also considered the Sustainability Accounting Standards Board ('SASB') standards to ensure that our reporting aligns with industry's most material sustainability issues. Additionally, the Business Responsibility and Sustainability Report (BRSR) disclosures made in our Annual Report is aligned with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Our reporting aims to provide transparent and reliable information on our sustainability performance and practices. Our reporting framework align with best practices and help us communicate our sustainability achievements and challenges to our stakeholders.

## Reporting Boundary & Scope<sup>2</sup>

This report outlines our Company's non-financial performance from April 1, 2023 to March 31, 2024 (FY24).

Our sustainability reporting scope for Governance and Social aspects covers 90% of our consolidated revenue for FY24<sup>3</sup>. In addition, we have also covered our partnered facility in Kenya, which is an Associate Company of the group for reporting Social parameters. The list of entities included in the reporting has been provided in Appendix and is together referred to as 'in scope entities' in the report. Reporting on Environment aspects covers all manufacturing facilities, R&D and the Corporate office based out of India. Our manufacturing facilities in India contributed 80% to our total 'Manufacturing revenue' in FY24<sup>4</sup>.

We have used the GRI principles to determine the reporting boundary and we have made disclosures on all environmental, social, and governance aspects that are material to our business.

## Feedback

We extend our sincere gratitude to all stakeholders for their continued interest and association with the Company. We greatly value your feedback and invite you to share your thoughts on this report with us.

**Stakeholder feedback can be sent to:**

**Name:** Ms. Sormistha Ghosh

**Designation:** Group General Counsel, Chief Risk & Sustainability Officer

**E-mail:** sustainability@strides.com

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<sup>1</sup>GRI 2-3 | <sup>2</sup>GRI 2-2, <sup>3</sup>Includes revenue from 'Other Income' as per the financial statements in our FY24 Annual Report on Page 191

<sup>4</sup>Manufacturing revenue means consolidated revenue from sale of products manufactured in Strides Plants, i.e. it does not include revenue from sale of products manufactured by CMOs and products acquired by Strides from third party vendors

# Our Commitment to Sustainable Progress



“We are excited to begin this journey of detailed reporting on Environmental, Social, and Governance (ESG) progress, sharing our goals, successes, and challenges. This report marks our ongoing efforts and outlines a path toward responsible and sustainable growth.”

**Arun Kumar**

**Badree Komandur**

## Dear Friends,

It gives us immense pride to present Strides’ maiden Sustainability Report, representing the shared vision of our Board members, and our entire team. At Strides, sustainability is not just a compliance responsibility but integral to our business strategy. It means advancing our goals in a manner that supports the long-term well-being of the societies we operate in, and that of our planet.

This commitment is not just to fulfil the expectations of our employees and external stakeholders, but a fundamental driver of our future success in

delivering life-changing medicines to patients in the most effective way possible. By embracing sustainability, we strengthen our ability to attract and retain talent, enhance the trust in our business, and safeguard our reputation.

Through responsible business practices, we not only protect our freedom to operate but also deliver value to all those we serve—our stakeholders, society, and the environment. Our dedication to transparency, regulatory compliance and sustainability is evident by enhanced disclosures in our annual reports, Ecovadis performance, and alignment with the UN Global Compact principles.

We are excited to begin this journey of detailed reporting on Environmental, Social, and Governance (ESG) progress, sharing our goals, successes, and challenges. This report marks our ongoing efforts and outlines a path toward responsible and sustainable growth.

With the insights gained from our 2023 double materiality analysis, we have identified key sustainability priorities, aligning our actions with stakeholder expectations while advancing our sustainability objectives.

Looking forward, our success will not only be measured by financial achievements but by

how responsibly and ethically we grow. We are fully committed to achieving the goals set forth in our ESG framework. In the coming years, we plan to track ESG performance at the Group level, ensuring all subsidiaries are aligned with our governance framework.

A key priority is minimising our environmental footprint, particularly by decarbonising our operations in the coming years to support the global net-zero agenda. We will also continue to harness the strength of our people, enhancing diversity across the organisation to meet industry-leading standards. Our focus remains on creating long-

lasting value for all stakeholders, particularly the communities we serve, by making high-quality, affordable medicines more accessible.

Our people are our greatest asset, and we are deeply invested in their development and engagement. We extend our sincere gratitude to the entire Strides team for their unwavering dedication and contributions, which have been pivotal to our achievements.

Our core values of Integrity, Competency, and Efficiency are reflected in our everyday actions as we strive to build a diverse, equitable, and inclusive workplace.

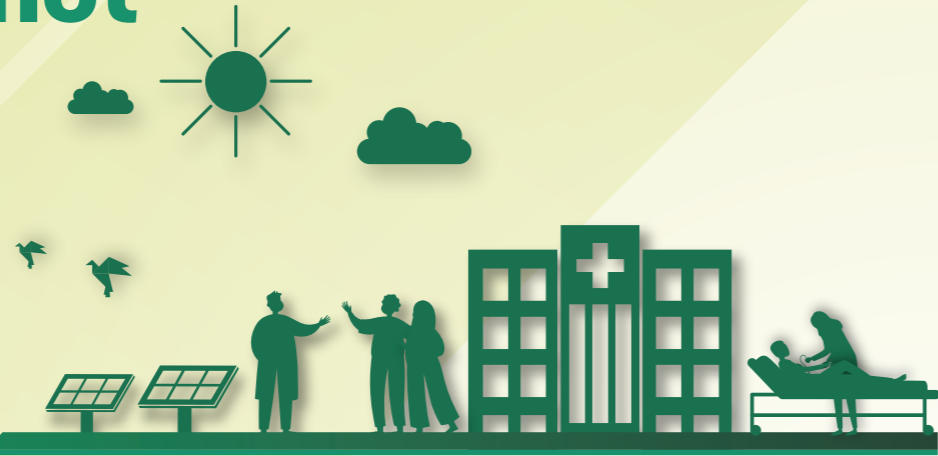
In closing, we would like to thank all our stakeholders for their continued trust and support. We are confident that with our strong foundation, we are on the right path toward creating meaningful and positive change for society and the planet. Together, we are building a brighter, more sustainable future.

## Warm Regards,

**Arun Kumar**  
Founder & Executive Chairperson

**Badree Komandur**  
Managing Director & Group CEO

# FY24 ESG Snapshot



## Environment

~44% of energy consumed was derived from **renewable energy sources**. Increasing trend of renewable energy usage

**Excellence in Sustainable Packaging Award** - Sustainable Packaging initiatives recognised domestically and internationally

All Strides India facilities are **ISO 14001 certified**

~44% of water consumed was recycled and reused

## Social

**119,000+ learning hours achieved** covering all levels of employees globally, with a focus on a combination of technical, behavioural and compliance aspects

**26% women employees in STEM related positions**

Women account for **~20% of our total FTE strength** of in-scope entities' workforce including partnered facility in Kenya

**MySetu and SEEK applications** accessible to all employees to report **any safety issues, incidents or grievances** for speedy resolution

**Zero fatalities** - Continued track record of zero fatalities with minimal lost time due to injury

**600+ students** have gained employment opportunities through **Strides Foundation's skill development programmes** since last 7 years

## Governance

**Board-level Risk Management Committee** for strict supervision over ESG matters

**Designated Chief Sustainability Officer** effective June 1, 2024

Signatory to **United Nations Global Compact**

**Dedicated Enterprise Risk Management** function for effective risk management, including key ESG risks

Suppliers screened and assessed for ESG criteria as part of **responsible supply chain management**

**ISO 27001 certified** Information management systems and robust IT security and privacy infrastructure

**100% of employees trained on Code of Conduct with mandatory annual refresher trainings** to reinforce ethical conduct principles

ESG success metrics **integrated into the performance scorecard and incentive structures** of Executive Directors

**Digitisation of Compliance monitoring** system across Strides India



# About Strides

Incorporated in 1990, Strides has established itself as a prominent player in the pharmaceutical industry, specialising in the manufacturing of high-quality generic medications across a diverse range of dosage forms, including tablets, nasal sprays, and soft gelatin capsules.<sup>5</sup> Our extensive product portfolio includes complex pharmaceuticals that cater to regulated markets—such as the United States, Europe, Australia, and Canada; growth and access markets primarily in Africa, with strategic expansion into the Asia-Pacific (APAC), Middle East, North Africa (MENA), Commonwealth of Independent States (CIS), and Latin America (LATAM).

Our agility and expertise enable us to adapt to emerging market trends and seize new growth opportunities, ensuring sustained advancement in health and well-being.

Enhancing access to our medicines is critical to our purpose of advancing well-being for all. We strive to make high-quality treatments available at affordable prices, particularly for patients facing life-threatening diseases such as Malaria, Tuberculosis, and HIV. Strides is recognised globally for our commitment to quality and regulatory compliance, holding approvals from leading agencies such as the US FDA, MHRA, TGA and WHO. Our state-of-the-art manufacturing facilities, including a WHO-approved plant in Kenya, are designed to meet stringent international standards, enabling us to efficiently serve diverse markets and facilitate access to essential medications.

Further, our focus on institutional clients, including global procurement agencies and aid projects, positions us as a key supplier in addressing critical global health challenges. As a leading approved suppliers for numerous institutions and agencies, including USAID, the Global Fund, PEPFAR, UNICEF, and WHO, our products reach over 100 countries including critical underserved regions in Africa, Asia, and Latin America.

In addition to our focus on market expansion and financial metrics, we have embedded sustainability principles into our operations from the outset. With over 80% of our business interests outside

India, we operate under advanced market regulations that prioritise mature environmental, social, and governance (ESG) practices. Our multinational investors and customers hold us accountable to high standards of responsible conduct that extends beyond regulatory compliance, which we achieve through robust governance practices and a future forward mindset. To drive innovation and expand our product offerings, we are enhancing our R&D capabilities and pursuing strategic collaborations with organisations such as UNITAID and Medicines Malaria Venture (MMV). These initiatives reflect our dedication to advancing pharmaceutical development and addressing the evolving needs of healthcare systems worldwide. As we continue our journey, Strides is committed to fortifying our market position, driving growth, and maintaining a conscientious approach to the communities and environments in which we operate.

In the pharmaceutical industry, where compliance and quality are paramount, our employees' technical expertise and scientific capabilities are essential. Our people form the core of all our endeavours. With their curiosity, creativity, agility, and intuition, they enable us to navigate change with foresight and resilience.

The commitment to integrity, competency, and efficiency is reflected in their daily contributions and is ingrained in our operational culture. The dedication of our people paired with a laser sharp focus on quality and safety ensures that we not only meet but exceed industry standards, securing us a prominent position in the global pharmaceutical market.



## Our Purpose

We are dedicated to delivering difficult to-manufacture complex generic formulations to meet the unique needs of patients worldwide. To capitalise our extensive expertise across specific therapeutic areas and geographies to advance health and well-being.



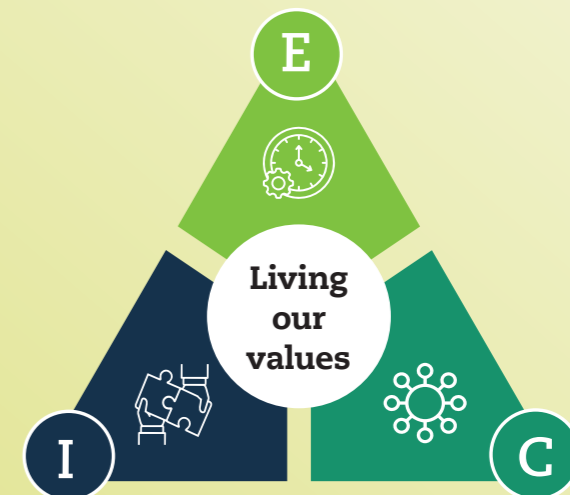
## Our Mission

To be the leading Indian pharma multinational with a reputation for the highest quality and integrity. With a differentiated portfolio focused on attaining leadership, we will provide an unparalleled opportunity for our people and value creation opportunity for our stakeholders.

## Our Values

### Efficiency

We are agile and collaborative to deliver quicker and better results.



### Integrity

We adhere to ethical practices and maintain transparency in our conduct, fostering a culture of trust & integrity in the organisation.

### Competency

We develop and effectively apply our knowledge, abilities and skills to successfully and consistently deliver desired outcomes.

<sup>5</sup>GRI 2-1



## Our Operations<sup>6</sup>

We leverage our extensive global network of manufacturing capabilities, strategically located across key hubs including two sites in Bengaluru, one each in Chennai and Puducherry (India); New York State (United States); Milan (Italy) and Nairobi (Kenya). Our world-class manufacturing facilities cover 7 plants across 4 continents, including four US FDA-approved facilities. Notably, our partnered facility in Kenya is one of only two WHO-approved facilities in Sub-Saharan Africa, significantly bolstering our 'In Africa for Africa' mission to improve healthcare delivery across the continent.

As a global pharmaceutical company with operations regulated by advanced markets having mature ESG standards and expectations, we have early integrated sustainability principles into our operations. Strides boasts of a diverse multinational profile of customers, investors and employees holding high expectations for our Company's sustainability practices, beyond mere compliance.

To propel our mission forward, we leverage our expansive footprint, that empowers us to efficiently distribute products to over 100 countries. Our current focus is on fortifying our presence in established markets.

We do this through the introduction of new products sourced from our approved portfolio. Simultaneously, we venture into new regions within both regulated and emerging markets, broadening our horizons and seizing fresh opportunities for growth.

<sup>6</sup>GRI 2-6

## Awards and accolades



**Leading CFO Award 2024 by Confederation of Indian Industry (CII)** for 'Excellence in Turnaround'. The CII awards highlight the outstanding contributions of CFOs nationwide



**Leading Corporate Counsel of the Year** (Litigation Management, Anti-Corruption and Anti Bribery) - The Lex-Falcon Global Awards



**Annual Legal Era Conclave and Award 2024** for India's Leading and Finest General Counsel in the Pharmaceutical Sector



**Great Indian Women Leadership Awards 2024** has been awarded to three women leaders; Woman Icon of the Year, Woman Leader of the Year, Woman Leader of the Organization



**Pharma Quality Excellence Award 2024** for Good Documentation Practices



**Brandon Hall Group HCM Excellence Award 2024** for Best Mid-Manager Development Programme to Strides 'Leadership Empowerment Acceleration Program' (LEAP)



**Great Indian Women Leadership Awards 2024** for Best Organisation for Women Empowerment



**Pharma Quality Excellence Award 2024** for Quality Risk Management



**Indian Packaging Award 2024** for Excellence in Sustainable Packaging



**H-E-B Pharmacy- Generic Supplier of the Year- 2023**



**Golden State Medical Supply - Rising STAR Award (Emerging Supplier)- 2023**

## Our success stems from targeting three key markets

The US

Other Regulated Markets (ORM) including UK, Europe and Canada among others

Growth and Access Markets that include emerging markets in Africa, APAC, LATAM, MENA, CIS, and institutional business supported by donors.

# Our ESG Journey

## Past Milestones

- Strides Foundation launched to support education and healthcare
- Strides recognised as the first Indian company to commence the export of Favipiravir tablets for COVID-19, including to countries such as SE Asia, GCC

- UCL facility has successfully maintained the PQ status for the past 12 years
- CSR efforts initiated before regulatory mandate from MCA
- Partnered with a social purpose organisation to fund treatment of 100 financially challenged cancer patients
- Harnessing of solar power to improve renewable energy mix in energy consumption
- Rainwater harvesting structures constructed in flagship manufacturing facility at KRSG
- LeAPS – Leadership Adoption Program for Schools, life skills training and effective examination skills imparted to government school students in underserved communities

## Initiation - Statutory Focus

### FY22 & FY23

- Published BRSR and related sustainability disclosures
- Key ESG highlights and metrics published as part of Annual Report
- Achieved Ecovadis score of 30

## Operational Effectiveness

### FY24

- Streamlined BRSR disclosures
- Conducted Materiality Analysis
- Signatory to the UN Global Compact
- Participate in S&P Global's Corporate Sustainability Assessment (CSA)
- Improved Ecovadis score to 44
- Published Sustainability Report

## ESG Maturity

### 2025 and beyond

- BRSR and Sustainability Report - advanced disclosures
- Ecovadis - score improvement
- S&P CSA - score improvement
- UNGC commitment reporting
- SBTi commitment and reporting



# Our ESG Framework

## Materiality Analysis<sup>7</sup>

During FY24, we undertook our first materiality analysis, which was carried out in five phases, viz., collating list of material topics relevant to the industry as guided by international frameworks and basis a review of industry benchmarks, identifying key stakeholders, deploying surveys to gather stakeholder perspectives, analyzing data to generate insights and validating results to identify key material topics.

The analysis was pivotal in shaping our ESG framework, providing essential stakeholder insights and helping identify topics material to us, forming strategic levers to drive long term business value in a sustainable manner.



### Guides Strategy

Identifying priority ESG issues helps companies align sustainability with overall business operations, build resilience and capitalise on new opportunities.



### Prioritising Resource Allocation

Understanding the priority of ESG topics facilitates efficient allocation of people, budget and investments - which are all finite.



### Engage Stakeholders

The involvement of key internal and external stakeholders builds trust, transparency and credibility. Key stakeholders engaged in the materiality analysis included employees, investors, suppliers and partners, customers, and the community. Factoring in the 'stakeholders' voice' is critical to establish channels for continued future engagements.



### ESG Disclosures and Reporting

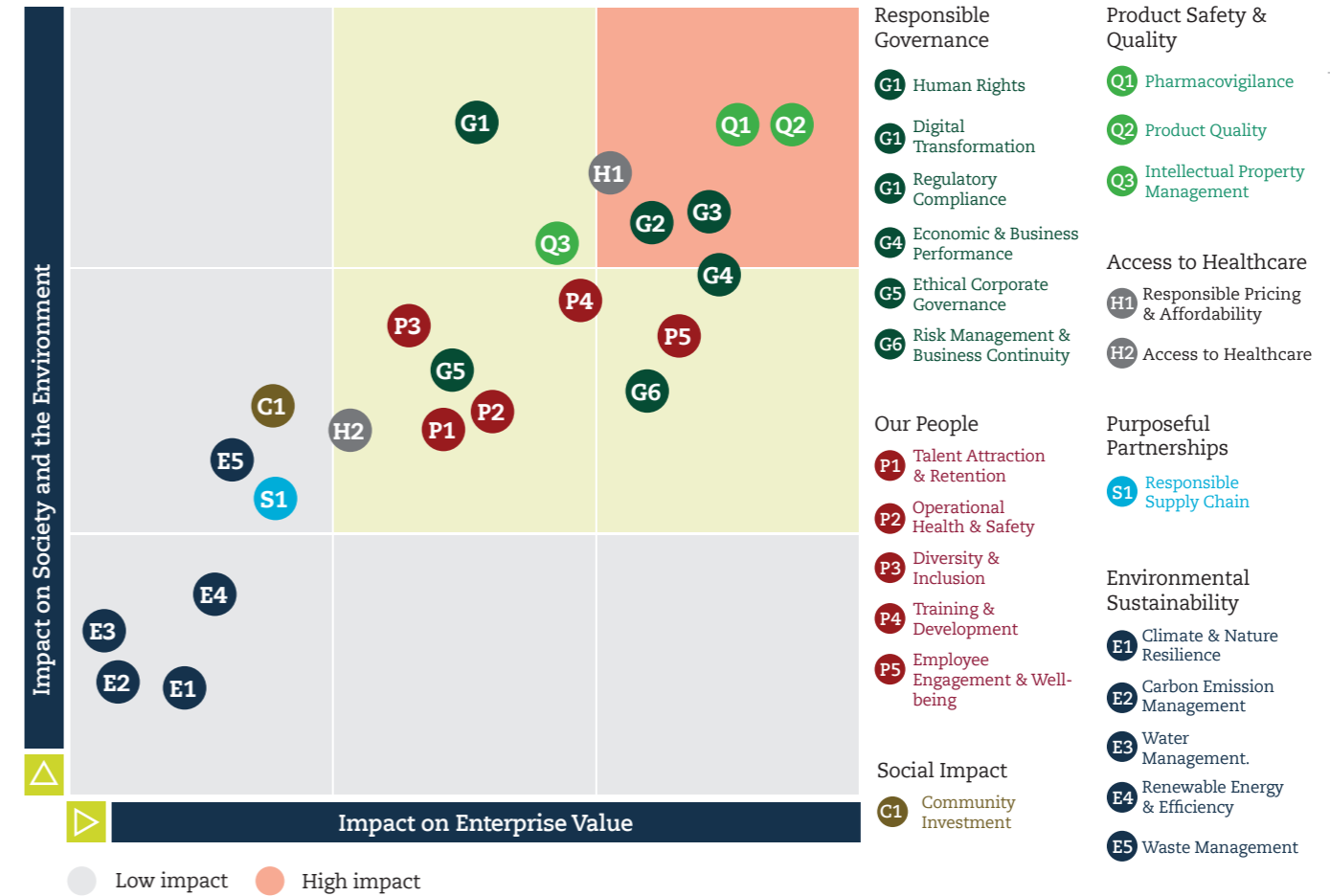
Materiality analysis guides the content of non-financial disclosures and is essential to comply with requirements of the GRI, SASB and SEBI's BRSR.<sup>8</sup>

The results of the analysis were thoroughly reviewed and approved by the senior management and the CEO and was also updated to the Board. Moving forward, we will continue to review our material issues annually to ensure they align with the evolving needs of both our organisation and society.

We conducted the materiality analysis closely guided by widely adopted international frameworks and practices. As a result, the principles of 'double materiality' were adopted with a focus on Financial materiality or how sustainability/ESG issues impact a company, adopting an 'outside-in' perspective and Impact materiality capturing the 'inside-out' impact of a business, both positive and negative, on the people, planet and society.

In our materiality analysis, over 50 topics were considered and evaluated at a strategic level out of which 23 key topics were identified and categorised into 7 themes that are significant to both our business and stakeholders. Each of these sustainability issues is recognised as a principal risk or a contributing factor to major risks within our annual risk management framework<sup>2</sup>. These issues represent the most critical sustainability concerns for Strides, with potential impacts ranging from immediate to long-term effects on our operations and performance.

<sup>7</sup>GRI 3-1, 3-2 | <sup>8</sup>GRI, Sustainability Accounting Standards Board (SASB), S&P Global Dow Jones Sustainability Index (DJSI) framework



### Responsible Governance

Operating at the highest standards of transparency, accountability, and ethical conduct is our top priority. We strive to achieve this through robust internal controls, comprehensive risk management frameworks, and independent oversight & guidance from our board. [\(Read more on Page 22\)](#)

### Product Safety & Quality

We have a robust quality management system in place which is backed by state-of-the-art facilities, rigorous testing, and a focus on continuous improvement. This ensures our products meet the highest standards and build trust globally. [\(Read more on Page 46\)](#)

### Our People

Our people are the cornerstone of our success. We foster a culture of diversity, collaboration, and continuous learning, empowering our employees to thrive and share their unique talents. We also prioritise their well-being and development, recognising that their expertise and passion drive our success. [\(Read more on Page 78\)](#)

### Access to Healthcare

We recognise that affordable and reliable medications are essential for improving health and quality of life. Through strategic partnerships and innovative formulations, we strive to make high-quality pharmaceutical products accessible to patients worldwide. [\(Read more on Page 66\)](#)

### Purposeful Partnerships

Our partnerships focus on innovation and patient-centricity, aiming to improve access to quality medicines, enhance healthcare infrastructure, and promote health education. [\(Read more on Page 54\)](#)

### Social Impact

We are dedicated to leveraging our expertise and resources to make a positive difference in the communities where we operate. [\(Read more on Page 104\)](#)

### Environmental Sustainability

Environment is a critical pillar of Strides' ethical responsibility. By embracing this, we mitigate risks, enhance resilience, and contribute to a healthier, more sustainable future for generations to come. [\(Read more on Page 114\)](#)

# Our ESG Framework




## Our Progress and Targets

ESG Strategic Lever	Targets/Goals	Progress	Linkage to SDGs
<b>Corporate Governance</b>			
Board Independence	Ensuring at least 60% directors on the board are independent	As per the current composition, 4 out of 7 (~57%) directors on the board of Strides are independent	
Board Diversity	Ensuring at least 25% women board members by FY28	Currently, gender diversity on the board of Strides is 14.3% (1 out of 7);	
	Ensuring that key global material subsidiaries of the Company have at least 20% women directors by FY28	One female independent director is on the Board of all the material subsidiaries. Additionally, our material subsidiary in the US has 50% gender diversity	
Risk Management Systems	Third party audit of risk management processes- in line with ISO 31000 by FY27	Strides currently has a robust, enterprise-level risk management framework in place, aligned to ISO, COSO standards and other globally recognised frameworks	
ESG institutionalisation	Formally integrate ESG KPIs into the internal audit programme of all our key global material subsidiaries by FY29	Data collation and tracking against key ESG KPIs is in progress for material subsidiaries and the associate company in Kenya	
	Sustainability performance linked remuneration at the CXO level	Currently, remuneration of all executive directors of the Board and few senior management personnel is linked to long term performance on sustainability related KPIs	
Ethical Conduct	Ensure continued zero instances of bribery and corruption and meet the highest standards on compliance integrity	In the reporting period, there were no breaches in terms of bribery and corruption	
<b>Product Quality</b>			
Quality Excellence Culture	Expand the principles and approach of Project RISE to all Strides facilities in India	Project RISE initiated at the flagship facility - designed to elevate the standards of quality excellence, integrate practices into company culture and enhance overall performance.  For more details on Project RISE, please refer to Quality chapter (Page 47)	 
Compliance	Continue to ensure zero class I product recalls	Consistently zero class I recalls in the last 4 years;	
	Upholding the utmost standards of quality and compliance throughout operations for consistent and timely delivery of products	Partnership with industry experts to fortify our systems and processes that resulted in the successful resolution of a warning letter issued during a regulatory inspection at our Puducherry facility	
Product Excellence	Striving for consistent end-to-end product mastery and industry-leading robustness	End-to-end digitisation for our quality review process, revolutionising how we conduct our Annual Product Quality Review (APQR)	

ESG Strategic Lever	Targets/Goals	Progress	Linkage to SDGs
<b>Purposeful Partnerships</b>			
Sustainable Procurement	Formulate a Sustainable Procurement Strategy. We will also develop a Sustainable Procurement Policy to supplement our Vendor Code of Conduct.	Revised and strengthened our Vendor Code of Conduct incorporating ESG principles in the code, with the expectation that all suppliers adhere and align their practices to the principles therein	 
Supplier Assessments	Expand coverage of desktop assessments to include all critical suppliers and on-site assessments for potential high-risk suppliers	Initiated sustainable supply chain management of our value chain. We assessed our critical direct material suppliers (~63% of suppliers by procurement spend value). These include API, excipient and packaging suppliers	
Supplier Capacity Building	Under sustainable supply chain management, conduct capacity building workshops and initiate supplier development plans to improve ESG maturity	Vendor Code of Conduct revised to outline ESG guidelines for suppliers and capacity building workshops are in progress	
<b>Our People</b>			
Investment in L&D	By FY27, ensure 50 hours of training per FTE on average	In FY24, 32.75 hours were spent on training per FTE on average	
Diversity and Inclusion	By FY30, increase the share of women in the total permanent workforce to 25%	Share of women in permanent workforce category of in-scope entities and partnered facility in Kenya is currently at 20%	
End all forms of discrimination	Continued timely resolution of POSH cases and grievance redressal to ensure 0 pending/open cases by reporting cycle closure	Zero open/pending cases of POSH	
<b>Access to Healthcare</b>			
Registration to supply HIV treatment drugs	By FY25, we aim to expand our reach further by targeting registrations in an additional 15+ countries in Africa.	Currently, our Antiretroviral products successfully registered in more than 16 countries in Africa and 15 countries in CARICOM (Caribbean Countries)	
Supply of critical Malaria treatment drugs	In FY25, we are targeting up to ~10-million-unit doses delivery of Artesunate rectal capsules	Globally, Strides contributed significantly by delivering Artesunate rectal capsules to over 37 countries	 
Patent enforcement	Strides has committed to not patenting or enforcing patents on intellectual property related to products for diseases such as HIV and Malaria in least developed and low-income countries. This commitment ensures that medications remain affordable and accessible to those in need.		

## Our ESG Framework

### Our Progress and Targets

ESG Strategic Lever	Targets/Goals	Progress	Linkage to SDGs
<b>Social Impact</b>			
Corporate Social Responsibility	To continually increase our contribution to social development and enhance community engagement to improve overall socio-economic well-being	<p>In FY24, <b>8,543 Lives touched</b> through Arogyadhama's Preventive, Promotive, and Curative Programmes</p> <p><b>1,947 Immunisations</b> administered to children in collaboration with the primary healthcare centres</p> <p><b>11 schools</b> covered under the School Health Programme</p>	    
<b>Environmental Sustainability</b>			
Clean energy	Target for clean energy consumption for FY25 is 50%	Strides has implemented projects to reduce GHG emissions specifically carbon footprint reduction: ~44% of the total power consumption in all sites are from renewable sources (Solar & wind) and installed ~1.7 MW solar power plants and harvested clean energy from roof top solar power panels	  
Carbon footprint reduction	Carbon Footprint offset (MT) - Target for FY25 is 45%		
Water management	Target for FY25 is 45% for water recycling and processing	43.9% of water consumed was recycled and reused within our facilities in FY24	

## Our Contribution to the SDG Agenda



We are dedicated to making high-quality treatments available to patients

worldwide at affordable prices. Our portfolio includes developing and manufacturing drugs for Malaria, Tuberculosis, anti-retroviral for HIV, and other infectious diseases, primarily for institutional clients such as aid projects and global procurement agencies. Other initiatives include healthcare infrastructure development, patient education programmes, and advocacy efforts aimed at addressing systemic barriers to healthcare access.



Strides has developed a comprehensive EHS Policy, to guide sound

environmental management practices around energy usage, water conservation, waste management and efficient resource use. The policy extends beyond the Company's operations, to its value chain, business partners and products. Strides' water stewardship programme focuses on reducing consumption, improving efficiency, and protecting water quality. Similarly, efforts in overall environmental management ensure reduction of any form of wastage.



There are robust corporate governance structures in

place with the high priority accrued to compliance and ethics. Strides has a zero-tolerance policy to all forms of harassment, discrimination and any violation of human rights. Also, along with a comprehensive Code of Conduct, we also have a standalone anti-corruption and antibribery policy that is applicable to all employees, associates, partners, etc.



Senior leaders are actively involved in championing DEI and human

rights initiatives, participating in training sessions and communicating the importance of these policies across the organisation. We ensure transparency in our pay practices and follow a merit-based approach to compensate the workforce fairly and in compliance with all regulations. There are several targeted initiatives to enhance diversity and support women's professional growth.



Guided by our Strides Competency Framework, we ensure structured

career development at all levels, complemented by defined skill mapping and multi-skilling initiatives for shop floor employees and FTEs. Career development programmes like Leadership Empowerment and Acceleration Program (LEAP) and Strides Leadership Program (SLP), AspireHER, HERstrides support professional and personal development. We are also deeply committed to embedding human rights at the core of our business operations and ensuring employee safety and well-being in all aspects.



We prioritise mutual growth, innovation, and sustainability by fostering

collaborative partnerships. Our innovation extends to our efforts in harnessing operational efficiencies to streamline processes and optimise costs in order to make our medicines widely accessible globally.



Stakeholder engagement is a key aspect of our ESG framework.

We also collaborate with governmental agencies, non-governmental organisations and other specialised bodies to advocate for an inclusive and collaborative healthcare ecosystem. Strides' advocacy efforts are aligned with promoting policies that enhance accessibility, affordability, and quality in healthcare, ensuring equitable benefits for all stakeholders.

# Stakeholder Engagement

## Framework for Stakeholder Engagement<sup>9</sup>

Stakeholders are an integral part of Strides' business and we consistently engage with a wide range of stakeholders, including employees, governmental organisations, non-governmental organisations (NGOs), shareholders and other financial market participants, local communities, and partners from the pharmaceutical and other industries. The material issues including ESG and economic factors that are priorities for our stakeholders, form an important part of our actions and decisions.

Our engagements with our stakeholders have helped in understanding the mutual expectations from each other. We identify stakeholders on the basis of their contribution in the value chain and who influence our business or are part of it.

We believe that listening to our stakeholders, understanding their concerns and priorities and systematically addressing them are key to conserving and growing value. As part of our operations, we foster day-to-day stakeholder interactions and strategic engagements. These are taken forward across various media and at varying frequencies.

## Stakeholder Groups and the Frequency of Engagement

<b>1 Employees</b>	<b>○ Frequency of Engagement - Continuous</b>
<p><b>Channels of Communication</b> Direct and other communication mechanisms including open houses, mailers, intranet, employee committees, engagement initiatives, newsletters</p>	<p><b>Purpose and scope of engagement including key topics and concerns raised during each engagement</b> Employee well-being is extremely important for Strides' growth model. Employee engagement through various means of communication provides an insight into the key action areas for employee well-being and growth. The key areas of interest for employees are:  Training   Well-being initiatives   Employee recognition   Fair remuneration   Work-life balance   Grievance redressal</p>
<b>2 Stakeholders/Investors</b>	<b>○ Frequency of Engagement - Quarterly, Annually, Need Based</b>
<p><b>Channels of Communication</b> Intimation to stock exchanges, annual/quarterly financials results, quarterly earnings calls, investors meetings/conferences, analyst meets press releases, social media, website, analyst meets, analyst briefings, quarterly results, annual general meetings, integrated reports, financial reports, etc</p>	<p><b>Purpose and scope of engagement including key topics and concerns raised during each engagement</b> Continuous engagement with investors is extremely important. This leads them to take an informed decision to invest in our Company. The key areas of engagement include an update on the business and financial performance, Company's strategy, potential opportunities and risks, our goals/ actions etc.</p>

<b>3 Customers</b>	<b>○ Frequency of engagement - Frequent</b>
<p><b>Channels of Communication</b> Customer meets, mailers, news bulletins, brochures, social media, and website</p>	<p><b>Purpose and scope of engagement including key topics and concerns raised during each engagement</b> To strengthen customer relationships, enhance business opportunities, stay connected to understand the industry challenges and diversify customer needs and aspirations. Also, to address any issues that the customers might have.</p>
<b>4 Suppliers, Vendors and Third-party Manufacturers</b>	<b>○ Frequency of Engagement - Continuous</b>
<p><b>Channels of Communication</b> Vendors meets and virtual modes like telephone and emails</p>	<p><b>Purpose and scope of engagement including key topics and concerns raised during each engagement</b> Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner, engagement with supplier, vendor enables the Company to identify the key material issue impacting the supply chain. The key areas of interest for the supplier are business visibility and collaborations.</p>
<b>5 Channel Partners, Franchises and Key Partners</b>	<b>○ Frequency of Engagement - Frequent</b>
<p><b>Channels of Communication</b> Partners meets and events, mailers, news bulletins, brochures, social media and website</p>	<p><b>Purpose and scope of engagement including key topics and concerns raised during each engagement</b> Stronger partnership helps to increase reach and enhance business scale, ethical and fair business practices, and strong governance mechanism.</p>
<b>6 Community</b>	<b>○ Frequency of Engagement - Continuous</b>
<p><b>Channels of Communication</b> In-person meetings during field visits and engagement through partners</p>	<p><b>Purpose and scope of engagement including key topics and concerns raised during each engagement</b> Community developments programmes initiated under the Company's CSR umbrella enables driving a positive impact on the lives of the community members. Key area of interests are health, education, sanitation, and infrastructure development</p>
<b>7 Regulators</b>	<b>○ Frequency of Engagement - Need Based</b>
<p><b>Channels of Communication</b> Email, In person meetings</p>	<p><b>Purpose and scope of engagement including key topics and concerns raised during each engagement</b> Engagement with regulatory authorities is aimed at discharging responsibilities and furthering our core business of product development, launch, manufacturing, etc. in keeping with the latest and highest standards of compliance.</p>

<sup>9</sup>GRI 2-29

# Board of Directors



**Arun Kumar**  
Executive Chairperson



**Homi Rustam Khusrokhani**  
Independent Director



**Dr. Kausalya Santhanam**  
Independent Director



**Badree Komandur**  
MD & Group CEO



**Ameet Hariani**  
Independent Director



**Subir Chakraborty**  
Independent Director



**Aditya Kumar**  
Executive Director - Business Development

# Responsible Governance

As a leading global generic pharmaceutical company, we are dedicated to supplying high-quality and affordable medications to patients and healthcare professionals globally. We prioritise patient safety by maintaining a strong commitment to quality excellence and continuously improving our processes, thus driving our business forward.

We consistently raise quality standards across all operations through digitisation, advanced analytics, and innovative technologies.

In this chapter, we will detail the systems and processes in place to ensure integrity and compliance are safeguarded across our business operations.<sup>10</sup>

Our approach to good governance involves setting clear objectives in the short and long term, engaging with our stakeholders and promoting responsible leadership.

We are dedicated to continuous improvement in governance practices, in alignment with our broader mission to grow our Company sustainably, while delivering positive impact to society and the environment.

## Our Board<sup>11</sup>

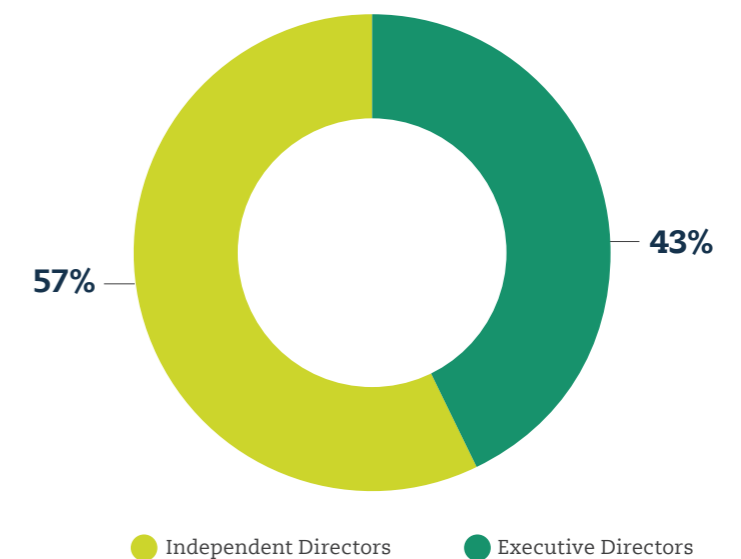
Strides' Board of Directors play a pivotal role in guiding the strategic direction and ensuring the long-term sustainability of our business. The Board is single tier and comprises a diverse group of industry experts who oversee the Company's governance framework, risk management, and overall performance.

Effective June 1, 2024, our Board comprises 7 members (including one female member). 3 of the board members are Executive Directors and 4 are Independent Directors. All Independent

Directors meet the criteria set out in the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations). As per the Listing Regulations, Independent Directors annually declare that they continue to meet all the criteria of independence.

Further, to ensure adequate independence of the Board, we have opted to take a target share of at least 60% of Independent Directors on the Board.

### Board Composition effective June 1, 2024



<sup>10</sup>GRI 3-3 | <sup>11</sup>GRI 2-9, 2-10, 2-11

## Responsible Governance

### Share of Independent Directors

The Board of Directors is chaired by Mr. Arun Kumar, Founder and Executive Chairperson. Average tenure of Strides' Board of Directors is ~7 years. The considerable experience of the Board brings deep institutional knowledge, insights on the Company's journey over the past years and stability in leadership and decision-making within our Company. During FY24, there were 11 board meetings and average attendance of all board members was 98.5%. To ensure active participation of Board members in proceedings, Strides has instituted a minimum annual board meeting attendance requirement of 75% for each director.

Regularly assessing the Board is crucial for ensuring its effectiveness, accountability, and alignment with the Company's strategic goals. It allows for identifying areas for improvement, promotes continuous development, and ensures that the Board's composition and performance meet the evolving needs of the Company and its stakeholders.

Board assessment at Strides is guided by our Company's Board Evaluation Policy. Evaluation is led by Chairperson of the Nomination and Remuneration Committee (NRC) and is carried out through a structured questionnaire for the Board, each of the Committees and Individual Directors, with qualitative parameters and feedback based on ratings.

### Assessment Criteria for Board Functioning

Structure of the Board	Meetings of the Board
Stakeholder Value and Responsibility	Information Management, Compliance

### Assessment Criteria for Committees of the Board

Committee Composition	Terms of Reference
Reviews and Decision-making	Governance and Compliance

### Assessment Criteria for Individual directors

Attendance	Objective Evaluation
Safeguarding Interest of Stakeholders	

During FY24, there were 11 board meetings and average attendance of all board members was 98.5%.



### Board Assessment Criteria

The Nomination and Remuneration Committee is responsible for the election/selection process of the Board of Directors. Executive Directors are appointed for a fixed period; and are liable to retire by rotation and re-elected to their positions as per the regulatory provisions at every Annual General Meeting (annually). Independent Directors are eligible to be appointed for two consecutive terms of 5 years each and are not liable to retire by rotation. All members of the Board are elected/ appointed/ re-appointed individually by shareholders of the Company, rather than by slate.

Remuneration to Executive Directors is a combination of fixed and variable components, as recommended by the Nomination and Remuneration Committee and approved by the Board, in line with remuneration approved by Shareholders of the Company.

The Company's CEO has a pre-defined variable pay component linked to Company's overall business performance projected for the year. Payout % is linked to achievement of projected

performance, which includes improvement in the Company's balance sheet ratios like Return on Capital Employed, Net Debt to EBITDA, etc.

Update on Company's progress on these are also provided to the Board and also forms part of the quarterly result announcement, which is publicly available. Further, payouts shall be assessed and recommended/ approved by NRC & Board. Maximum payout is restricted to 100% of target variable pay, which is approved by the shareholders of the Company.

Additionally, Strides' NRC has also instituted certain incentives as part of the CEO's compensation, linked to the achievement of long-term goals of the Company. These include ESG goals for the Company, improvement in balance sheet ratios and succession planning for key positions in the Company.

The incentive payment is considered at the end of the CEO's 3-year tenure, contingent upon the achievement of goals agreed between the CEO and the Board or NRC. Progress against the achievement of long term goals is monitored on an annual basis.

### Promoters' Ownership

Promoters of Strides hold 25.88% stake in Strides.

Additionally, to measure the financial stake of company executives and their alignment with shareholders' interests, below are the ratio of shareholding value to base salaries for the promoters who are also part of the Leadership team:

- As at March 31, 2024, Mr. Arun Kumar, Executive Chairperson & Managing Director of the Company (Highest level executive of the Company) holds 14.21% stake in Strides (direct & indirect holding). His base pay is ₹ 6 Cr. Ratio of shareholding value (both direct and indirect holding) to base salary as of March 31, 2024, is 170.81.
- As at March 31, 2024, Mr. Aditya Kumar, Vice President, Business Development of the Company, is also one of the member of Promoter Group and holds 0.06% stake in Strides. His base pay is ₹ 75 Lakhs. Ratio of shareholding value to base salary as of March 31, 2024, is 6.11.

Effective June 1, 2024, Mr. Aditya Kumar is appointed as Executive Director – Business Development

# Responsible Governance

## Group CFO & COO's Ownership

- As at March 31, 2024, Mr. Badree Komandur, Executive Director & Group Chief Financial Officer of the Company holds 25,000 equity shares in Strides. Ratio of his shareholding value to base salary as of March 31, 2024 is 0.54
- As at March 31, 2024, Mr. Ramaraju PVS, Chief Operating Officer of the Company holds 39,000 equity shares in Strides. Ratio of his shareholding value to base salary as of March 31, 2024 is 1.22

- Note:**
- Effective June 1, 2024 –
    - ❖ Mr. Badree Komandur appointed as Managing Director & Group CEO of the Company;
    - ❖ Mr. Vikesh Kumar appointed as Group Chief Financial Officer of the Company;
    - ❖ Mr. Arun Kumar continues to be Executive Chairperson
  - For calculating 'ratio of shareholding value to base salary', following values has been considered:
    - ❖ Share price of the Company as at March 28, 2024, i.e., last trading of FY24;
    - ❖ Share closing price of ₹ 784.70 at The National Stock Exchange of India Limited (NSE)
  - Mr. Ramaraju PVS was appointed as the COO effective November 1, 2023. For the purpose of above calculation, his base salary has been accordingly pro-rated

## Ensuring Ethical Conduct: Policies and Procedures

At Strides, we believe that promoting business ethics is not just a regulatory requirement, but a fundamental principle that drives trust and integrity. Our commitment to ethical conduct underpins every aspect of our operations and is embedded in the Company's corporate culture.

To complement the existing governance structure of the Company, Strides has a robust policy framework in place. This framework provides clear guidelines and procedures that translate governance principles into actionable practices. Some of the key policies are listed below:

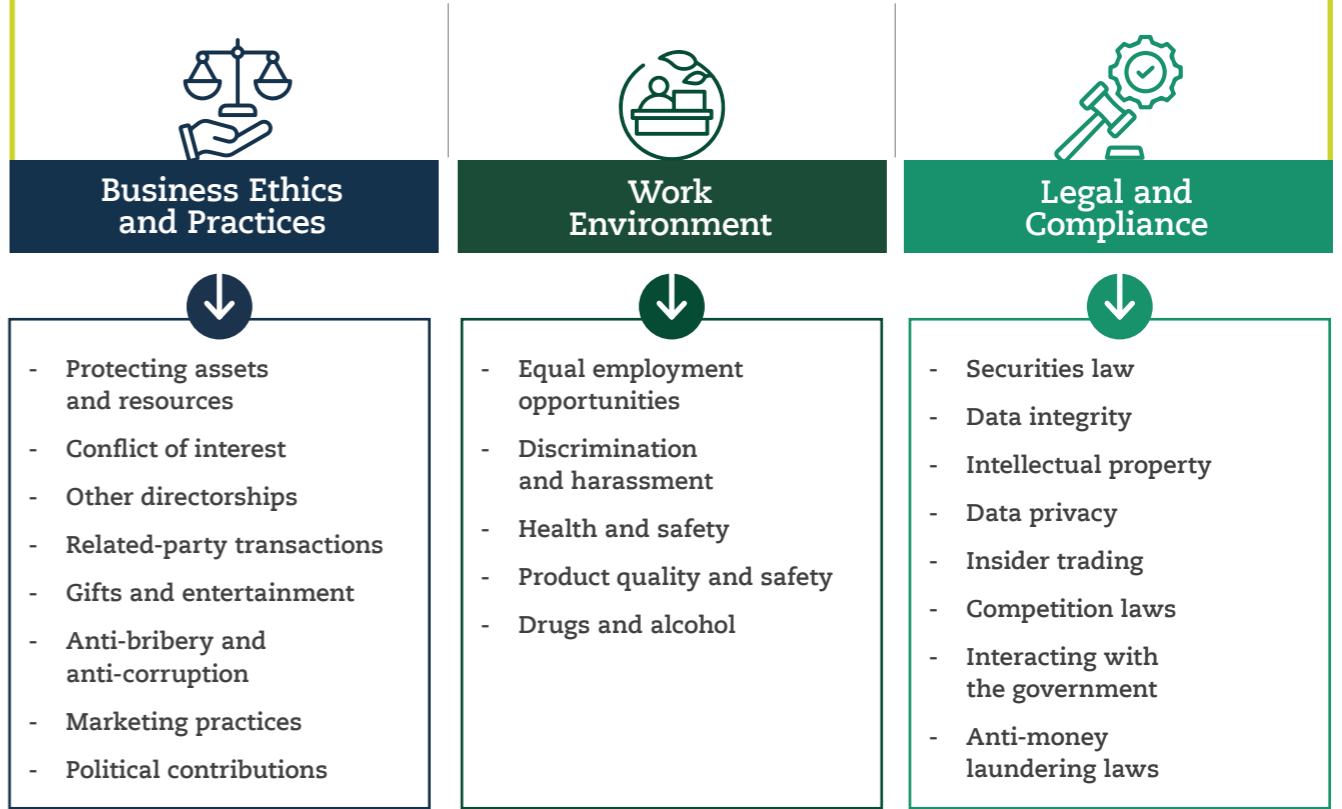
Global Coverage	India Coverage
<ul style="list-style-type: none"> <li>• Code of Conduct and Ethics</li> <li>• Policy on Material Subsidiaries</li> <li>• Risk Management Policy</li> <li>• Policy on Materiality of and Dealing with Related Party Transactions</li> <li>• Policy of Determining Materiality of Events and Information</li> <li>• Fair Code of Disclosure</li> <li>• Group Tax Policy</li> <li>• Business Continuity Policy</li> <li>• Vendors' Code of Conduct</li> <li>• Human Rights Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Nomination and Remuneration Policy</li> <li>• Dividend Distribution Policy</li> <li>• Whistleblower Policy</li> <li>• CSR Policy</li> <li>• Board Diversity Policy</li> </ul>

Note: Refer to GRI Index for more information

**Strides' Code of Conduct and Ethics:** The Code of Conduct and Ethics is a cornerstone document for our Company, serving as a guiding compass for ethical behavior and responsible business practices. The policy is in alignment with the Company's values 'ICE' (Integrity, Competency, Efficiency), and we expect all our employees, irrespective of position, and the

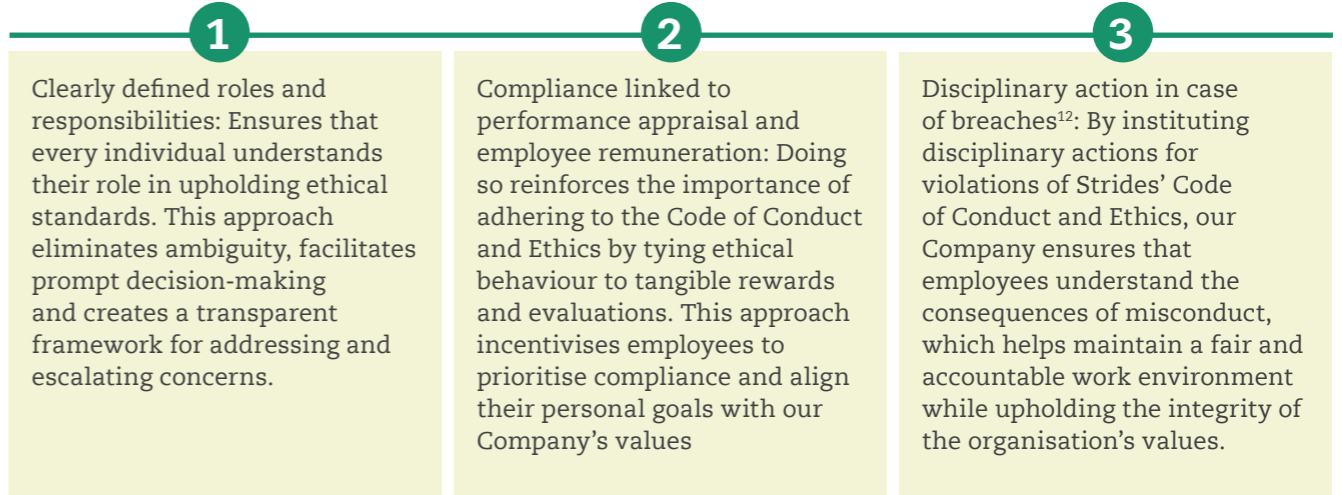
Company's external stakeholders and business partners to adhere to the principles set out in the Code of Conduct and Ethics. The policy aims to provide a framework for decision-making in complex situations, with the goals of maintaining integrity across all operations, safeguarding the Company's reputation, and building trust among stakeholders.

## Key Aspects Covered in the Code of Conduct and Ethics



At Strides, we understand that the impact of any policy hinges on the extent to which it is embraced and implemented across all levels of the Company. In this light, Strides is committed to having proper systems and procedures in place to ensure the implementation of its Code of Conduct and Ethics, with adequate checks in place to prevent any circumvention/violations of the policy.

These mechanisms are described below:



<sup>12</sup>GRI 206-1



# Responsible Governance

In the spirit of transparent corporate reporting, the following table discloses instances/cases of breach of the Strides Code of Conduct and Ethics:

**Reporting Areas<sup>13</sup>**

Corruption or Bribery	<h1>Zero</h1> <p>Breaches in FY24</p>
Discrimination and Harassment	
Customer Privacy Data	
Conflicts of Interest	
Money Laundering or Insider Trading	



## ESG Governance<sup>14</sup>

As we progress on our ESG journey, systematic oversight and accountability for environmental, social and governance issues is central to our strategy. Developing a well-defined ESG governance structure will enable us to integrate ESG considerations into strategic decision-making, management of risks and alignment with stakeholder expectations. To this effect, Strides has instituted a top-down ESG Governance structure.

### Board of Directors

Strides' Board of Directors is the Company's highest governing body responsible for defining the Company's overall ESG framework. The Board approves the Company's ESG goals and objectives, approves ESG policies and strategies and oversees other ESG-related functions within the organisation. Mr. Subir Chakraborty, one of the Independent Directors on

Strides Board, has extensive experience in sustainability.<sup>15</sup> He was responsible for spearheading the ESG strategy and initiatives at Exide, as Managing Director in one of India's largest battery manufacturing companies. He has personally always been at the forefront of embracing and adopting sustainable practices, as it is deeply embedded in his corporate philosophy.

He has been involved in ESG-target setting and decision-making at an organisational level, and is a strong advocate of driving positive sustainable impact through strategic interventions. In his previous role, he has led initiatives that significantly reduced environmental impact, enhanced social responsibility programmes, and strengthened governance structures.

His expertise in integrating ESG principles into business strategies will be invaluable in advancing the Company's commitment to sustainable and ethical practices.

### Risk Management Committee

Strides' Risk Management Committee comprises Directors of the Board (including Independent Directors) as well as Senior Management Personnel and is chaired by an Independent Director. Under the supervision of the Board, the RMC is responsible for the overall ESG initiatives and reporting of the Company, and oversees the implementation of the Company's overarching ESG framework.

As part of risk identification and management processes, the Committee deals with ESG risks associated with IT/Cybersecurity, supply chain management, environmental management and climate change mitigation and adaptation. The Company's Chief Sustainability Officer is a member of the Risk Management Committee.



### Chief Sustainability Officer

Strides has a designated Chief Sustainability Officer to lead the Company's ESG framework, ensuring that Environmental, Social, and Governance (ESG) initiatives are integrated into business operations.

The CSO works to align sustainability goals with corporate objectives, drive innovation in sustainable practices, and ensure compliance with relevant regulations.

### Internal Sustainability Team

Strides has put together a team consisting of members from centralised teams, who have been nominated to work hand in hand with the Risk Steering Committee to ensure ESG framework implementation across the business.

This team periodically reports to the Board Level Risk Management Committee on ESG progress. In the ongoing Financial Year, Strides also intends to formalise a committee by assigning clearly defined roles, responsibilities and developing a charter for the committee.

## Responsible Governance

### Tax Strategy and Reporting<sup>16</sup>

Strides is committed to maintaining a transparent and responsible approach to tax strategy and reporting. By adhering to global best practices and ensuring full compliance with all applicable tax laws and regulations, Strides aims to promote transparency and build stakeholder trust.

Strides' tax strategy is aligned with the principles of fairness and integrity, with a focus on providing clear, accurate, and timely disclosures regarding its tax practices and contributions. Our Group Level Tax Policy sets out the approach towards management, control of tax matters and the general tax framework within which the Strides Group operates when addressing tax related matters. To know more, please refer our [Tax Policy](#).



#### Jurisdiction-wise Tax Reporting<sup>17</sup>

Public reporting on revenue, operating profits and tax on a country-by-country basis helps build trust in the Company and complements the reporting on broader economic contribution.

Key financial metrics, tax information and employee count for Strides and its subsidiaries is enclosed in the Appendix.

### Contributions and Other Spending<sup>18</sup>

Strides believes that sustainable business growth can be achieved through effective collaboration with regulatory authorities, government agencies, and industry trade organisations. The Company is actively involved with various industry bodies and associations in the public domain.

By engaging with these forums, the Company fulfills the critical role of policy advocacy in a transparent, ethical, and unbiased manner. Strides' commitment

lies in advocating for an inclusive and collaborative healthcare ecosystem, refraining from any activities that may be detrimental to national interests. Strides firmly believes that public policy should serve the greater public good, and therefore, Strides abstains from engaging or advocating on any policy matters solely for self-interest or for the benefit of a select few. Strides' advocacy efforts are aligned with promoting policies that enhance accessibility, affordability, and quality in

healthcare, ensuring equitable benefits for all stakeholders.

The total amount of money allocating by Strides to lobbying organisations and trade associations (membership fee only) is disclosed in the table below. This is followed by an overview of the largest contributions made by the Company and positions that it advocates for.

	Total Contributions (in ₹)			
	FY24	FY23	FY22	FY21
Lobbying, interest representation or similar	6,72,426.54	3,51,346.27	3,71,623.13	4,20,781.66
Trade associations or tax-exempt groups (including membership fees)	21,53,269.00	6,85,260.00	3,31,272.00	3,36,770.00

#### Issues/ Topics Covered

##### Support of regional pharmaceutical and healthcare industries

Strides' memberships in pharmaceutical industry associations provides a platform for collaboration with other industry leaders, allowing us to advocate for growth, development, and regulatory support of the pharmaceutical and healthcare industries.

**₹19,91,400**

Total Contribution in FY24

##### Growth and development of Indian Industry

Strides' membership in regional associations of commerce and business enables the Company collaborate with regional businesses, policymakers, and regulators to advocate for a conducive business environment that promotes economic growth and fair-trade practices.

**₹13,53,502**

Total Contribution in FY24

#### Contribution to Organisations<sup>19</sup>

##### Karnataka Drugs & Pharmaceutical Manufacturers Association

Strides has a considerable presence in Bengaluru, Karnataka and the Company's membership in this pharmaceutical industry association offers valuable access to industry insights, regulatory updates, and advocacy opportunities, keeping the Company informed and compliant with evolving policies.

**₹17,79,000**

Total Contribution in FY24

##### Confederation of Indian Industry (CII)

CII membership provides Strides access to forums that shape regulatory reforms. The Association provides opportunities for networking with industry leaders and the CII network also offers insights into global market trends, innovation in healthcare, and sustainability practices.

**₹7,55,452**

Total Contribution in FY24

##### Bombay Chamber of Commerce and Industry

Through this association, Strides engages in robust advocacy focused on creating a favorable business environment through policy reforms and regulatory improvements. The Chamber actively represents the interests of its members by engaging with government bodies on key issues such as taxation, infrastructure development, trade policies, and ease of doing business.

**₹4,39,500**

Total Contribution in FY24

## Responsible Governance

### Navigating Information Security

#### Cybersecurity Measures

Strides upholds its Information Security Policy for protecting and managing the Company's information and assets and defines clear roles and responsibilities for information protection and handling cyber incidents. The policy aims to safeguard information security by preventing unauthorised access, implementing robust security controls, and ensuring compliance with regulations. As part of the shared service model infrastructure, Arcolab Pvt. Ltd. is responsible for managing this policy for Strides. Arcolab, a wholly owned subsidiary of Strides, is a global capability centre committed to driving business excellence, offering a broad spectrum of services in life sciences consulting, technology, and business solutions.

With ISO 27001 and ISO 27701 certifications, Arcolab ensures top-tier data security and privacy, instilling confidence in its control measures among customers and partners. Since its inception in December 2018, Arcolab has transitioned from a back-end cost centre to a global hub of value creation in the life sciences sector. It has expanded beyond traditional captive centre services like finance, legal, HR, and IT to specialised functions such as global pharmacovigilance, clinical operations, intellectual property, and quality assurance.

This transformation highlights its dedication to innovation and excellence in various life sciences fields.

Non-compliance with the security policy/procedures and standards may result in counselling, warnings or disciplinary proceedings extending up to termination of service and may lead to initiation of the legal process.

In the event of a cybersecurity incident, it can be reported via email or in person to the Information Security Office at Arcolab. As per the Infosec policy, regular employee training sessions are mandated on IT and cybersecurity, supplemented by weekly internal emails, to enhance awareness of safe practices related to data security, phishing emails, and social engineering tactics.

#### Cybersecurity Processes

We adopt a holistic approach to safeguarding information against internal and external threats. Our Security Operations Centre (SOC) operates 24/7, deploying advanced Security Information and Event Management (SIEM) to monitor security alerts and ensure endpoint security through Extended Detection and Response (XDR) technology.

Cybersecurity at Strides is actively monitored both internally and by third-party experts. Routine reviews are conducted, and necessary actions are taken to improve cybersecurity measures.

Furthermore, we invest to improve employees' knowledge on cyber security and data privacy to proactively identify potential threats and appropriately combat such incidents. Additionally, we also lay down new procedures

for data privacy requirements and continue to prepare for its implementation.

We also conduct an annual risk assessment to identify security requirements and guide management in implementing appropriate security measures. Stringent incident monitoring and response protocols facilitate swift threat detection and resolution. Our business continuity plan is tested and

updated annually. Additionally, periodic independent third party vulnerability assessments are integral to our cybersecurity strategy, enabling prompt identification and resolution of security gaps.

These measures effectively mitigate cyber and information security threats, demonstrating our commitment to safeguarding assets and maintaining operational resilience.

Total number of information security breaches<sup>20</sup>



Total number of clients, customers and employees affected by the breaches<sup>20</sup>



None

#### Information Security Governance

Information security/cybersecurity lies under the oversight of the Chief Information Officer (CIO) who is a part of the executive management team at Strides. Since April 2023, in the absence of a designated CIO, the responsibility for information security and cybersecurity has been managed by Arcolab's IT Head. He reports to the ED & Head at Arcolab, who reports to the MD & Group CEO at Strides.

Operationally, monthly dashboards are in place which provide details of security alters managed, action on threat intel and MSS security events, etc. These are also updated to Management on quarterly basis. Additionally, the Risk Management Committee (RMC) at Strides is also responsible for managing risks related to cybersecurity and data privacy. Mandatory updates are provided to the RMC on cyber security during their meetings.



<sup>20</sup>GRI 418-1

# Our Risk Management Approach

Cultivating a strong risk-aware culture is fundamental to achieve our corporate objectives and enhancing long-term resilience. Our risk management approach is designed to address both traditional business risks affecting our strategic and financial outcomes, as well as emerging Environment, Social, and Governance (ESG) risks in line with stakeholder expectations and interests.

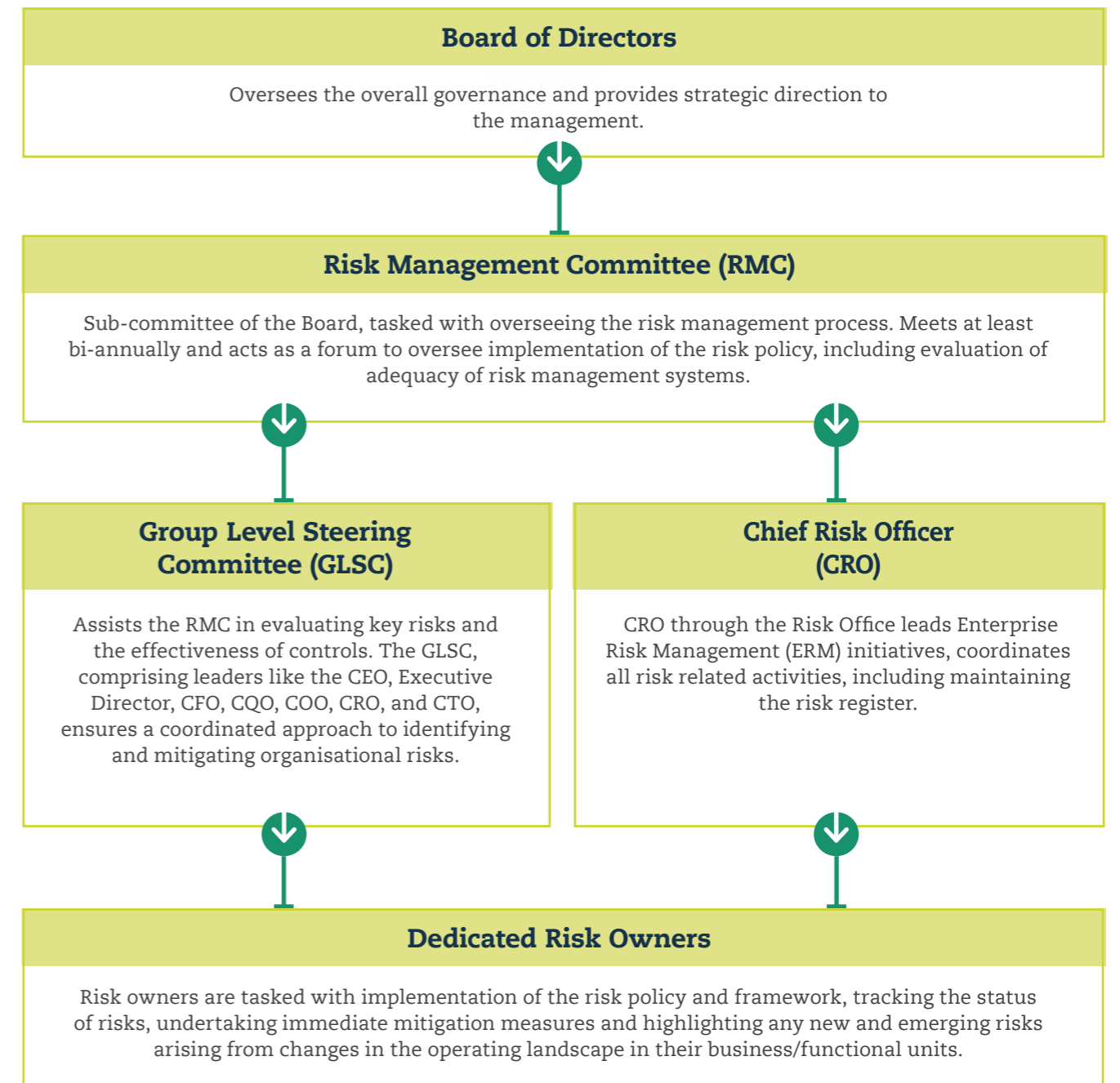
Our comprehensive risk management framework integrates risks from financial, operational, regulatory, reputational, extended enterprise, strategic, sectoral, sustainability-ESG, talent, cyber security and technological domains, enabling us to identify, evaluate, and mitigate risks effectively. Moreover, embedding risk management into our decision-making processes has enhanced our preparedness to navigate the dynamic pharmaceutical industry landscape, while ensuring that our risk management strategies are aligned with our sustainability goals and commitments.



## Risk Governance

Any evolving business landscape presents new uncertainties that challenge established norms. To effectively navigate these changes effectively and maintain strategic focus, we have transitioned to an integrated risk management approach. Risk management is deeply embedded in our activities and control systems, spanning our organisation. Our goal is to promote informed decision-making aligned with our defined short-term, medium-term, and long-term strategic and business objectives.

Our risk governance framework clearly outlines roles and responsibilities ensuring comprehensive coverage and accountability across different levels in the Company.



## Our Risk Management Approach



### Audit of the Risk Management Process

The Audit Committee of the Board is tasked with overseeing and assuring the process of risk management, which is governed by the Risk Management Committee. In this regard, the Audit Committee also liaisons with internal and statutory auditors on any significant findings and follow-up measures formulated to address risks identified thereon.

The Board is updated on the outcome of each RMC meeting. Independent audit of the various business functions is conducted on a quarterly basis, which includes review of how risks are managed within the function.

As a continuous ongoing process, audit of the quality related risk management process are separately undertaken to ensure its efficacy and efficiency. Further, the Internal Audit plan approved by the Audit Committee for FY25, will also

include a review of effectiveness of the Company's overall enterprise risk management process and that shall be considered as part of the scope of special reviews.

### Risk Culture

At Strides, we have integrated effective risk management across all aspects of our operations to foster an effective risk culture. In March 2024, a workshop on risk management was organised for the Board of Directors (both executive and non-executive), which also included participation from all other directors.

The workshop was conducted by a renowned external firm with the objective to provide an overview of the ERM governance at Strides, emerging risk domains, including the global risk outlook of the World Economic Forum, key trends impacting pharma and global industry, regulatory focus, cyber security, sustainability as well as

strategic risk practices adopted by different organisations across varied sectors.

**In addition to this, training sessions on risk management were conducted across the organisation including:**

**2 Risk Owner level workshops** with 60+ participants with key business units and functions on the concept of risk and risk management

**1 functional level workshop** (internal) for 30+ executives conducted by Risk Office on ERM awareness, including Strides ERM framework, and enterprise level key risks

This approach ensured that Strides as an organisation stays updated, agile, and well-positioned for sustainable growth in a dynamic environment.

### Financial Incentives which Incorporate Risk Management Metrics

Performance evaluation of designated individuals from CXOs to mid-management levels, across functions including but not limited to Quality, EHS, Enterprise Risk Management & Compliance, Finance are linked to timely identification and mitigation of risks, and continued success of the risk management process.

The performance metrics also include participation of the function heads, managers and risk owners in technical trainings conducted periodically on risk management concepts. These trainings and workshops are mandatory and form a part of the employee appraisal process.

### Ensuring Business Continuity

To ensure uninterrupted operations for critical functions and keep interdependencies secure, we have implemented a structured Business Continuity framework aligned with leading international standards such as ISO 22301:2019 and industry best practices. We maintain a strong business continuity framework along with a policy, consistently assessing risk factors to ensure ongoing operations are in adherence to legal obligations. The BCM Governance structure includes the RMC, GLSC, CRO, and Location Crisis Management Teams (LCMT).

Our business continuity procedures are guided by the principles of proactiveness, comprehensiveness, integration, and continual improvement. This includes identifying and assessing potential risks and vulnerabilities, developing tailored contingency plans for various scenarios, and assigning clear roles and responsibilities within our dedicated business continuity team.

Furthermore, we have conducted a detailed Business Impact Analysis (BIA) across all critical departments and units to comprehensively address business continuity risks.



# Our Risk Management Approach

## Inclusion of Risk Criteria in the Product Development Process

We have a defined Quality Risk Management (QRM) standard operating procedure issued by the Group Quality Assurance (GQA) department. This SOP provides detailed guidelines on identification, assessment, control, communication, and review of risks to the quality of drug products across the product lifecycle. The key aspects of the QRM SOP are covered in depth in the Quality section on Page 46.

## Risk Management in Action

Our risk management process adheres to globally recognised standards such as COSO ERM 2017 and ISO 31000:2018, combining bottom-up and top-down approaches to ensure strategic oversight, understanding of our risk appetite and prompt escalation of risks and issues. The process outlines critical expectations and aids in identifying, assessing, prioritising, treating, managing, reporting, and overseeing risks pertinent to our business operations.

This approach ensures that risks are consistently managed in alignment with our risk appetite, supporting our strategic objectives through timely and transparent action. Below we have outlined the structured process adopted to determine our risk appetite based on regular risk reviews with different functions and strategic deliberations with the risk owners and the leadership. This is critical for managing our exposure to key risks viz-a-viz our appetite, likelihood and impact on the business.

- The Strides Risk Office interfaces with various functions, acting as the primary conduit to understand and review the nature of risks affecting different business units, including key sustainability risks. The team also actively monitors industry reports and trends to stay informed about external risks that may impact own operations.
- The insights provided by the Risk Office are crucial for our leadership team, who use this information to identify and evaluate strategic risks. This includes consolidating long term and emerging risks into major themes, including Environment, Social, and Governance (ESG).

Further, to effectively manage the risks identified, we use a standardised risk rating criteria to assess and prioritise critical risks requiring targeted mitigation strategies and management decisions in line with the Company's risk appetite. The risk criteria defined at an enterprise level uses a 5-point scale for rating risks based on the impact, likelihood, and velocity.

**Risk Impact:** Consequences in case of occurrence of the risk.

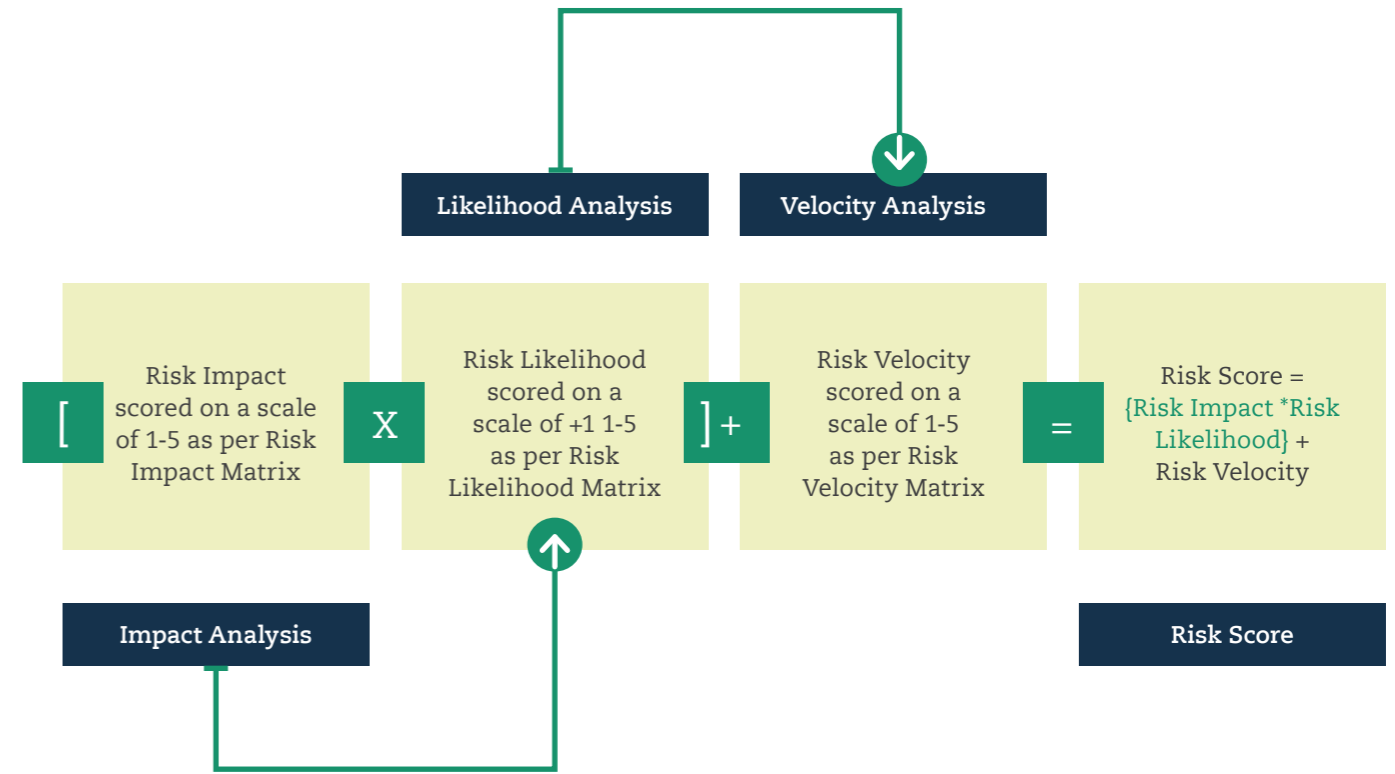
**Risk likelihood:** The probability of occurrence of risk event or risk playing out

**Risk Velocity:** Time assumed to be taken for a risk event to manifest itself.

- The RMC conducts meets biannually to understand from management the periodic reviews it undertakes for of risks, assessing their impact, analyzing the exposure, and monitoring the progress on mitigation measures followed by an update to the board on the same. The risk review actions include the following:

- 1 Deliberation on functional risks on updates to the risk profile based on the risk appetite.
- 2 Assessment of impact on Strides' operations and identified risks due to external events/ incidents.
- 3 Review of mitigation plans for key risks, including status and timeline.

## Risk Identification Framework



# Our Risk Management Approach

## Review of Current Risks

Strides regularly monitors its business operations and analyses industry trends to identify potential risks and establish appropriate mitigation strategies. Here is a table summarising (but not limited to) the key risks we currently face, their potential impacts, and the measures adopted to keep them in check.

Strategic Risk	
<b>Identified risk</b>	1. Under-performance of international stressed assets resulting in impairment risk 2. Unable to achieve intended strategic M&A outcomes within the timelines envisaged resulting in loss of shareholder value
<b>Description of risk</b>	Asset turnaround strategies may face challenges due to the ongoing energy crisis in the EU and geopolitical tensions worldwide. Several entities across different regions are underperforming and considered stressed assets. Furthermore, external factors like geopolitical conflicts can disrupt business operations, such as the inability to export certain inventory, leading to financial impacts. Integration issues related to recent transactions also contribute to operational complexities.
<b>Impact area</b>	> Financial loss   > EPS Erosion   > Reputational risk
<b>Mitigation strategy</b>	We have strengthened our approach to M&A risk assessments and due diligence, implementing a more rigorous framework to ensure thorough evaluations. Additionally, we have undertaken measures to address stressed assets, such as evaluating order books and adjusting business models where needed. These efforts are aimed at enhancing our strategic decision-making processes and optimising our operational efficiencies in response to evolving market conditions.
<b>Linkage to Material Themes</b>	Corporate Governance   Purposeful Partnerships

Regulatory/Compliance Risk	
<b>Identified risk</b>	Non-fulfillment of contractual obligations resulting in financial and reputation loss
<b>Description of risk</b>	Potential non-compliances to contractual commitments and obligations arising from oversight in monitoring
<b>Impact area</b>	> Financial loss   > Reputational risk   > Legal action
<b>Mitigation strategy</b>	To ensure compliance monitoring, we utilise a centralised tool that serves as a repository for all contracts. These contracts include provisions for addressing interpretational issues through mediation or dispute resolution mechanisms. This approach helps streamline oversight and resolution processes, enhancing our ability to uphold contractual obligations effectively.
<b>Linkage to Material Themes</b>	Corporate Governance

Financial Risk	
<b>Identified risk</b>	Inability to achieve intended cash flow may adversely impact liquidity position, increased debt level and higher finance cost
<b>Description of risk</b>	Prolonged accounts receivable cycles, negative impacts from foreign exchange rate movements, and requirements for additional working capital to support business growth impact liquidity and cash flow.
<b>Impact area</b>	> Financial loss   > EPS Erosion   > Reputational risk
<b>Mitigation strategy</b>	We have implemented several initiatives such as optimising receivables, improving Sales & Operations Planning (S&OP) for forecasted business to manage cash flow better, exploring liquidity options including securing credit lines, and reducing costs through network optimisation and operational efficiencies.
<b>Linkage to Material Themes</b>	Product Quality   Access to Healthcare   Corporate Governance

Technology Risk	
<b>Identified risk</b>	Cyber-attacks could lead to loss of confidentiality, data, information and loss of reputation
<b>Description of risk</b>	Growing threat from increasingly sophisticated social engineering attacks, amplified by new technologies and geopolitical tensions. The use of AI and social engineering has heightened the challenge of detecting real security risks. Healthcare and public sectors are particularly vulnerable, witnessing a significant number of breaches.
<b>Impact area</b>	> Financial loss from potential disruption in operations   > Reputational damage > Regulatory penalties arising from loss of data
<b>Mitigation strategy</b>	We have implemented various initiatives to enhance our cybersecurity measures. These include a monthly dashboard that monitors security alerts and actions taken on threat intelligence and managed security service (MSS) events, which is presented to our quarterly governance committee. Additionally, firewalls have been deployed across our Manufacturing and R&D sites, and IT and cybersecurity training has been extended to employees in our global offices. Looking ahead, we are planning further enhancements, such as refining our monitoring tools based on current industry risks and integrating advanced features into our systems to improve detection and response capabilities for potential threats.
<b>Linkage to Material Themes</b>	Product Quality   Governance   Purposeful Partnerships

## Our Risk Management Approach

Product and Quality Related Risks	
<b>Identified risk</b>	<ol style="list-style-type: none"> <li>Critical inspection observations related to facilities/systems/deployment could culminate into regulatory action disrupting supply and delaying product approval</li> <li>Product liability claims and potential recalls arising from nitrosamine related impurities</li> </ol>
<b>Description of risk</b>	Poor-quality products pose financial risks like legal expenses, lost sales, and reputation damage during recalls, disrupting supply chains and increasing costs. Regulatory fines, higher insurance premiums, market perception issues, and litigation expenses are additional concerns.
<b>Impact area</b>	> Reputational damage   > Financial Loss
<b>Mitigation strategy</b>	<p>We ensure our facilities are well-maintained through a targeted action plan implemented across phases. Our comprehensive three-stage risk assessment aligns with regulatory timelines set by bodies like the EMA and FDA. To enhance our capabilities, we utilise modern instruments and have established an analytical development team. We collaborate with external labs for method development, validation, and testing.</p> <p>Strides has also created a designated Office of Risk &amp; Compliance (ORC), staffed by experienced professionals dedicated to nitrosamine-related risk assessment and mitigation. These initiatives demonstrate our commitment to upholding rigorous quality standards and regulatory compliance throughout our operations.</p>
<b>Linkage to Material Themes</b>	Product Quality   Purposeful Partnerships

Social and Environmental Risks	
<b>Identified risk</b>	Impact on Environment and Society and related impact on operations
<b>Description of risk</b>	Failure to effectively manage our environmental footprint and deliver societal value through meaningful community engagement can in turn erode long term value of our business operations and our capacity to deliver results for all stakeholders- investors, customers, community, employees, associates, etc.
<b>Impact area</b>	> Reputational risk   > Regulatory risk   > Attrition and talent related risk > EPS Erosion
<b>Mitigation strategy</b>	<p>We are continuously working toward regulating environmental impact of our operations by investing time and capital in various critical areas such as increasing renewable energy consumption, water management, waste management, monitoring and reducing emissions, etc.</p> <p>We also regularly and actively engage with the local communities and stakeholders to address their needs and concerns. We have undertaken social initiatives in various areas including community health improvement, skill development, education, etc. contributing to overall socio-economic development.</p> <p>Our commitment is to not only maintain but also enhance our efforts in these areas. We are dedicated to continually assessing and refining our strategies to address emerging ESG risks promptly and effectively</p>
<b>Linkage to Material Themes</b>	Environmental Sustainability

## Emerging Risks

Emerging risks are novel risks that could materialise in the future and by that virtue are strategic to businesses for forward planning and decision making. At Strides, we have adopted a proactive approach to identifying and mitigating the following emerging risks that may potentially affect our operations significantly: Based on our analysis, we have identified some key areas that could materially influence our business given our current context, operating environment and future plans.:

### Emerging Risk 1

**Emergence of Artificial Intelligence (AI) based technologies, with integration across pharma operations, accompanying challenges and adverse outcomes.**

Category: Technological

#### Description

Strides is integrating AI technologies to enhance manufacturing efficiency, precision, and compliance. This includes material detection systems, change control systems, automated robotic processes, and virtual reality tools. An AI-based tool for analyzing audit trails in labs shall ensure compliance monitoring. While beneficial in enhancing operational efficiency, optimisation of process and associated costs, these advancements introduce emerging risks.

#### Impact

AI-driven applications may be susceptible to operational disruptions due to potential single point failures, halting production and increasing costs. There are further challenges in integration with existing systems, that may lead to potential operational inefficiencies and additional costs. AI systems are vulnerable to cyber threats and data breaches. With the expansion of digital footprints and the advancement of cyber threats, cybersecurity risks are rising.

The greatest threat comes from advanced AI capabilities misemployed by malicious actors, that may be unanticipated, with the impacts unknown. AI based systems can incorporate biases leading to unfair decision-making

and transparency issues, entailing ethical and bias concerns that need to be addressed.

Organisational talent and skills present another challenge, as significant upskilling of existing employees and high competition for skilled AI professionals can drive up recruitment costs and require robust change management strategies.

#### Mitigating Actions

Strides closely monitors its business landscape for any technological advancements and regulatory changes. To address the growing risk of misuse of AI, Strides shall implement a comprehensive risk management framework specifically for AI technologies. Comprehensive compatibility assessments and integration tests shall be conducted prior to deploying AI systems. To ensure seamless integration with legacy systems, a phase wise implementation plan shall be developed, with pilot projects, to identify and address integration issues early-on, in addition to investments in middleware solutions and/or system adapters as required.

To ensure continuity of operations, redundancies and failover systems shall be identified and deployed across AI systems, complemented by regular testing, and update of backup systems. AI systems shall

be built-in with requisite fault tolerance to ensure operational resilience. Strengthening cybersecurity protocols, including advanced firewalls and intrusion detection systems, is crucial to protect AI systems from cyber threats and prevent data breaches. Strides has implemented various cybersecurity controls, including threat intelligence tool, with reporting on critical security alerts and timely remediation, and firewalls deployed across manufacturing and R&D sites.

Developing guidelines for ethical AI usage, ensuring transparency in decision-making processes, and establishing continuous monitoring for AI models employed will address ethical and bias concerns. By implementing these robust mitigation strategies, Strides can harness the benefits of AI while minimising potential disruptions and ensuring compliance.

Investing in training programmes and fostering continuous learning can mitigate the challenge of upskilling employees and managing change, while continuously educating users on the latent threats posed by AI. Leveraging on the training and development programme in place, Strides shall develop and strengthen partnerships with academic institutions, and training organisations to keep abreast on AI advancements and get access to a pipeline of skilled AI professionals in requisite operational streams.

\*To know more about financial implications and other risks and opportunities due to climate change, please refer to chapter 'Environmental Sustainability'.



## Our Risk Management Approach

### Emerging Risk 2

**Attracting and retaining skilled talent in the workforce, while addressing talent shortages in the pharmaceutical industry**

Category: Societal (Talent)

#### Description

The pharmaceutical industry faces significant challenges in attracting and retaining skilled talent. The need for advanced skills and continuous upskilling, driven by rapid technological advancements and evolving industry standards, requires strategic management of human capital. This challenge is intensified by growing talent shortages, especially as new roles critical to strategic objectives emerge. Evolving technologies, including AI can also widen the skill gap. The lack of specialised degrees tailored to the industry's evolving needs may aggravate difficulties in securing skilled talent. Changing workforce demographics, including the expectations of Gen Z for purpose-driven work and work-life balance, along with increasing competition from other high-tech industries, further complicate talent acquisition and retention efforts.

Learning coupled with a strong employer brand emphasising purpose-driven work, can attract forward-thinking professionals and differentiate Strides in the competitive talent market.

#### Impact

Recruitment challenges and skill gaps are significant concerns, particularly in hiring for new roles aligned with future strategic objectives. The shortage of skilled professionals in emerging domains like data analysis, AI, and digital health can slow innovation and impact Strides' competitive edge. Slow technology adoption, coupled with skilled personnel deficits, could diminish productivity and operational efficiency.

Continuous training and upskilling require substantial investment. The industry also faces a shortage of regulatory professionals, potentially delaying compliance, and market entry for new products. Increased cybersecurity risks due to strategic operational shifts, combined with a shortage of cybersecurity experts, threaten intellectual property and sensitive data. High turnover rates can lead to increased recruitment costs and lost productivity, while understaffed teams may experience reduced morale and efficiency.

#### Mitigating Actions

Implementing advanced workforce analytics can help identify and address skill gaps through targeted training and hiring strategies. Flexible recruitment approaches, including digital platforms and networks, can broaden the talent pool. Investing in ongoing training programmes and partnering with educational institutions can ensure a steady pipeline of qualified talent, while also staying updated on latest technological advancements, with access to pipeline of skilled professionals. Strides' robust training and development programme comprises technical, behavioural, and mandatory trainings.

Developing clear career progression pathways, mentorship programmes, and cross-functional opportunities can help retain top talent. Comprehensive onboarding programmes can equip new hires to meet industry-specific challenges. Implementing flexible work arrangements and competitive benefits can attract a wider talent pool, including younger generations, and improve work-life balance.

### Emerging Risk 3

**Escalating Geopolitical Tensions and Societal Unrest leading to significant operational disruptions across the supply chain, increasing costs, thereby impacting profitability.**

Category: Geopolitical

#### Description

Geopolitical risks are increasingly critical for the pharmaceutical industry, and in particular generic drug manufacturers who rely on global supply chains and operate in multiple regions. These risks include political instability, conflicts, regulatory changes, and volatile trade relations that can disrupt operations and supply chains. Wars and conflicts, previously restricted to historically unstable regions, now pose threats in unexpected countries and/or regions, potentially destabilising previously secure supply routes and operations. Societal tensions, such as socioeconomic disparities and resultant unrest, further exacerbate the risk landscape for pharmaceutical companies.

#### Impact

Geopolitical instability can severely disrupt the pharmaceutical industry's supply chains by causing trade disputes and economic sanctions, thereby leading to disruptions in conventional transit routes. These disruptions can lead to shortages of raw materials and active pharmaceutical ingredients (APIs), which is dependent on suppliers located in various geographies across the country and globally, thereby causing delay in production and escalation in costs.

Regulatory uncertainties driven by domestic pressures for stringent trade controls, tariffs, and

reshoring initiatives can create compliance challenges, resulting in onerous costs of operation.

Conflicts and wars can lead to operational interruptions, such as forced shutdowns of manufacturing facilities and workforce disruptions.

In regions where Strides operates, societal and community tensions can lead to significant operational disruptions. Political and social volatility, such as strikes, protests, and public health crises, can severely impact the Company's continuity of manufacturing processes and supply chain stability, potentially resulting in halted production and delayed deliveries. The interplay between these tensions and geopolitical risks amplifies the challenges faced in maintaining consistent operations.

#### Mitigating Actions

To mitigate these risks, Strides takes a comprehensive approach to managing their global supply chains. This involves evaluating critical dependencies and establishing backup plans with qualified alternate suppliers to mitigate the impact of any disruptions. Continuous monitoring of stock levels for critical raw materials and APIs is essential, ensuring timely replenishment based on production needs. Strides collaborates with

logistics providers to develop contingencies, such as alternate route planning, shipping containers, and different modes of transport, while conducting cost-benefit analysis.

Strides maintains a comprehensive communication strategy to address internal and external stakeholders' expectations effectively during potential disruptions, including societal tensions and local agitations. Additionally, in the advent of such an event, Strides monitors outsourced services to ensure quality and service levels are met, while keeping stakeholders informed about the progress and status of these services, reinforcing a robust response and recovery approach.

Additionally, keeping a close watch on the geopolitical and regulatory environment in regions where Strides operates, including third-party operations and key customer locations, is crucial for anticipating changes in regulations, societal agitations, and political developments that could impact the supply chain. Collaborative partnerships with local stakeholders, governments, and international organisations can provide critical support and resources during geopolitical crises. These proactive measures are essential for navigating the uncertainties posed by geopolitical and societal disruptions, ensuring the continuity of pharmaceutical operations.

# Product Quality and Responsibility

As a leading global generic pharmaceutical company, we are dedicated to supplying high-quality, affordable medications to patients and healthcare professionals in over 100 countries worldwide. We prioritise patient safety by maintaining a strong commitment to quality excellence and continuously improving our processes, thus driving our business forward. We consistently raise quality standards across all operations through digitisation, advanced analytics, and innovative technologies.



Our global quality frameworks ensure compliance with Good Manufacturing Practices (cGMPs) across procedures & practices across functions including manufacturing, supply chain, quality control, quality assurance and IT. Our 'One Strides-One Quality' culture is driven by a robust framework of SOPs, training, digitalisation, performance reviews, and audits. We conduct quality control

checks at multiple stages of the production process to maintain consistency and meet standards. These checks vary in frequency depending on the stage and dosage form, covering raw and packing materials, in-process inspections, and finished products. In-process checks are conducted at the start of each batch and at specified time intervals during production. To enhance manufacturing efficiency and uphold high quality standards,

we implement various operational excellence tools. Our aim is to foster a culture of innovation and excellence throughout the organisation.

**Affordable medications to patients and healthcare professionals in over 100 countries worldwide**

## Our Commitment to Quality<sup>21</sup>

Quality and compliance are the responsibility of every employee at Strides, with duties clearly outlined in their individual KRAs based on approved job descriptions. Our executive management plays a pivotal role in ensuring the implementation of the Quality Policy and relevant Quality Management System (QMS) procedures. They provide the necessary resources, oversee the production and timely delivery of quality products, and ensure the effective execution of recommendations from QMS events and quality system reviews.

Our QMS has global reach, maintained through rigorous checks and balances. Monthly quality forums give executive management insight into quality issues, with all critical matters escalated to them via automated mechanisms such as dashboards, emails, and other digital tools.

A corporate quality risk management procedure governs the risk management across organisation, which includes periodic risk assessment and prioritisation of risk

mitigation actions. All the risk management exercises are well documented and tracked through risk registers to ensure governance and effectiveness. Additionally, the Board Level Risk Management Committee also has direct oversight of how quality risks are mitigated. This ensures comprehensive quality management across the organisation. In essence, quality management at Strides is a collective effort, with comprehensive systems in place to ensure continuous oversight and improvement.

## Project RISE: Vision of Quality Excellence

Project RISE, a transformative initiative undertaken at Strides KRSG, the flagship manufacturing facility in Bengaluru, is designed to elevate the standards of quality excellence and enhance overall performance.

The initiative focuses on building a strong quality culture and embedding excellence into our core operations. At its core, Project RISE aims to instill a robust quality culture where employees consistently exhibit the 'right'

behaviors, taking full ownership of the quality of their work and prioritising excellence in their decision-making. The initiative is built upon a six-pillar vision that includes:

### Product Mastery

Achieving consistent end-to-end product mastery.

### Quality Processes

Implementing the highest-quality approach to issue resolution.

### Operating Procedures

Streamlining procedures for compliance and efficiency.

### Facilities and Equipment

Maintaining compliant and future-proof infrastructure.

### Data Management and Technology

Utilising best-in-class systems for quality monitoring.

### People

Building a 'future-proof' quality culture focused on employee competency across all levels.

<sup>21</sup>GRI 3-3

## Product Quality and Responsibility

By integrating these elements, Project RISE seeks to embed quality excellence into the very fabric of daily operations, ensuring that every member of the team is empowered to identify and address quality concerns while actively acknowledging quality achievements.

The efficiency engine at the core of this vision focuses on value delivery, enhancing material productivity and production efficiency to support quality excellence.

### Leveraging Technology to Enhance Quality

Innovation is crucial for maintaining and improving quality standards. To enhance drug production precision and significantly reduce error rates, we leverage a plethora of technologies such as digitalisation, business analytics, business intelligence, robotic process automation (RPA), virtual reality tools, and artificial intelligence.

These innovations enable us to take data based prompt decisions which helps us in continuous improvement and adhering to the highest quality standards. This ensures that we remain at the forefront of the industry. Our long-term growth strategy focuses on cost optimisation through digital initiatives and efficient capital allocation to capitalise on these opportunities.

**We have implemented a range of digitisation initiatives, including the following but not limited to:**

**Early Warning System for chromatographic analytical techniques using AI tool**

**Cleaning Validation software for managing cleaning validation processes**

**Electronic Quality Management System (eQMS) for efficient and effective governance of quality system**

**Electronic execution of batch processing**

**E-log for equipment and area**

**SAP-based ERP system**

**Laboratory Information Management System (LIMS) for labs**

**Electronic systems for Annual Product Review and Continued Process Verification**

In our Quality Control (QC) labs, we utilise advanced spectroscopy and chromatography techniques, such as High-performance Liquid Chromatography (HPLC), Gas Chromatography (GC) and High-Resolution Mass Spectroscopy (HRMS) to test samples and analyze critical requirements. Our Laboratory Information Management System (LIMS) documents these analyses and integrates with SAP and eQMS to log quality management system events, ensuring product quality in a regulated environment.

We consistently integrate advanced technologies and digital solutions, thereby ensuring continuous improvement.

### Training

Our onboarding programme includes training on Good Manufacturing Practices (GMPs) to our employees. This training is provided through our Learning Management System (LMS) and includes classroom sessions, on-the-job training, and e-learning modules, with annual refreshers and monthly effectiveness evaluations.

Employees undergo training and qualification based on their job roles, with a 100% assessment pass requirement. Upon successful completion, the training coordinator acknowledges the course with an electronic signature, and employee certification for the assigned job role is issued based on the LMS user qualification report.

We have applied digital and access control mechanisms to ensure that only trained employees are allowed to perform their respective job. Our Quality Academy offers in-depth training to our quality leaders to help them become highly competent quality professionals. The Plant Manager Academy (PMA) trains participants extensively, equipping them with the skills needed to manage operations effectively.

Additionally, our Subject Matter Expert (SME) training programmes ensure deep expertise in specific areas through numerous participants and hours of training. We also offer the Strides Leadership Programme and Values Framework to cultivate effective leaders who drive positive change within the organisation.

Regular training sessions are held for all stakeholders, with refreshers provided whenever there are updates. To maintain GMP standards, access to GMP areas is restricted to trained individuals, ensuring full compliance through rigorous assessments.

We are continuously improving training effectiveness by adopting to new technologies such as virtual reality (VR) and augmented reality (AR) based training modules.



# Product Quality and Responsibility

## Customer-Centric Quality Processes

At Strides, our governance procedures are designed to prioritise customer satisfaction and ensure high standards of quality and safety. Our Quality Policy emphasises engaging with customers and stakeholders to promptly address any quality issues with a focus on customer and patient safety.

We provide multiple channels for reporting quality issues and complaints, including our website, social media platforms like X (formerly Twitter), Facebook, Instagram, email, paper submission of complaints at manufacturing site addresses, and a toll-free number. Complaints are received through these channels and categorised for assessment. Upon receipt of a complaint, we conduct a thorough assessment of patient safety, product efficacy, and regulatory compliance to determine if field actions, such as recalls, are necessary. This process includes an escalation matrix and third-party verification, wherever applicable, to ensure the effectiveness of our complaint management system.

In the event of an incident, our eQMS ensures a detailed investigation and appropriate corrective actions. We log all incidents, define the issue, and assemble a cross-functional team to analyze the situation, gather information, and identify the root cause. Our recall

plan includes specific steps, timelines, responsibilities, and risk assessments, with a focus on health and safety. We promptly communicate with hospitals, physicians, distributors, retailers, and stockists based on the severity of the recall and regulatory guidance.

For all the critical quality processes, we have incorporated corporate SOPs, which are deployed in all our manufacturing units and other technical operations.

## Supplier Quality Management

Ensuring the highest quality of input materials is at the cornerstone of our operations. Our procurement team is dedicated to maintaining a seamless flow of essential materials, which is crucial for the development, manufacturing, and market readiness of our formulations. To achieve this, we have implemented a rigorous supplier quality management system. We initiate our process with a thorough screening of all incoming raw materials, establishing stringent standards that cover a wide range of physical, chemical, and microbiological criteria. Upon arrival, materials are subjected to visual inspections, identity verifications, and precise sampling to ensure they meet our specifications. Any discrepancies are promptly investigated, and all findings are meticulously documented.

Regular quality checks are integral to our strategy, with each batch undergoing comprehensive testing upon receipt, and periodic retesting every 6 to 12 months, depending on the material category. The senior management plays a pivotal role by regularly reviewing quality trends and assessing risks, ensuring that we are always prepared to address any issues that may arise.

Additionally, we maintain a robust vendor management programme, where vendors are qualified using pre-defined criteria. All the vendors for APIs are periodically audited by our in-house quality team to ensure that the vendors are in compliant status all the time. Vendors not in state of compliance are promptly disqualified, while ensuring that alternate vendors are available for continued supply chain. The vendor quality performance is meticulously computed using the data points available in our electronic systems and the intensity of the monitoring is decided on the risk-based classification of such vendors. We have deployed robotic process automation (RPA) tools to constantly monitor our vendors for any regulatory action for a prompt mitigation.

## Regulatory Compliance

We adhere to various regulatory guidelines, amongst others, issued by WHO, USFDA, EMA, CDSCO, PIC/s, MHRA. Our quality governance systems include continuous screening using RPA tools for adoption of the regulatory changes.

Category	Indicator	FY21	FY22	FY23	FY24
<b>Product Recalls</b>					
Class I recalls	Number of Class I recalls (or equivalent)	0	0	0	0
	Total value of recalled products (USD million)	Nil	Nil	Nil	Nil
Class II recalls	Number of Class II recalls (or equivalent)	2	2	1	2
	Total value of recalled products (USD million)	0.27	6.31	0.01	0.03
<b>Regulatory Compliance</b>					
Regulatory agency inspections	No. of inspections	0	1	3	1
Form 483 observations (or equivalent)	Number of Form 483 Observations (or equivalent)	0	0	8	0
	Annual revenues generated from the affected facilities.	Nil	Nil	Nil	Nil
	Annual revenues impacted by production stoppages.	Nil	Nil	Nil	Nil
FDA Warning Letters (or equivalent)	Number of FDA Warning Letters (or equivalent)	0	0	0	0
	Annual revenues generated from the affected facilities.	Nil	Nil	Nil	Nil
	Annual revenues impacted by production stoppages.	Nil	Nil	Nil	Nil

Incidents of non-compliance in FY24 concerning <sup>22</sup>	
Health and safety impacts of products and services	Nil
Product and service information and labelling	Nil

## Quality Assurance

The effectiveness of our QMS is demonstrated through the impeccable track record of regulatory approvals over the years. Our efforts are to proactively address potential issues and to make our staff future-ready by conducting thorough internal audits, mock audits, identifying and rectifying any gaps.

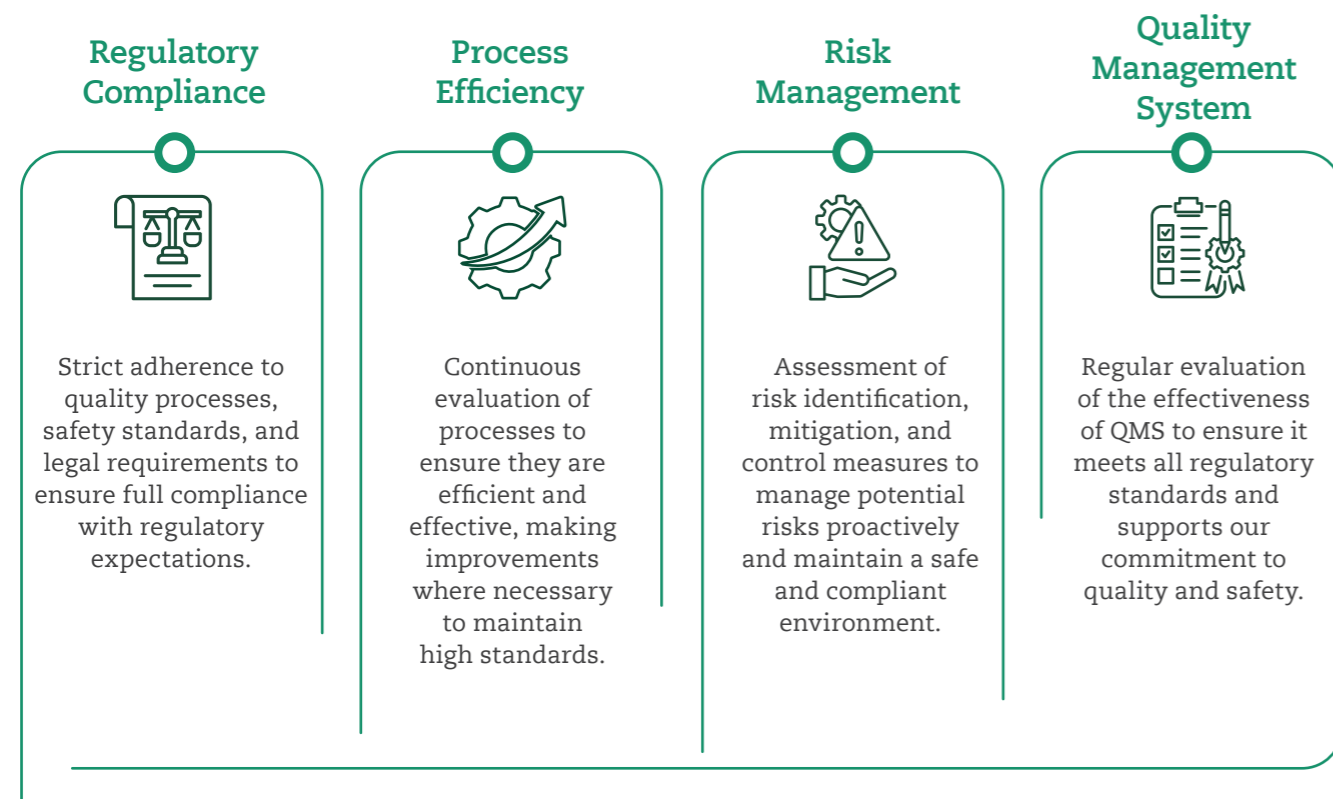
Cross-functional teams are briefed and trained regularly ensuring everyone is effectively able to provide accurate information. Additionally, we maintain open communication with the regulatory bodies to stay updated on current compliance requirements, ensuring we are always audit-ready.

**We had 0 Class I and 2 Class II product recalls in FY24**

<sup>22</sup>GRI 416-1, 416-2, 417-1, 417-2

## Product Quality and Responsibility

To ensure comprehensive audit preparedness and ongoing compliance, we focus on below critical areas:



### Maintaining Pharmacovigilance

We are well-equipped to perform pharmacovigilance tasks and obligations for all products supplied globally. Our pharmacovigilance system swiftly identifies, collects, and analyzes any adverse events, side effects, or product quality issues linked to our products.

Designed to maintain stringent oversight on the safety of all our products, our system quickly implements risk mitigation measures in response to adverse event reports.

Our pharmacovigilance strategy has the following objectives:

- Identify medical inquiries, adverse events (AEs), adverse drug reactions (ADRs), individual case safety report (ICSR) and product quality complaints (PQCs).
- Understand the various sources from which adverse event data is collected.
- Clarify how and to whom to report medical inquiries, PQCs, AEs, and ADRs for our products.
- Share safety data and adverse events with the Pharmacovigilance department.
- Understand the consequences of ignoring safety data.

Our pharmacovigilance team proactively monitors trends and developments to improve our products' risk-benefit profile. We engage in various critical activities, including:

- Collecting adverse drug reaction reports
- Processing ADR reports in the safety database (ICSR)
- Preparing aggregate reports (PSUR, PBRER, PADER, CAR)
- Submitting individual case safety reports (ICSRs) to regulatory authorities
- Performing signal detection activities
- Recommending label updates, if necessary

These reports provide a comprehensive overview of the safety profile of our products over a specified period. By engaging in these activities, our pharmacovigilance team ensures that we maintain high safety standards and continually improve the risk-benefit profile of our products.

Being a generics pharmaceutical company, we primarily conduct bioavailability/bioequivalence studies and occasional clinical studies. We share the adverse events and efficacy data with regulators. In addition, pharmacovigilance post marketing data is only shared with regulatory authorities as per the guidelines.

We have undergone four FDA PV audits in 2012, 2015, 2018, and 2024. Additionally, PV services have been audited during plant inspections, including at KRSG, Alathur.

### Combating Counterfeit Drugs

We are proactively committed to combating counterfeit medicines through robust measures. We utilise advanced software to manage serialisation of our products which incorporates unique identifiers such as packaging codes, product group codes, serial numbers, batch numbers, and expiry dates for each saleable unit pack. Furthermore, we have mechanisms to investigate a potential counterfeit

drug product and our complaints management SOP provides detailed guidelines to handle such counterfeit products. All suspected counterfeit products are brought to the notice of respective regulatory agencies through well documented procedures and where necessary, the acknowledgement and guidance from regulatory agencies are obtained for handling events of counterfeit discovery.

# Resilient and Responsible Supply Chain

At Strides, responsible supply chain management is of strategic importance due to our extensive multinational operations and the complex network of upstream and downstream value chain partners.



As we continuously strive to maintain the highest standards of ethical conduct in our operations to deliver products and services that impact public health, it is among our key priorities to ensure that our commitments, standards and values are mirrored in our engagements with our business partners.<sup>23</sup>

Our supply chain management strategy is designed to ensure adherence to ethical practices, regulatory requirements, and sustainability goals with high quality standards as outlined in our Vendor Code of Conduct (Code). The Code includes covenants to prevent and address issues related to corruption, labour rights violations, environmental impact, and product safety.

By embedding these aspects into our supply chain management practices, we aim to enhance transparency, mitigate risks, and build trust with consumers, regulators, and investors, promoting a culture of accountability and continuous improvement to drive long-term value and resilience.

## Our supply chain management strategy is anchored in several core principles:



At Strides, the Vendor Code of Conduct is integral to our sustainability efforts, setting a clear and comprehensive framework for our partnerships. This Code is designed to ensure that our suppliers conduct their operations in a manner that is ethical, responsible, and aligned with our sustainability goals. The Code lays out specific requirements for compliance

with all applicable global laws, including anti-corruption standards, the avoidance of conflicts of interest, and adherence to fair competition policies. We also place strong emphasis on respecting data privacy, protecting intellectual property, and safeguarding human rights.

Environmental responsibility is a critical pillar of our approach. We expect our vendors to actively manage resource use, reduce emissions, and ensure safe and dignified working conditions throughout their operations.

<sup>23</sup>GRI 3-3

## Resilient and Responsible Supply Chain

Overall, the Code promotes the adoption of ethical business practices, requiring robust risk management frameworks and regular evaluations to maintain ongoing compliance with our standards. We periodically update the framework and Code of conduct to ensure that we are in

line with industry's best practices and overall market requirements.

While the responsibility to ensure successful adoption and implementation of the Supply Chain Management Programme lies with the Procurement team at Strides, the Group Level

Steering Committee, comprising of key executive members, provides strategic oversight to the process. Further, periodic reviews of the programme are also conducted by the Board-level Risk Management Committee.

### Distribution and Supplier Mapping

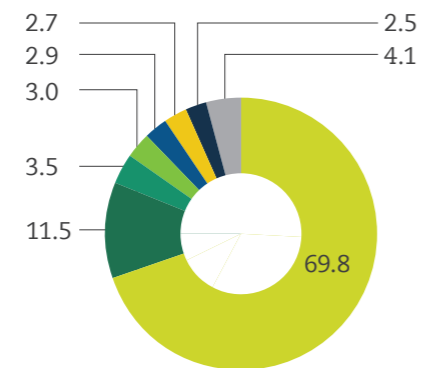
Our sophisticated SAP mapping tool provides comprehensive insights into the entire supply chain, improving visibility and monitoring- from API to finished product distribution. This tool along with real-time dashboards enhance our supply chain capabilities to not only monitor and optimise timely actions in pursuit of operational excellence. We further actively categorise our supply chain partners to manage key risks and opportunities related to vendor engagement effectively.

This classification is determined by various key factors including- procurement spend value, the supplier's market monopoly and our dependency on the supplier, quality and regulatory compliance, and the volume of supplies.

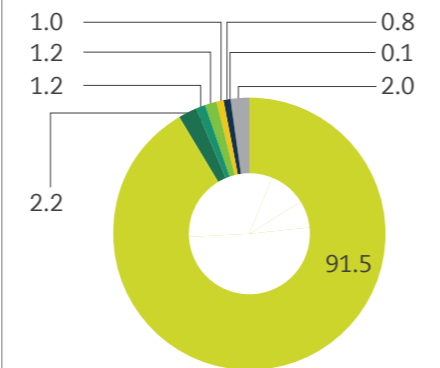
We also keep track of procurement from MSME and small scale vendors accounting for 305 nos of the total count of suppliers and 7.2% by procurement spend value.

We have total 812 goods and materials suppliers of which 705 are tier-1 or direct suppliers, accounting for ~88% of the total procurement spend. More than 69% of our procurement (by value) is through local suppliers, based in India.<sup>24</sup>

**Country-wise Distribution by Procurement Value (~%)**



**Country-wise Distribution by No. of Vendors (~%)**



Country	No. of Vendors
India	743
China	18
US	10
Italy	10
Taiwan	8
Germany	6
Netherlands	1
Others*	16
<b>Total No. of vendors</b>	<b>812</b>

\*Hong Kong, Spain, Czech Republic, France, UK, Slovenia, Japan, Mexico, Malaysia, Poland, Singapore.

Furthermore, in FY24, of the total supplier base, 107 critical suppliers account for 88.5% of the procurement value. Of these, 87 are direct or tier-1 critical suppliers. Our critical suppliers are considered as those having significant impact on our business operations and continuity of services.

## Supplier Screening and Risk Management

Strides' reputation as a reliable supplier is demonstrated by our lowest Failure to Supply penalties in the recent times and we apply the same high standards of rigour to our partners. We employ robust screening mechanisms to ensure that the vendors meet Strides' stringent checks and standards.

Prior to being approved as a qualified source, each vendor undergoes a comprehensive evaluation process that extends beyond Quality Metrics including cGMP metrics and regulatory assessments. These include:

1

### Review of Supplier Landscape

Assessing the vendor's position and performance within the broader market context. We evaluate factors like their competitive standing, financial stability, and ability to respond to industry trends.

2

### Desktop Review

This involves a detailed initial assessment of the vendor by reviewing key documentation related to capacity utilisation, facility conditions, risk assessment, regulatory compliance check including inspections and certifications.

3

### Physical Audit

A thorough on-site evaluation of the vendor and the facility is conducted to scrutinise the site administration and governance, resource management, quality assurance practices, training programmes, material usage, health and safety measures, environmental compliance, ethical Standards, and supply chain traceability.

This rigorous review ensures that all critical aspects of the vendor's operations meet our global regulatory expectations and industry standards. As a further step in this direction, we evaluate our vendors every 2 years, as part the periodic Re-Qualification process.

Our procurement team undergoes targeted, continuous training to ensure they are equipped with knowledge and skills of industry best practices and follow a structured, robust approach to vendor engagement.

Additionally, as part of the supplier sustainability programme, the procurement team is required to undergo dedicated training and capacity building sessions on their role and responsibilities for smooth integration of sustainability and ESG aspects into supplier screening, audits and other such engagements.

We use bespoke audit checklists tailored especially to address various types of vendors, such as API/Excipients, Packaging Materials, and Contract Testing Laboratories, etc. Our audit and screening checklists also incorporate global requirements such as PSCI principles to address environmental, social and governance aspects.

Leveraging platforms like ComplianceWire, they receive in-depth technical training on critical processes of all relevant SOP revisions, CAPA management, and Change management, covering essential areas including regulatory compliance and landscape, finance, and quality management. These tailored learning initiatives empower our internal buyers to make informed decisions, ensuring both compliance and strategic value in every supplier interaction.

<sup>24</sup>GRI 204-1, India suppliers considered as local suppliers as our manufacturing facilities in India contributed 80% to our total 'Manufacturing revenue' in FY24

## Resilient and Responsible Supply Chain



### Supplier Risk Monitoring and Management

The supplier screening process additionally includes a detailed risk evaluation of vendors, considering various critical factors and dimensions including but not limited to geographical location, concurrent regulatory compliance status, facility profile (dedicated or multi-product), product types manufactured, Corrective and Preventive Action (CAPA) status. This comprehensive assessment enables us to classify vendors into categories of - high, medium, and low-risk tiers. This framework facilitates the development of targeted strategies for mitigating and addressing country, sector, or commodity-related risks, indicating a more proactive approach to tackling potential challenges. This is also in line with our commitment towards adopting sustainable sourcing practices.

While especially engaging with critical raw material suppliers, we consider these risk profiles

alongside applicable country and region regulations, import duties, and other governmental requirements. Our Enterprise Risk Management (ERM) framework is instrumental in managing key risks to the business, including those arising from geopolitical uncertainties and tensions. The framework helps navigate these challenges by conducting proactive risk reviews, analyzing impacts and formulating effective mitigation strategies with relevant internal stakeholders. Our other supply chain de-risking initiatives include - Business Continuity Planning (BCP) and Alternate Vendor Development (AVD) Programme enhance and strengthen supply chain resilience by identifying, upgrading, and developing alternative vendors. These initiatives not only address potential and existing risks but also support future product requirements and continuous process improvement. In FY24, as part of our business continuity planning exercise, we assessed ~34% of our vendors, which also included parameters pertaining

to human rights and ethics.<sup>25</sup> In FY25, we are further broadening our evaluation framework to include additional vendors of active pharmaceutical ingredients (APIs), excipients, and packaging materials, ensuring continuous alignment with our Company's standards.

Our business agreements and contracts emphasises adherence and compliance to all applicable and relevant laws including human rights standards. Through these initiatives, we foster a culture of transparency, improving operational resilience, enhance serviceability, and gain valuable insights to build robust suppliers engagement plans and drive responsible and informed decision-making.

### Supplier ESG Programme and Capacity Building

To advance our sustainability commitments, we continuously review and align our internal supply chain policies with current best practices and industry standards on sustainable procurement and sustainability principles including PSCI and the UNGC. Our Supplier Code of Conduct transparently communicates our ESG expectations and serves as the foundation for our supply chain sustainability strategy. In addition, we have conducted a comprehensive review of our supply chain practices and are actively enhancing them to foster more effective supplier engagement and drive sustainable outcomes.

As part of our sustainability initiatives, we have developed a robust Supplier ESG assessment framework to gauge the sustainability preparedness of our suppliers and to monitor their ESG performance periodically. The exercise is intended to take stock of our collective ESG impact, identify risks or areas for improvement, and shape our capacity-building efforts. In 2024, we carried out the supplier assessments for 33 critical suppliers accounting for 63.3% of our total procurement value.<sup>25</sup>

The ESG assessment process involved a desktop review and a questionnaire-based evaluation of suppliers. Based on the assessment, we categorised suppliers by their sustainability maturity, enabling us to pinpoint specific areas for improvement. For those suppliers falling below our desired ESG maturity threshold, the procurement team, including



subject matter experts, develops tailored recommendations. We will continue to expand our efforts to support the suppliers by offering remote and on-site assistance in implementing necessary corrective actions and improvement plans.

To further enhance capacity and performance, we will be conducting ESG workshops aimed at educating our value chain partners on sustainable practices. These workshops shall cover critical topics such as the importance of ESG in supply chain management, evolving regulatory landscape, ethical governance, human rights protection, environmental and social responsibility measures. By providing in-depth technical

support on key ESG topics, we aim to foster continuous improvement and build stronger ESG capabilities within our supplier network.

In the coming years, we will continue to expand the scope of the supplier ESG assessments and capacity building support to cover 100% of our critical suppliers. These initiatives are testament to our dedication to advancing sustainability within our supply chain, reinforcing our commitment to responsible procurement practices. This aids in fostering a culture of ongoing improvement and collaboration with our vendors aligned to global standards and regulatory requirements and commitments.

<sup>25</sup>GRI 308-1, 414-1



# Innovation Management

As a leading global player in generics pharmaceutical sector, Strides is dedicated in its Research and development efforts in providing complex generics and differentiated products tailored for regulated and emerging markets landscape to deliver high-quality, cost-effective healthcare solutions. We focus on building niche products with complex formulations and innovative techniques across diverse therapeutic segments.



Our capabilities span multiple dosage forms, and we leverage our valued partnerships across globe to enhance our organic expertise and competencies. We specialise in development of complex formulations including potent compound development, modified-release tablets, powder for oral solution/suspension (PFOS), dry powders/sachet for solution, oral liquids, capsules, nasal sprays, soft gelatin capsules, and topical

products including ointments and creams serving both regulated and emerging markets.

Our commitment to innovation is driven by relentless focus on process efficiencies and operational excellence.<sup>26</sup> This approach enables us to develop products that adhere to rigorous quality and regulatory standards at competitive pricing.

Our dedicated R&D teams navigate the complexities of drug development with agility, continuously updating their expertise with industry best practices, ensuring that we remain responsive to the evolving demands of healthcare landscape, strengthening our portfolio and reinforcing our commitment to our goal of making healthcare more accessible and sustainable for all.

Our R&D efforts prioritise the development of new products which are niche and difficult to make with substantial volumes and limited competition:

1

**Differentiated Products**  
These include 505(b)(2) New Drug Application (NDA) projects related to combination therapies or new dosage regimens of existing products.

2

**Complex Generics**  
Products that leverage complex technologies ensuring fewer competitors and a better market share.

3

**Maintaining Momentum**  
With more than 200 Approved Abbreviated New Drug Application (ANDA) filings, we are diligently focused on commercialisation of these products to bring accessible drugs to relevant markets.

4

**Cost Efficient Infrastructure and Processes**  
To address and respond to external uncertainties and adhere to continuously evolving regulatory requirements, we have developed Operational excellence programme with Cross Functional Teams to focus on optimisation of resource utilisation, addressing demands of global markets.

5

**Partnered Developments**  
Diversifying our portfolio by partnering with external Contract Development and Manufacturing Organisations (CDMOs) to expedite product filings and launches.

6

**Securing the Pipeline**  
Working on first-to-file products with launch exclusivity to strengthen our market position. Securing the pipeline in developed or regulated markets while addressing demands of emerging markets.

<sup>26</sup>GRI 3-3

# Innovation Management

## Our R&D Capabilities

As a leading generics pharmaceutical company, we focus on developing and commercialising complex generics and differentiated products tailored for regulated and emerging markets landscape. To date, we have successfully launched over 300 bio-equivalent products, ensuring the patients receive the same therapeutic benefits as original innovator drug at more accessible price range and in diverse dosage forms. Our commitment to scientific excellence and stringent quality standards guarantees patient safety while our lean operations ensures we remain accessible and affordable and provide healthcare for all.

We continually strive to enhance product quality while optimising costs through innovative approaches in product performance enhancement, process improvements, and operational efficiencies. Our research and development efforts are aimed at delivering high-quality generics that meet the evolving needs of patients and healthcare providers across geographies.

We are continuously exploring new avenues to introduce high-quality generics that meet the evolving demands of patients and healthcare providers. By developing a robust portfolio of new dosage forms and patient-centric solutions, we aim to improve treatment adherence and convenience, ensuring more effective and user-friendly therapeutic experiences. Our focus on complex and underserved

Innovation phase	Share of projects	Number of projects	Share of R&D budget invested
Pre-clinical development	5%	2	5%
Clinical trials/pathway to approval	50%	20	50%
Launch*	45%	18	45%
<b>Total</b>	<b>100%</b>	<b>~40</b>	<b>100%</b>

\*Success rate of ~80%

categories also allows us to address critical shortages in the market, positioning us for priority reviews and accelerated approvals by regulatory agencies.

We have made significant progress in the development of bio-equivalent products using advanced multi-drug combination

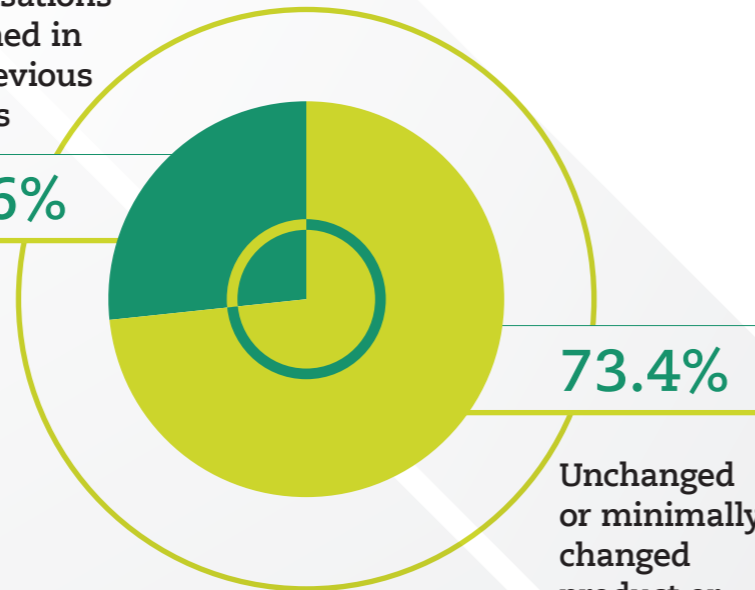
techniques and have initiated NDA filings for differentiated therapies, including a product for treatment of HIV. These combination therapies are vital for addressing unmet clinical needs, particularly in resource-constrained regions where access to treatments is limited.

## Product Launch Categorisation

% of FY24 revenues generated by the following product types

**Product optimisations launched in the previous 5 years**

**26.6%**



**73.4%**

**Unchanged or minimally changed product or services**

We are also expanding our portfolio with new and innovative product optimisations that address the gaps in existing treatment regimens, particularly by reducing the pill burden for patients. We have developed rectal suppository formulations as alternatives to injectable treatments for malaria, designed to be used in emergency situations especially for pediatric cases where access to medical intervention may be limited. Our pipeline also has a novel combination of an antihypertensive drug that counters the side effects associated with widely used current medications while improving therapeutic outcomes, patient compliance and reducing the pill burden.

Through these initiatives, Strides continues to deliver affordable and patient centric healthcare solutions that improve therapeutic outcomes and also contribute to a more sustainable and efficient healthcare ecosystem globally.

## Enhancing Process Efficiencies<sup>27</sup>

At Strides, efficiency is a core value ingrained in our I.C.E. value framework.

Our commitment to agility drives us to constantly refine our processes, optimising resource utilisation, reducing costs, and accelerating turnaround times, all while maintaining our commitment to the highest quality and regulatory standard. This holistic approach integrates our business objectives and sustainability goals into the fabric of our operations and strategic planning.



## Product Pipeline Categorisation

### Technological Breakthrough

Percentage of our pipeline medical products/drugs with a novel mechanism of action

**5%**

### Therapeutic Potential

Percentage of medical products filings that have been guaranteed the FDA Priority Review/ EMA Accelerated Assessment (or equivalent) in the last 5 years

**10%**

In pursuit of operational excellence and sustained efficiency in deliveries, we have formed high-impact cross-functional teams within Operations, enabling them to strategically lead projects with enhanced accountability and effectiveness. This has directly contributed to improved first-cycle approval rates, streamlined decision-making, and minimised manual interventions, all of which have enhanced our ability to meet regulatory requirements promptly.

This revision emphasises both the strategic intent and the empowerment of teams to take ownership of critical initiatives. This structure has enhanced response quality and timeliness, resulting in improved first-cycle approval rates. By streamlining and building a lean operational infrastructure, we have improved our filing to approval and then commercialisation processes.

<sup>27</sup>GRI 302-5

# Innovation Management

## Process Efficiency Initiatives

### Batch Size Optimisation

Batch size optimisation has contributed to 23% of total FY24 revenue from in-house manufacturing.

This has increased production capacity without requiring additional investments in equipment or infrastructure.

Improved Quality Control Process: Larger batch sizes have streamlined quality control processes, resulting in a reduction in cost per batch, further driving profitability

### Line Equipment Harmonisation and OEE Projects

The Operations Excellence efforts have boosted monthly production levels of sachet lines by 30%.

This is seen in the sachet line's Overall Equipment Effectiveness (OEE) improvement from 49% to 55%.

By harmonising line equipment in all container packaging lines, we have achieved uniformity and unlocked flexibility in our daily operations which has resulted in increased efficiency and higher compliance adherence.

### Quality Control Lab Expansion

We have initiated an expansion project of our Quality Control Lab to enhance laboratory efficiency, accuracy, and safety.

**Key focus areas include:**

- Workflow Optimisation
- Contamination Control
- Integration of New Instruments
- Reduction of Cross-Contamination
- Improved Communication
- Proactive Resolution of Safety Concerns

### Capacity Enhancement Initiatives

The Softgel Capacity Enhancement Project will boost manufacturing capacity by 50% resulting in a 45% reduction in manufacturing costs hence enabling us to meet rising demand and capture a larger market share.

The Liquid Line Expansion project is projected to triple production capacity of the liquids, addressing previous bottlenecks in blending and maximising filling line utilisation.

### Digital Initiatives

Through the implementation of digital initiatives, including the Manufacturing Execution System (MES) for E-log and E-batch recording, we have ensured seamless real-time data maintenance, significantly enhancing control over compliance and quality. Our digitisation efforts have fully integrated MES with SAP, LIMS, TrackWise, and LMS, driving greater operational efficiency, reducing turnaround times, and minimising human intervention.

To achieve holistic integration of end-to-end process, we have also deployed best in class, fully automated manufacturing equipments integrated with MES. This includes Integrated granulation suits, high speed automated tablet presses, Continuous coaters, High speed Softgel encapsulation lines, 360° visual inspection machines and robotic packaging solutions.

### Automation Initiatives

Ongoing implementation of automation in the various stages of production to improve efficiency, accuracy, and consistency. As automated systems operate continuously and independently, minimising downtime and manual intervention leading to significant reduction of 13% in contract labour costs.

The ongoing automation of packing lines has improved Overall Equipment Effectiveness (OEE) on CAM( Blister) and CVC(Bottle) lines, reducing dependence on manual activities and has resulted in increase the packaging line output by 82% for bottles and 55% for blisters, while ensuring compliance adherence.

The installation of an Autocartonator on the sachet line has significantly enhanced packaging quality, minimised labour intervention, and lowered costs, driving a direct 4.5% boost in operational efficiency.

### Energy efficiency Initiatives

The anticipated implementation of a dedicated Feeder HT for BESCO is expected to comprehensively address power supply challenges by securing a government-backed dedicated power line. This initiative is projected to yield a reduction in diesel consumption by approximately 30%, thereby facilitating substantial utility cost savings.

Additionally, a Predictive AI Project is designed to optimise energy consumption for air handling units (AHUs) while ensuring compliance with desired indoor air quality standards. This AI-driven initiative is forecasted to achieve power savings of approximately 30% through autonomous adjustments based on real-time operational feedback.

### General AI and Advanced Projects

We are actively working to leverage General AI and advanced advisory systems, utilising machine learning and real-time analytics to automate decision-making across our operations. These AI-driven solutions are designed to optimise various aspects, including supply chain management and predictive maintenance, providing actionable insights and continuously adapting to evolving data. Through the implementation of these technologies, we will enhance efficiency, increase productivity, and foster innovation, thereby strengthening our competitive position in the market.

Additionally, these initiatives will drive operational efficiencies and embed sustainability and innovation within our core processes. Our commitment to smarter, leaner operations will ensure that Strides remains agile in responding to changing business and market demands while upholding the highest standards of regulatory compliance and quality assurance.

# Enhancing Access to Affordable Healthcare

Strides is one of the leading generic formulation players in disease control drugs for anti-retroviral, anti-malarial, Hepatitis, TB and other opportunistic infectious diseases. For over 20 years, we have partnered with the global procurement & donor agencies including Global Fund, USAID, UNICEF, PAHO (WHO), UNDP, UNITAID, Global Drug Facility (GDF), PEPFAR (The US President's Emergency Plan for AIDS Relief), and the Clinton Foundation for co-development and outreach of our products to enhance the accessibility of medicines to treat life-threatening conditions.

Our goal is to bring the best treatments at an affordable cost to patients in low and middle-income countries. Our product distribution network spans over 100 countries globally, including disease prone regions in Africa, Asia, and Latin America.



## Leveraging Partnerships for Progress<sup>28</sup>

We are dedicated to expanding access to essential healthcare treatments through strategic partnerships and proactive initiatives. We collaborate closely with esteemed global partners to advance co-development and widen medicinal outreach in critical healthcare areas. We are proud to hold voluntary licenses from the Medicines Patent Pool (MPP) and ViiV Healthcare to accelerate access to Dolutegravir (DTG), a groundbreaking antiretroviral medication, for both adult and pediatric care.

These licenses enable us to produce low-cost versions of DTG for over 95 countries under the adult agreement and 123 countries under the pediatric agreement, primarily in low- and middle-income countries.

Furthermore, our partnership with Medicines for Malaria Venture (MMV) supports the production and distribution of Artesunate rectal capsules, catering specifically to low- and middle-income countries. In the realm of antiretroviral (ARV) medicines, our collaboration with Gilead Sciences allows us to manufacture Tenofovir combination products. Additionally, our alliance with Gilead also extends to Sofosbuvir combination products for Hepatitis B and C treatments across 112+ countries.

### License Holders



### Procurement Agencies



In FY24, Strides successfully registered Antiretroviral (ARV) products in more than 16 countries in Africa and 15 countries in CARICOM (Caribbean Countries). Further, our portfolio of Malaria products, including Artemether/Lumefantrine (AL) and Artesunate capsules, received registrations in over 17 countries. Looking ahead to Fiscal Year 2024, we aim to expand our reach by targeting registrations in an additional 15+ countries in Africa.

Partnerships have been crucial for advancing progress in healthcare. UNITAID has played a pivotal role in supporting Strides' partnered

facility in Kenya and its achievements, particularly in obtaining and maintaining WHO Prequalification (PQ) since 2011.

Strides is an approved supplier with Global Procurement Agencies like Global Fund, USAID, UNICEF, PAHO (WHO), UNDP, Global Drug Facility (GDF) and PEPFAR (The US President's Emergency Plan for AIDS Relief). We have a robust portfolio of 18 products on the WHO - Prequalification of Medical Products (IVDs, Medicines, Vaccines and Immunisation Devices, Vector Control) and 5 products on the USFDA (PEPFAR) list.

<sup>28</sup>GRI 3-3

# Enhancing Access to Affordable Healthcare

## Our Manufacturing Excellence

We manufacture life-saving range of products at our world-class KRSG facility in Bangalore that complies with stringent regulatory standards & approvals from US-FDA, MHRA, TGA and WHO.

We also have a facility in Kenya, Universal Corporation Limited (UCL), one of the only two WHO Pre-qualified sites in Sub-Saharan Africa dedicated to local government tenders in Africa. The UCL facility has successfully maintained the PQ status for the past 12 years making it the only WHO prequalified facility in Kenya.

Fast expanding market footprint in **22 countries** with marquee customers



1

### Generics in Africa

- Significant presence in 20+ African countries
- Product portfolio across cardiology, urology, dermatology, diabetes, pediatrics amongst others

2

### 'In market' Manufacturing in Kenya

- Strides' partnered facility in Kenya (UCL) is one of the two WHO approved facilities in Africa
- Capitalising manufacturing facility for maximising local development

3

### Partnered in Global Donor Funded Programmes

- Amongst the leading suppliers for anti-retroviral and anti-malarial supplies to global donor funded programmes
- Focus on introduction of new products and better penetration of high growth markets

4

### Strong Macro Tailwinds

- Macro tailwinds with increased urbanisation, purchasing power and healthcare infrastructure
- Regulatory trend towards global standards such as WHO pre-qualification for manufacturing

5

### Partnership with UNICEF

Developed Chlorhexidine Digluconate gel and Co-pack (Zinc tablets with Oral Rehydration Sales) together with UNICEF

### UCL - the only PQ facility in Kenya

“Our focus is to identify and develop niche products and create differentiated value in the global generics space”



At Strides, we are committed to bridging the gap in healthcare access by providing high-quality, cost-effective solutions that meet the needs of underserved populations. Our focus is on ensuring that essential treatments are within reach for those who need them most. We prioritise a customer-centric approach, consistently working to boost the efficiency and effectiveness of our manufacturing and delivery systems. By leveraging technology and streamlined processes, our strategic framework is designed to address both preventive and curative aspects of healthcare, tackling critical needs.

#### Ordering System Efficiency

We are enhancing efficiency by implementing a structured ordering system featuring advanced scheduling capabilities. This system supports 6-12 weeks of advance ordering, ensuring reliable supply and operational predictability.

#### Cost Optimisation

Our optimised supply chain processes drive cost efficiencies, which translate into savings. This approach not only fosters sustainable business practices but also enables us to pass on cost benefits to our partners and customers.

#### Optimising Inventory

By facilitating advance ordering, we minimise inventory holding costs. This proactive approach helps maintain optimal stock levels, reducing wastage and enhancing resource utilisation.

#### De-risking the Supply Chain

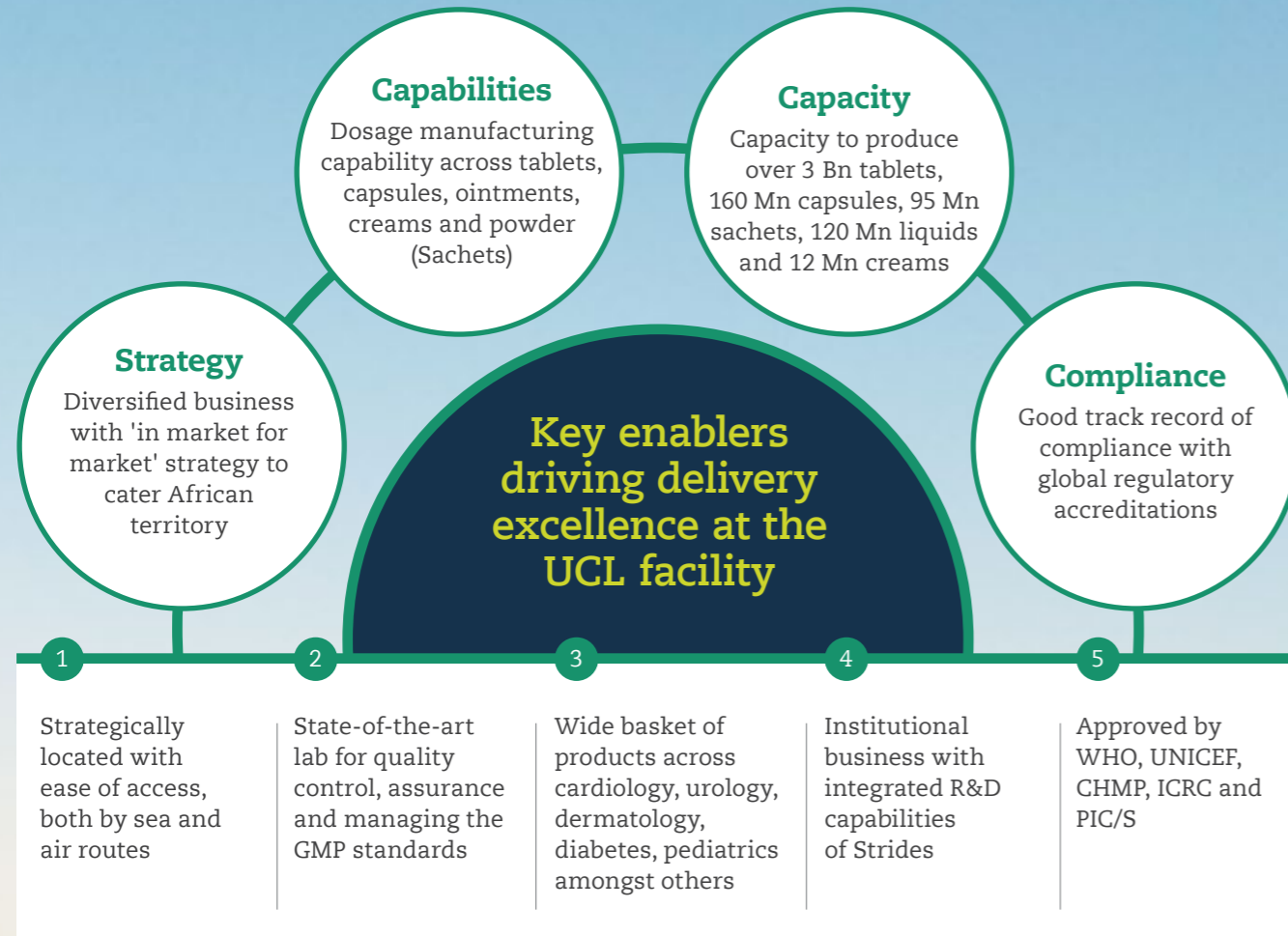
We maintain two or more alternative sources of APIs for our ARV and Malaria products with WHO prequalification. This helps us improve our resilience to unforeseen risks, reduce lead time and optimise costs. (Refer to our WHO-approved alternate suppliers here: [MA110](#) and [MA088](#) for Malaria; [HA729](#) and [HA731](#) for ARV)

#### Reduced Lead Times

Our focus on precise stocking practices enables us to streamline processes and significantly shorten lead times, ensuring timely deliveries that effectively meet critical healthcare needs.

Through our in-house capabilities and robust strategies, we aim to make a positive impact on healthcare delivery and outcomes worldwide.

## Enhancing Access to Affordable Healthcare



## Comprehensive Strategies for Infectious Disease Control

### HIV

AIDS remains one of the leading causes of death worldwide. According to the latest UNAIDS estimates, around 39 million people were living with HIV at the end of 2022. This number includes 1.5 million children and 1.3 million newly infected individuals.

Despite significant progress, sub-Saharan Africa continues to be disproportionately affected by HIV. In 2022, there were 20.8 million people living with HIV in eastern and southern Africa, and 4.8 million in western and central Africa.

At Strides, we are committed to advancing the production and supply of innovative anti-retroviral drugs that are challenging to manufacture. This includes pediatric dispersible formulations and new fixed-dose combinations, some of which remain covered under patent. We have secured access to these through licensing agreements with Gilead, ViiV Healthcare through MPP, and other partners, specifically for underdeveloped and developing markets.

Since 2020, Strides has been a leader in expanding access to affordable HIV/AIDS care through pioneering efforts and strong partnerships with global funding organisations.

We have played a crucial role in distributing first in line ARV drugs regime to patients worldwide through various institutional agencies. From 2020 to 2023, Strides supplied approximately 540 million unit doses of TLD and aims to deliver close to

800 million unit doses from both India and Kenya manufacturing sites in FY25. Our ongoing focus is on expanding capacity, optimising operations, and bringing affordability to these ranges of products as we strive to propel our mission forward.



Since 2015, the license agreement was made effective between Strides, Medicines Patent Pool (MPP) and ViiV Healthcare to accelerate access to Dolutegravir (DTG), a promising antiretroviral, for both adult and paediatric care. Our journey began with pioneering the ARV regimen for adults with HIV and the agreements allow us to produce low-cost versions of DTG for 123 countries.

10 years on, access-oriented voluntary licensing agreements have enabled progress in WHO recommended treatments to life-threatening HIV. This partnership has also evolved to include preventive HIV medicine in least developed, lower-middle-income and sub-Saharan African countries, as well as some upper middle-income countries, addressing the needs of regions with the highest disease burdens.<sup>1</sup>

1. <https://medicinespatentpool.org/licence-post/dolutegravir-adult-dtg>

## Enhancing Access to Affordable Healthcare

### Malaria

As per the latest WHO reports, an estimated 249 million cases of Malaria occurred worldwide, with 94% cases occurring in the Africa region. Nearly half of the global population resides in areas at risk of Malaria transmission across 106 countries and territories.

Reportedly, in 2022, Malaria was responsible for approximately 608,000 deaths across 85 countries, with African region bearing a disproportionately high share of the global malaria burden. Children under 5 accounted for about 80% of all malaria deaths in the region. Beyond the devastating health impacts, Malaria represents a significant economic burden, with 40% of drug expenditure in affected countries allocated solely to Malaria treatments.

At Strides, we are actively tackling this critical issue by supplying WHO Pre-Qualified Artemether-Lumefantrine (AL) tablets, 80/480 AL dispersible tablets, Artesunate suppositories for pediatric use and Amodiaquine (as hydrochloride)+Sulfadoxine/Pyrimethamine dispersible tablets (SPAQ), Pyrimethamine/Sulfadoxine dispersible tablets. These formulations and suppositories are carefully designed to be life-saving treatments for Malaria in infants and children, ensuring that we contribute significantly in the fight against this life-threatening disease.

Our progress in Malaria treatment is evident in our production and distribution efforts across low-

and middle-income countries. Our commitment to excellence is reflected in our state-of-the-art facilities in India and Kenya, each equipped with dedicated production lines for Malaria treatments. We are recognised as one of the world's largest manufacturers of soft gelatin capsules, which includes the Artesunate rectal product. Furthermore, our presence in Africa enables us to effectively address the escalating prevalence of Malaria in African countries. Our manufacturing facility in Kenya stands as the only WHO-prequalified site in Sub-Saharan Africa, strategically positioning us to utilise our production capacity to support local government tenders and fulfil our commitment to providing accessible healthcare solutions tailored to regional needs.

Since 2013 (until 2023), we have supplied over 2,104 million unit doses of Artemether/Lumefantrine (AL) products, benefiting more than 60 countries worldwide. In

addition, our efforts have resulted in the delivery of 7.78 million unit doses of Artesunate rectal capsules to over 37 countries. For FY25, we are committed to expanding our impact by targeting the delivery of additional 250 to 300 million unit doses of Artemether/Lumefantrine tablets and up to 2 million unit doses of Artesunate rectal capsules. These efforts are supported by our partnerships with the Global Fund, The Affordable Medicines Facility - Malaria (AMFm) projects and USAID Chemonics, all dedicated to preventing, curing, and eventually eliminating Malaria.

Strides is committed to collaborate with global stakeholders to strengthen healthcare systems and advance towards a malaria-free world. By leveraging our expertise and resources, we aim to make significant contributions to global public health systems, ensuring accessible and effective healthcare solutions are available to those in need.



### Artesunate Suppository

The Artesunate Rectal Capsule (ARC) or artesunate suppository is strongly recommended for pre-referral intervention in children aged six months to six years if they exhibit severe malaria symptoms, especially when a complete course of treatment is not readily available and when the oral medication cannot be administered to the patient. After administering the suppository, it is crucial to refer the child immediately to an appropriate healthcare facility for further treatment, ideally with intravenous artesunate followed by a full course of artemisinin-based combination therapy (ACT).

Currently, there are only two WHO-prequalified suppliers of Artesunate rectal capsules globally, with Strides Pharma Science Limited being the sole active supplier. Strides has made significant contributions by delivering 7.78 million unit doses of this critical life-saving ARC treatment to over 37 countries. For FY25, we are targeting to deliver close to 10 million unit doses packs worldwide.

Additionally, in FY23, Strides donated Rectal Artesunate free of cost to the Medicines for Malaria Venture (MMV) in support of the SEMA ReACT (Severe Malaria in Remote Areas) project. This initiative focuses on generating data to improve treatment strategies that directly address the

Strides' facilities are approved for following complex products:

#### Artemether/Lumefantrine (Approved by WHO)

Only 8 manufacturers in the world for this product that are WHO Pre-Qualified

#### Tenofovir/Lamivudine/Dolutegravir (Approved by WHO)

Only 6 manufacturers in the world for this product that are WHO Pre-Qualified

#### Sulfadoxine/Pyrimethamine (Approved by WHO)

Only 4 other manufacturer in the world for this product that are WHO Pre-Qualified

#### Sulfadoxine/Pyrimethamine/Amodiaquine (Under Approval)

Only 3 other manufacturer in the world for this product that are WHO Pre-Qualified

challenges faced by rural and vulnerable communities at risk of severe malaria infection. The goal of the project is to alleviate the burden of severe Malaria, as well as reduce mortality and morbidity, particularly among the youngest and most vulnerable populations in Africa.

### Expected Impact of the Study

Between 30% and 80% of Africa's population lives in remote areas where the use of Artesunate rectal capsules (RAS) could significantly reduce malaria-related mortality among numerous children at risk of being exposed to the infection. The SEMA ReACT study aims to not only enhance severe Malaria case management in these rural

settings, but could also result in substantial positive societal, economic, and scientific benefits. Strides' collaboration with the project and the supply of medicines free of cost is expected to provide some relief to the vulnerable communities affected disproportionately by a high disease burden.

Strides is dedicated to making treatments for diseases like HIV and malaria affordable and accessible in least-developed and low-income countries. We have committed to not patenting or enforcing patents on intellectual property related to these products, ensuring that essential medications remain within reach for those who need the most.

Reference: Rectal Artesunate Suppository | Severe Malaria Observatory

## Enhancing Access to Affordable Healthcare

### Hepatitis

Data from 187 countries shows that viral Hepatitis is a major public health challenge of this decade. An estimated 1.3 million people died from chronic viral Hepatitis B and C in 2022 i.e. 3500 deaths per day. An estimated 254 million people are living with Hepatitis B and 50 million people are living with hepatitis C worldwide, and 6000 people are newly infected with viral Hepatitis each day.



Many people remain undiagnosed in many countries, and even when Hepatitis is diagnosed, the number of people receiving treatment remains incredibly low. According to WHO, while high-impact interventions are available, such as an effective treatments for hepatitis C and vaccines for hepatitis B, but access to these interventions must be urgently expanded to save lives and prevent a future generation of new infections, cancers and deaths.

Hepatitis C virus infection occurs in almost all regions. The highest burden of disease is in the Eastern Mediterranean Region with 12 million people chronically infected. In the South-East Asia Region (9 million), European Region (9 million), the Western Pacific Region (7 million), in African Region and in the Region of the Americas also large numbers, a combined 38 million+ people are chronically infected.

In 2014, Strides entered into a licensing agreement with Gilead Sciences, Inc. to provide Hepatitis C and B treatments to over 105 developing countries. Strides has since launched Sofosbuvir and its combination drugs across Africa, Southeast Asia, CIS (Commonwealth of Independent States) countries, and Latin America for Hepatitis C treatment, representing a significant advancement in curing the disease. WHO recommends therapy with pan-genotypic direct-acting antivirals (DAAs) for all adults, adolescents and children down to 3 years of age with chronic Hepatitis C infection. As per their research, Pan-genotypic DAAs remain expensive in many high- and upper-middle-income countries. However, prices have dropped dramatically in many countries (primarily low-income and lower-middle-income countries) due to the introduction of generic versions of these medicines.

The most widely used and low-cost pangenotypic DAA regimen is Sofosbuvir and Daclatasvir. In many low- and middle-income countries the curative treatment course is available at affordable cost. Sofosbuvir is a breakthrough treatment for Hepatitis C, known for its high potency, strong resistance barrier, and once-daily dosage. It also boasts a good safety profile and minimal drug-drug interactions. In combination therapy, Sofosbuvir has demonstrated pan genotype activity with high and promising cure rates.

Since 2015 (until 2023), we have supplied over 5.93 million unit doses of aforementioned Hepatitis products, benefiting more than 17 countries worldwide (Cameroon, Cuba, DRC, India, Kenya, Kyrgyzstan, Malaysia, Mongolia, Nigeria, Pakistan, South Africa, Tajikistan, Turkmenistan, Uganda, Ukraine, Uzbekistan and Vietnam).

### COVID-19

In response to the global COVID-19 pandemic, Strides proactively announced the development and commercialisation of Favipiravir Antiviral Tablets.

The drug initially created to treat influenza showed positive outcomes in reducing the duration of COVID-19 infection and improving lung conditions in patients. The Favipiravir tablets, available in 400mg and 200mg strengths, demonstrated efficacy in treatment of patients with mild to moderate COVID-19 symptoms. Strides was recognised as the first Indian company to commence the export of Favipiravir tablets.

The initial exports were made to three GCC (Gulf Cooperation Council) countries, followed by continued supplies to Southeast Asian (SEA) countries (Indonesia, Philippines & Thailand) facing a high burden of COVID-19 cases. This treatment formed a critical part of their COVID-19 treatment programmes.

The tablets are manufactured at Strides' state-of-the-art facility in Bangalore, India, which holds approvals from major regulatory bodies including the USFDA, MHRA, WHO, and TGA.



### Tuberculosis

According to WHO, a total of 1.3 million people died from TB in 2022. Worldwide, TB is the second leading infectious killer after COVID-19 (above HIV and AIDS).

Global efforts to combat TB have saved an estimated 75 million lives since the year 2000. Ending the TB epidemic by 2030 is among the health targets of the United Nations Sustainable Development Goals (SDGs). Strides has a state-of-the-art anti-TB drug facility formulating a second line TB drug called Cycloserine 250mg capsules.

Our demonstrated ability to deliver on tenders effectively, build relationships and excel in the pharma landscape is founded upon several core strengths that define our operations and reputation.

- Regulatory accreditations
- Transparent and ethical operations
- Robust research and development arm
- Strong relationships and partnerships
- Legacy of credibility and success
- Strict pharmacovigilance
- Focus on full and on time delivery
- Culture of caring for all



## Enhancing Access to Affordable Healthcare

### Outreach and Awareness Initiatives for Patients and Healthcare Professionals

In the dynamic Sub-Saharan healthcare landscape, Strides distinguishes itself with a steadfast commitment to patient welfare. Our comprehensive patient engagement programme is tailored specifically for the local population, reflecting our commitment to collaborating with healthcare professionals and offering quality support to communities across the region.

Annually, we implement a range of disease awareness and patient support programmes through webinars, awareness activities, and health diagnostic camps.

#### Neuropathy Awareness Programme with Detection Camps

Strides is a pioneer in the region for the management of neuropathy, a condition caused by multiple risk factors. For over a decade, we have been actively educating communities and organising free neuropathy check-up camps to facilitate early detection and diagnosis, thereby enhancing patients' quality of life. **In FY24 year, we conducted 237 camps across French Africa, reaching 7000 patients.**



#### Anemia Awareness Programme with Hemoglobin Detection Camps

Our goal is to raise awareness about anemia, provide timely medical advice, and improve patient health through hemoglobin screening camps. These camps are designed to detect anemia, offer vital health insights, and encourage early intervention. **In FY24 we have conducted more than 98 camps across 12 countries, connecting with 2,900 patients.**

#### In-Clinic and Pharmacy Activities

Our patient engagement efforts include continuous awareness through posters and literature on multiple disease conditions and their management at prescription and dispensing points. Additionally, our monthly pharmacy meetings promote best practices among pharmacists. **In FY24, we conducted 500 pharmacy meetings, engaging approximately 2,500 pharmacists across 12 markets.**

#### Diabetes Awareness Programme with Detection Camps

Our diabetes detection camps focus on educating the public about lifestyle disorders such as diabetes and its management as well as associated complications. **In FY24, we conducted 40 camps across French Africa, reaching 1200 patients.**

#### Collaboration with KITAMBAA: Enhancing Impact

Strides boasts a robust women's healthcare portfolio, particularly in managing anemia and excessive menstrual blood loss. We partnered with KITAMBAA, a prominent NGO specialising in menstrual hygiene awareness, to advance menstrual hygiene education and healthcare. **In FY24, we conducted a special webinar featuring the health minister of Senegal, reaching 165 healthcare professionals across French Africa.**

#### Public Awareness Programmes on Special Days

Strides, in collaboration with local teaching university hospitals, conducts various disease awareness activities on special days such as World Heart Day, World Diabetes Day, World Women's Day, etc.

#### World Malaria Day

World Malaria Day features activities aimed at raising awareness, promoting prevention, and supporting malaria control efforts. Activities include T-shirt distribution and anti-malaria product sampling for healthcare professionals. **This programme reached nearly 1,200 healthcare professionals.**

#### Educational Initiatives for Healthcare Professionals

We are deeply committed to advancing medical knowledge and fostering professional development among Healthcare Professionals (HCPs) and pharmacists. Our educational initiatives include webinars, workshops, Continuing Medical Education (CME) sessions, and departmental meetings, all designed to enhance engagement, trust, and expertise within the medical community.

Our Brands Africa team hosts a series of webinars and workshops throughout the year, specifically targeting HCPs and pharmacists. Our monthly scientific webinars focus on specific therapies and feature presentations by Key Opinion Leaders (KOLs), offering an interactive platform for HCPs to engage with experts, address their queries, and stay updated on the latest developments. **In FY24, we conducted 14 webinars, reaching over 5,100 healthcare professionals.**

#### CME Sessions and Departmental Meetings

In addition to our webinars, we held 675 Continuing Medical Education (CME) sessions over the past financial year. These sessions provided HCPs with the latest medical knowledge and practical insights, ensuring they stay abreast of advancements in their respective specialties. Through these CMEs, we reached a total of 16,875 HCPs.

To enhance general practitioners' skills, we conducted 19 training sessions on ECG interpretation during the FY23 and FY24 periods. These sessions benefited approximately 500 doctors, crucial for diagnosing cardiovascular health issues and facilitating prompt treatment.

These initiatives underscore Strides' unwavering commitment to enhancing the knowledge and capabilities of healthcare providers. By continuously investing in education and professional development, we strive to improve patient care and outcomes across the globe, truly dedicated to our mantra **'In Africa for Africa & Committed to Healthcare Excellence.'**

# Our People

Our commitment to our people lies at the heart of our organisational ethos. Our organisational culture, encapsulated by OneStrides, serves as a competitive advantage for our journey toward becoming a high-performing global organisation.

This chapter outlines our strategic initiatives in people management, highlighting our proactive approach to talent development as integral pillars of our corporate strategy and sustainability framework.<sup>29</sup>



Nurturing our talent pipeline is fundamental to our people strategy. Through robust succession planning for leadership roles, targeted talent development for mid-management, and mentoring the next generation of leaders, we bolster our talent management strategy.

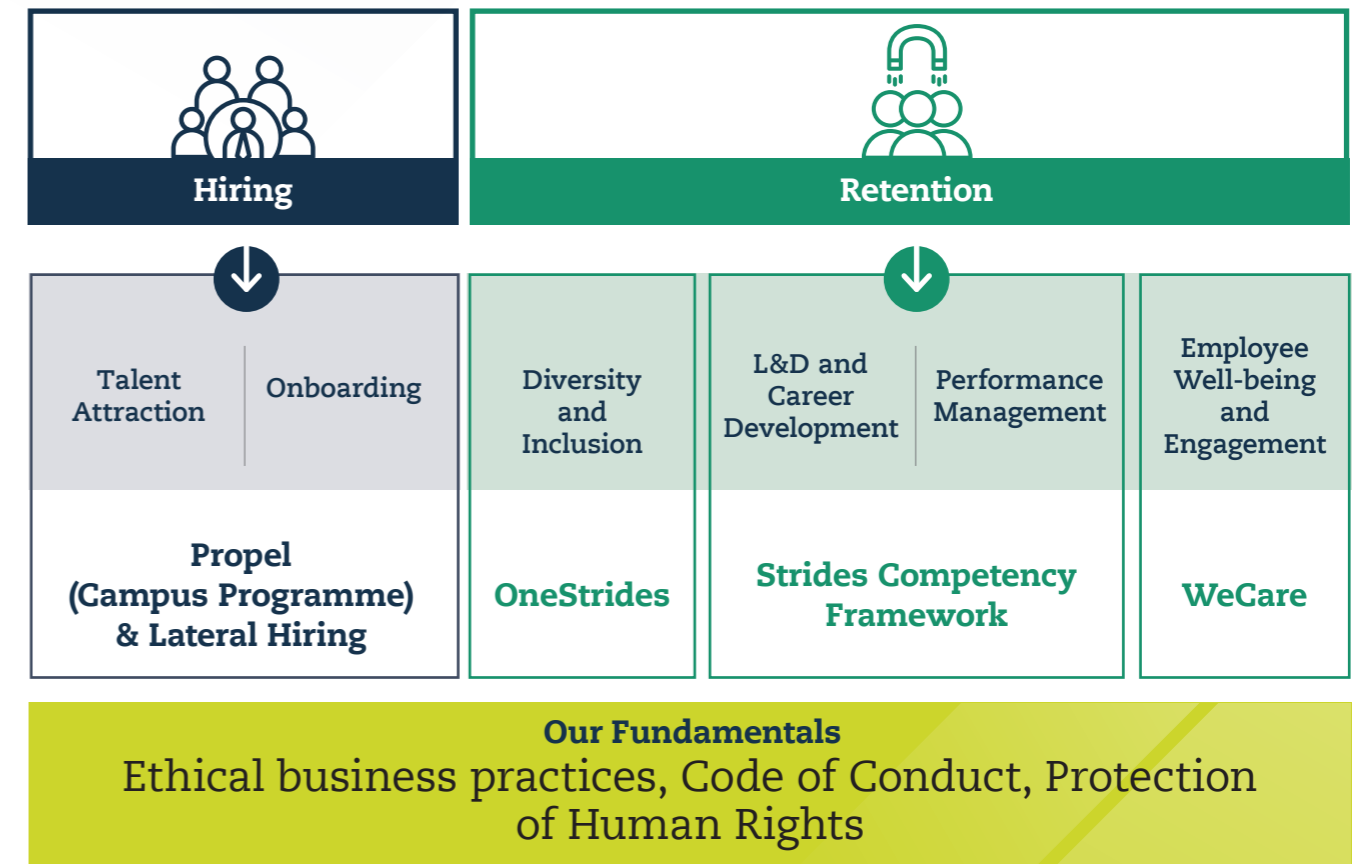
Strategic intervention to retain key talent and continuous engagement efforts not only strengthens our competitive edge but also aligns with stakeholder expectations and objectives.

Guided by the Strides Competency Framework, we ensure structured career development at all levels. This is complemented by defined skill mapping and multi-skilling initiatives for shop floor employees and FTEs. Periodic career conversations further enhance readiness of our workforce for future challenges.

Our ongoing Diversity, Equity & Inclusion initiatives highlight our commitment to cultivating inclusivity and belonging. Through community

engagement, we strive to create a workplace where every individual feels valued and supported, contributing to our collective success.

We aim to not only drive business success but also create enduring value for our stakeholders and society at large, by prioritising ethical business practices, fostering a resilient talent pipeline, enhancing organisational capability, and cultivating a supportive and inclusive culture.



<sup>29</sup>GRI 3-3, 203-2

## Our People

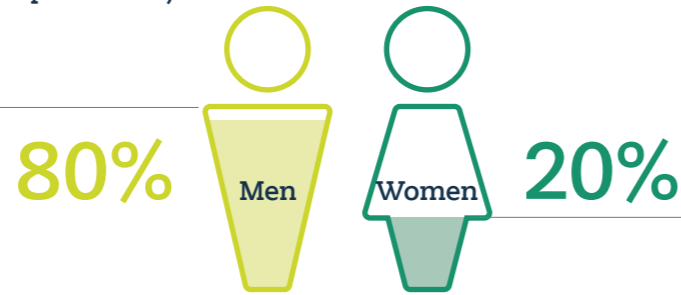
### Future Ready Workforce

Our employees are central to our success, distinguishing us within the industry by bringing diverse perspectives, experiences, and skills that drive meaningful change while achieving our business objectives. We help our employees succeed everywhere we operate by offering plenty of opportunities for internal growth and career movement across different roles.

Recognising the importance of diversity in making the workplace conducive, we celebrate and encourage all aspects of diversity in our workforce including gender, racial, ethnic identities, nationality, age, experience, expertise, etc.

Due to our global workforce, we cherish and promote an inclusive environment that empowers them to leverage the variety of viewpoints, understand both local and global dynamics and ability to effectively respond to industry demands. Our dedication to inclusive hiring practices has broadened our talent pool, with women accounting for ~27% of our strength of 5,756 total workforce this year.

Employee Representation (by gender, for permanent workforce of in-scope entities)



The below table provides our gender split across different levels for the entire workforce of in-scope entities and UCL:

Employee category <sup>30</sup>	FY24		
	Male	Female	Total
Leadership Tier*	17	5	22
Top Tier*	34	3	37
Senior Management*	98	26	124
Middle Management	438	90	528
Junior Management plus associates and trainees*	1,120	448	1,568
Field Employees	0	0	0
<b>Permanent Employees (1)</b>	<b>1,707</b>	<b>572</b>	<b>2,279</b>
Full-time workers*	1,048	98	1,146
<b>Permanent Workers (2)</b>	<b>1,048</b>	<b>98</b>	<b>1,146</b>
<b>Total Permanent Workforce (1+2) (A)</b>	<b>2,755</b>	<b>670</b>	<b>3,425</b>
Executives on Contract*	372	130	502
<b>Non-permanent Employees (3)</b>	<b>372</b>	<b>130</b>	<b>502</b>
Casual Labour	35	4	39
Contractual Labour	1,063	727	1,790
<b>Non-Permanent Workers (4)</b>	<b>1,098</b>	<b>731</b>	<b>1,829</b>
<b>Total Non-Permanent Workforce (3+4) (B)</b>	<b>1,470</b>	<b>861</b>	<b>2,331</b>
<b>Total workforce of in-scope entities and UCL (A+B)</b>	<b>4,225</b>	<b>1,531</b>	<b>5,756</b>

\*Leadership Tier includes all CxOs and Functional Heads of in-scope entities and UCL, ~86% of the Leadership Team is of Indian nationality

\*Top Tier is for each in-scope entities and UCL

\*Leadership Tier' and 'Top Tier' constitute 'Top Management'

\*Senior Management includes General Management level employees and above

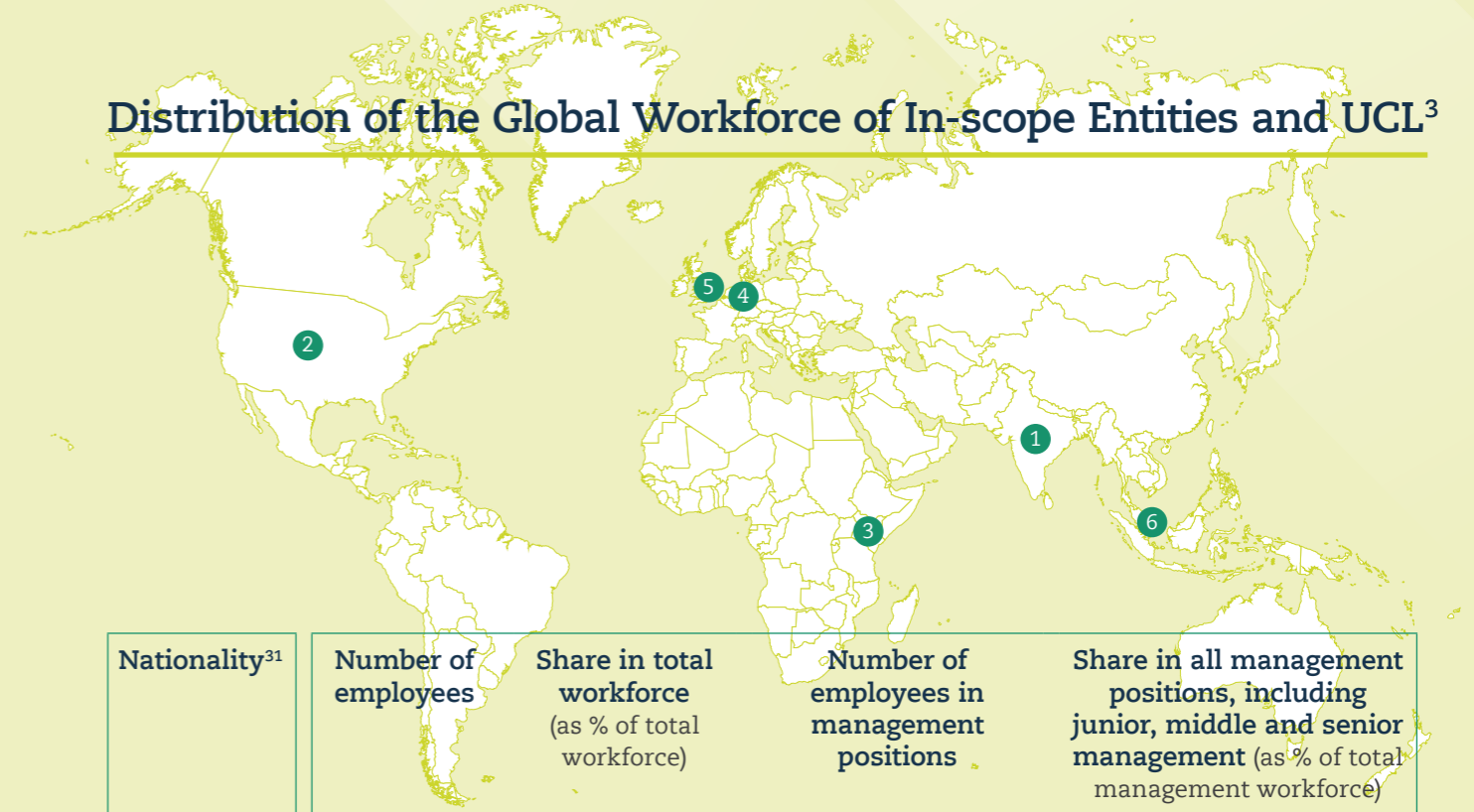
\*Our trainees fall under 3 categories of student trainees, trainee executives, management trainees and are full time employees as Strides is their 'principal employer'

\*Full-time workers are the permanent workers on the payroll of Strides directly involved in plant operations

\*Executives on contract: Contracted workforce hired from external staffing agency for providing certain designated services to the Company

<sup>30</sup>GRI 2-7, 2-8, 405-1

### Distribution of the Global Workforce of In-scope Entities and UCL<sup>3</sup>



Nationality <sup>31</sup>	Number of employees	Share in total workforce (as % of total workforce)	Number of employees in management positions	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
1 India	3,087	90.13%	685	88.27%
2 US	165	4.82%	47	6.06%
3 Kenya	140	4.09%	21	2.71%
4 Germany	13	0.38%	10	1.29%
5 UK	12	0.35%	8	1.03%
6 Singapore	2	0.06%	1	0.13%
Others*	6	0.18%	4	0.52%
<b>Total</b>	<b>3,425</b>	<b>100%</b>	<b>776</b>	<b>100%</b>

\*Greece, Iceland, Israel, Lithuania, Nepal and Switzerland

#### Freedom of Association

We cultivate a workplace where employees can associate without concerns of discrimination, intimidation, or harassment. We acknowledge and support their involvement in associations or unions. There is no risk associated with the right to freedom of association and collective bargaining in our operations.<sup>32</sup> The table provides details on workers (both in India and overseas) who are associated with unions.

Category <sup>33</sup>	Total workers of non-scope entities in respective category (A)	No. of workers of non-scope entities who are part of association(s) or Union (B)	% (B/A)
Male	1,048	955	91%
Female	98	74	76%
<b>Total permanent workers</b>	<b>1,146</b>	<b>1,029</b>	<b>90%</b>

**90%** of the total full-time workers of in-scope entities and UCL are part of association

<sup>31</sup>GRI 202-2 | <sup>32</sup>GRI 407-1 | <sup>33</sup>GRI 2-30

## Our People

### Talent Attraction and Retention

We are an employer that prioritises equal opportunity, focusing on a candidate's skills and their alignment with our organisation's core values and mission. The hiring process at Strides follows a meticulous and transparent approach to attract and select qualified candidates. This includes internships, pre-placement offers (PPOs), campus hiring & lateral hiring.

We conduct campus hiring to recruit management trainees, organise department-specific walk-in drives, and participate in job fairs to hire student trainees for self-managed teams (SMTs). We advertise job openings both internally and externally, followed by screening, assessing,

and interviewing candidates. This includes conducting panel interviews and reference checks for managerial roles. We are committed to diversity and inclusion in hiring, actively reducing bias through structured interviews. Our experienced interview panels ensure fairness and openness, while focusing on candidates' relevant skills and achievements. This approach supports our goal of fostering an inclusive workplace where talent is recognised and valued.

Once the candidate is hired, we have a Buddy Programme to prioritise continuous interaction with the new joiners to ensure a seamless onboarding transition and integration into the team.

The programme pairs new hires with experienced team members who provide guidance and support during their early days in the organisation.

Additionally, our comprehensive orientation sessions include introductions to various department heads, allowing new employees to gain a holistic understanding of the organisation and its functions. This structured process aims to attract and engage qualified individuals who align with our values, expanding our social capital to achieve our shared goals. A streamlined digital process is followed to ensure smooth exit from the organisation.

In FY24<sup>^</sup>, 709 new FTE hires joined the Strides Group and 2.40% positions were filled by internal candidates.<sup>34</sup>

Employee category	Total	FY24				Gender	
		Age breakdown				Male	Female
		<30 years	30-50 years	>50 years	Not disclosed*		
Top Management	4	0	3	1	0	4	0
Senior Management	22	0	20	2	0	20	2
Middle Management	104	16	82	4	2	85	19
Junior Management plus associates and trainees	565	442	118	2	3	406	159
Permanent workers	14	2	5	6	1	13	1
<b>Total</b>	<b>709</b>	<b>460</b>	<b>228</b>	<b>15</b>	<b>6</b>	<b>528</b>	<b>181</b>

\*Due to GDPR guidelines, date of birth for overseas employees cannot be disclosed, hence we are not reporting the age wise data for 6 employees who joined overseas

<sup>^</sup>Data for preceding 3 financial years is provided in the ESG Performance section.

**To enhance our retention efforts, we have designed several structured programmes to empower aspiring professionals and enhance operational excellence.**

#### Propel Programme

We introduced Propel, an exclusive initiative tailored for ambitious graduates aiming to launch their careers in the pharmaceutical sector. This programme provides participants with immersive experiences in our corporate culture, hands-on project involvement, and invaluable mentorship from seasoned professionals.

#### Internship Programme

Acknowledging the importance of practical learning, Strides offers diverse internship opportunities across its departments. These programmes enable students to gain real-world industry experience while actively contributing to impactful projects within Strides.



**75%**  
of our open positions<sup>#</sup> were filled in FY24

**₹52,124**  
Average hiring cost/ FTE

**3.19%**  
Percentage of open positions filled by internal candidates (internal hires)

\* Positions open to replace employees who left the Company, as well as new roles created to address evolving business requirements.

<sup>#</sup>941 manpower requisitions were raised during the year, of which 709 positions were hired within the year. Open position includes replacements as well as new positions for evolving biz requirement.

<sup>34</sup>GRI 401-1

# Our People

While we adhere to all relevant laws and regulations regarding payment of minimum wages, we also offer competitive compensation, performance based rewards and incentives, and other comprehensive benefits, including medical insurance and financial planning support.<sup>35</sup>

We are dedicated to retaining talent and minimising turnover through strategic measures. Our retention-focused activities include career development programmes like Leadership Empowerment and Acceleration Program (LEAP) and Strides Leadership Program (SLP). Internal Job Posting (IJP) is another medium which provides

opportunities for cross utilisation of learning, experience and skill application benefiting both the employees and the organisation.

Continuous training & development programmes empower managers to foster supportive work environments. Flexible working arrangements enhance work-life balance, allowing employees to recharge and return with a positive mindset. Initiatives like WeCare promote well-being through health-focused programmes, flexible work options, and on-site childcare where possible. We demonstrate our commitment to our people by recognising

achievements and celebrating significant milestones.

Additionally, we encourage a culture of openness and transparency through regular communication channels, such as reviews and town hall meetings, which allows us to address concerns promptly, creating a supportive and responsive workplace.

By actively monitoring attrition rates and conducting exit interviews, we continually refine our retention strategies to cultivate an environment where employees feel valued and motivated.

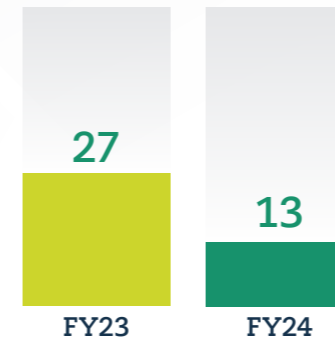
The table below provides details on our total permanent employee and worker turnover in FY24.<sup>36</sup>

Employee category	Total	FY24					
		By Age				By Gender	
		<30 years	30-50 years	>50 years	Not disclosed**	Male	Female
Top Management	13	0	6	7	0	10	3
Senior Management	23	0	14	5	4	18	5
Middle Management	79	8	64	5	2	69	10
Junior Management plus associates and trainees	300	184	111	2	3	214	86
Permanent workers	27	7	12	8	0	26	1
<b>Total</b>	<b>442</b>	<b>199</b>	<b>207</b>	<b>27</b>	<b>9</b>	<b>337</b>	<b>105</b>

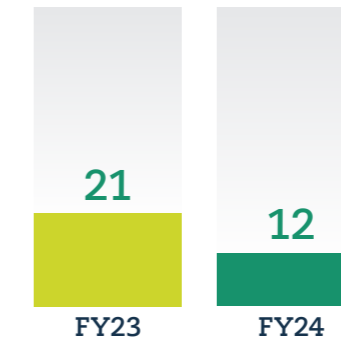
\*\*Due to GDPR guidelines, date of birth for overseas employees cannot be disclosed, hence we are not reporting the age wise data for 9 employees who left overseas

## Turnover Rate

### Total employee turnover rate (%)



### Voluntary turnover rate (%)



Data for preceding 2 financial years is provided in the ESG Performance section



# Our People

## Fostering Diversity & Inclusion

Our commitment to creating a diverse, equitable and inclusive workplace is reflected in our numerous initiatives and activities and we continuously strive to enhance our efforts so that every employee feels valued and empowered. We have a zero-tolerance policy against all forms of discrimination and/or harassment. Our comprehensive Anti-Bribery and Anti-Corruption (ABAC) policy re-inforces our pledge towards ethical conduct.

Additionally, our Code of Conduct (CoC) and Business Ethics outlines the ethical principles that our workforce must adhere to, both in their interactions with colleagues and as representatives of Strides. We actively encourage all individuals – employees, contractors, suppliers, and others – to report any instances of unethical behaviour without fear of retaliation. Our Whistleblower Policy ensures that all reporting can be done in a safe and confidential manner, outlining clear mechanisms and structures for grievance reporting, investigation, resolution and redressal.

We address all reported incidents promptly and effectively, taking appropriate action to maintain a respectful and conducive work environment for all. Our policies such as CoC, Grievance Redressal, Human Rights, etc. are readily accessible on our internal portal in a user-friendly format. Employees are encouraged to read through and abide by these policies regularly and contact HR

with any questions. We conduct regular training sessions on topics such as unconscious bias, inclusive communication, and bystander intervention to raise awareness, foster understanding, and equip employees with the skills needed to support our policies.

Leaders at all levels of operations are actively involved in championing Diversity, Equity and Inclusion (DE&I/ DEI) and human rights initiatives, participating in training sessions and communicating the importance of these policies across the organisation. We also use various communication platforms, including newsletters, town hall meetings, internal mailers, posters and social media to keep employees informed about our policies and available resources are shared to ensure a respectful and empowering work environment for all. To enhance our diversity efforts, we have implemented

targeted programmes based on a thorough analysis of our workforce demography.

This includes developing future leaders through specialised programmes and fostering a culture that celebrates diversity. Currently, women represent 27% of our total workforce with 20% gender diversity in the permanent workforce and 37% in the non-permanent workforce category.

These initiatives and efforts enable a dynamic work environment that supports our long-term success. As testimony to our efforts, we were awarded the Best Organization for Women Empowerment by the UBS forum. Additionally, three women in leadership roles at Strides were honoured and awarded at the Great Indian Women Leaders Awards 2024. Through our collective efforts, we aim to cultivate a workplace culture where every individual feels respected, valued, and empowered to contribute their best.



## Diversity Indicators in FY24



At Strides, we believe in fair and equal opportunities for growth. We ensure transparency in our pay practices and follow a merit-based approach to compensate the workforce fairly and in compliance with all regulations.

In the table below are the details of the gender pay gap analysis, by employee category.<sup>37</sup>

Employee category	Ratio of basic salary of female to male employee (%)	Ratio of total remuneration of female to male employee (%)
Top Management	86	79
Senior Management	127	133
Middle Management	85	89
Junior Management plus associates & trainees	145	143
Permanent workers	87	84

<sup>37</sup>GRI 405-2

Our commitment to enhancing diversity and supporting women's professional growth is evident through several key initiatives:

**recruitHER Campaign**

Aiming to enhance female representation in Manufacturing, F&E, Supply Chain Management, and Quality by 5% with a retention target of 30%.

**Women's Leadership Program (WLP)**

A component of our Strides Leadership Program designed to fast-track talented early-career women, launching in FY24.

**AspireHER**

AspireHER is an upskilling programme designed for Women employees at Executive & Sr Executive to gain advanced technical knowledge, and become an SME in their respective fields with personal & professional development.

**HERStrides**

HERStrides is a Leadership development programme for women employees at Middle management designed to create a dynamic and supportive environment for women employees and promote their entrepreneurial and strategic capabilities.

**These programmes not only support individual career advancement but are pivotal to organisational success by contributing to a conducive, dynamic and inclusive work environment.**

**Continuous Learning & Development Support**



Acknowledging the dynamic nature of our industry, we prioritise continuous upskilling and reskilling as essential strategies to maintain our competitive edge. We have cultivated a culture that places a strong emphasis on learning and development for all employees.

This commitment ensures that our workforce remains proficient at adapting to industry advancements and challenges, positioning us effectively for sustained success in an evolving marketplace.

**In FY24, our focus on employee growth and development led to a total of 119,622 hours of training provided to all our employees and workers, including the contractual workforce across geographies<sup>38</sup>. On average, our full-time employees have received 32.75 hours of training during this period which highlights our commitment to equipping our workforce with essential skills and knowledge.**

We addressed various topics, including behavior training on key competencies, mandatory compliance training, and leadership skills for future leaders.<sup>39</sup> We also conducted sessions on technical upskilling in core functions alongside these training programmes.<sup>40</sup>

**32.75**  
Average hours per FTE of training and development

**₹10,625**  
Average amount spent towards external consultant per FTE on training and development

<sup>38</sup>GRI 404-1 | <sup>39</sup>GRI 205-2 | <sup>40</sup>GRI 404-2

**Training Programmes Enriching our Workforce<sup>40</sup>**

We have introduced a range of structured learning initiatives under the Strides Academy framework. These programmes include the Plant Manager Academy (PMA), Next Generation Plant Manager Academy (NGPMA), and Quality Manager Academy (QMA), aimed at enhancing technical capabilities among our site leadership.

**Some of our other specialised programmes focused on talent development and nurturing are as follows:**

Our inaugural **Strides Leadership Pathway (SLP)** programme successfully graduated its first cohort of young leaders.

These individuals were rigorously assessed based on their potential and skills through case studies and assignments focused on solving critical business challenges and fostering cross-functional collaboration.

The table below provides the breakdown of our training hours in FY24 for in-scope entities and UCL:

Category	Total training hours		Total
	Male	Female	
Top Management	2,215	336	2,551
Senior Management	6,580	1322	7,902
Middle Management	24,345	3,969	28,314
Junior Management plus Associates and Trainees	54,908	18,490	73,398
Contractual labour	5,510	1,947	7,457
<b>Total</b>	<b>93,558</b>	<b>26,064</b>	<b>1,19,622</b>

**The Leadership Empowerment and Acceleration Programme (LEAP)** represents a deep dive into learning, tailored to bolster our internal succession pipeline for pivotal roles, particularly within our technical functions.

**Leadership Competency Development Programme** to nurture our in-house talent for succession planning. This programme bolsters our internal succession pipeline for critical roles, especially from technical functions.

**Young Talent Development Programme:** At our Chandapura facility, the Self-Managed Teams (SMTs) embark on a comprehensive four-year journey focused on cultivating young talent. Beginning as student trainees, members integrate into the manufacturing operations within a supportive Gurukul community. In this community environment, they undergo a 12-month on-the-job training and a three-year vocational training Programme certified by Dayananda Sagar University.

During their training, SMTs work across functions within teams and attend weekly academic sessions. After training, they start as Technical Officers and advance through a **Supervisory Development Programme (SDP)**, with the goal of becoming Senior Technical Officers based on their performance and evaluation. This structured pathway ensures holistic professional development and organisational success.

**In FY24, as part of building a strong talent pipeline, 200 employees were identified as key talent and focused programmes were initiated to enhance their skills and improve retention.**

Note: More information on the business benefits of these programmes is provided in the ESG Performance section

<sup>40</sup>GRI 404-2

## Our People

### Leveraging Technology for Learning & Development

Technology has transformed our Learning and Development (L&D) initiatives by integrating online modules, digital tools, and simulation labs to enhance accessibility and effectiveness of training. We utilise Learning Management Systems (LMS) for efficient content delivery, offering interactive courses, videos, and assessments.

LMS platforms support flexible learning, allowing employees to learn at their own pace while providing analytics to track engagement and learning outcomes. Alongside LMS, apps like SEEK enable microlearning through bite-sized modules accessible on mobile devices within our organisation.

This approach increases engagement and retention, meeting the preferences of today's workforce for quick, relevant learning experiences.

Furthermore, leveraging people analytics has allowed us to identify skill gaps and develop targeted training programmes. This approach aligns with the global trend towards upskilling and reskilling, ensuring our workforce remains competitive and prepared for future challenges.

### Performance Management



At Strides, the Performance Management System includes both qualitative and quantitative feedback from multiple stakeholders through our Human Resource Management System (HRMS). This is aimed at improving transparency and implementing cross-functional reviews in our performance calibration process to foster meritocracy and enhance evaluation standards. Our disciplined approach ensured timely closure of appraisals, enabling us to promptly issue salary hikes within one week of the performance year's end. Additionally, we established clear guidelines for making decisions on performance ratings and promotions to uphold fairness and transparency across all employee evaluations.

Our bi-annual performance management process begins with pillar-based goal setting (Compliance, Quality & Safety, Learning & development, Financial impact, Growth and Talent & Culture) in our HRMS Darwinbox, ensuring clear, specific objectives for the year ahead.<sup>41</sup>

Employees then assess their progress in Darwin Box, providing insights into their achievements and areas for improvement.

Managers conduct thorough appraisals, evaluating contributions and performance against set goals. Regular calibration exercises among managers ensure consistent and fair performance ratings across teams, maintaining transparency and minimising bias. This structured approach helps in establishing clear expectations, promotes a culture of continuous feedback, identifying growth opportunities and enabling data driven decisions on promotions and compensation adjustments. This enhances overall organisational effectiveness, employee engagement and development. Workers in India are not part of the annual review process as their review is covered under long term labour settlement. Additionally, trainees are excluded from the performance review as well, to support them during their probationary period and smoothen their integration into the organisation.

#### Employees receiving performance and career development reviews in FY24<sup>42</sup>

Description	Number
Total Permanent Employees	2,279
Employees eligible for performance appraisal	1,721
% of eligible employees receiving performance appraisals	100

1. Employees who joined 6 months or less before the performance evaluation cycle were not considered in the count.
2. Trainees are not part of the performance evaluation reviews during the training period.
3. Full time workers are not part of the annual review process as they are covered by method agreed upon in Long Term Labour Settlement

#### Rewards & Recognition (R&R)

We prioritise consistency, innovation, and personal touch in our approach to recognising employees at individual, team, and organisational levels. This allows us to celebrate our successes, nurture a culture of appreciation, and enhance employee morale.

Our recognition categories include Values and Behaviour champions, Shooting Star (Going over and beyond regular KPIs), Dream Team (Achieving outstanding outcomes), Quarterly Chairman's Award, and the newly launched Project RISE Awards, among others.

#### Long Term Incentives for Employees

In line with our commitment to recognising and rewarding exceptional performance, the Variable Pay (VP) programme plays a pivotal role. It rewards

and incentivises employees at the senior level based on their individual performance as well as their contribution to Company and department goals and objectives.

Another similar incentive initiative is the Retention Pay Programme to reward employee loyalty, efforts and performance as well as encourage efforts towards talent retention across various departments and functions. By promoting transparency and regular communication, the programmes support our commitment to fostering a culture of excellence and accountability across the organisation.

#### Earning Potential

The programme offers employees at senior level the opportunity to earn substantial bonuses alongside their base salary. The amount an employee can earn hinges on three primary factors: company performance,

department/site performance, and individual performance. Each factor's contribution is assessed annually, with payouts typically awarded in June following the assessment period.

#### Performance Measurement

The Company performance is gauged using metrics like revenue growth, profitability, and market share gains. Departmental or site-specific achievements are aligned with strategic objectives, encompassing metrics such as project completion rates and customer satisfaction.

Individual performance is measured against SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals set during the annual performance appraisal process. This structured approach ensures that goals are aligned with departmental and Company strategies, driving collective success.

The programme motivates employees to strive for outstanding performance at all levels—individual, departmental, and company-wide.

By directly linking financial rewards to contribution, it acknowledges and incentivises employees' significant efforts in achieving organisational goals. Furthermore, the programme fosters alignment between individual aspirations and broader corporate objectives, creating a cohesive and engaged workforce dedicated to sustained success.

<sup>41</sup>As a practice, we have both mid-year and annual year performance reviews, but in the reporting year i.e. FY24, we conducted only annual reviews

<sup>42</sup>GRI 404-3



## Our People

### Enhancing Employee Well-being with WeCare

We regularly evaluate our employee benefits and opportunities against market trends to address the changing needs of our global teams and their families. By providing flexible benefits, including insurance, soft loan facilities and retirement plans, we enable our employees to manage their personal priorities. Additionally, we support our employees with retirement benefits, including pension contributions and mandatory retirement provisions in accordance with the law.<sup>43</sup>

#### WeCare

We prioritise our employees' well-being through our WeCare programme. This initiative is dedicated to supporting their physical, mental, and financial wellness, ensuring a balanced and fulfilling life both at work and beyond. Our commitment to the employees' holistic well-being includes:

#### Health and Well-being

We provide extensive medical insurance coverage for the employees and their family, ensuring access to quality healthcare. Additionally, our term life insurance and accidental hospitalisation cover offer financial protection during unforeseen circumstances. Regular health checkup camps are organised to promote preventive care and early detection.

#### Financial Wellness

WeCare offers educational workshops and seminars on financial planning, empowering the workforce to manage their finances wisely and reduce financial stress.

#### Mind-Body Balance

Our stress management workshops equip our people with effective strategies to enhance work-life balance and improve mental well-being. Yoga sessions are also available to promote relaxation, mindfulness, and physical health.

We encourage all employees to engage actively in these initiatives, ensuring a healthy and motivated workforce who are at the core of our success. Moreover, our commitment extends to fostering transparent communication and enhancing employee experience through quarterly leader connects and digital HR solutions for seamless service delivery.

We value the well-being and work-life balance of our people. That is why we offer a range of initiatives designed to support various aspects of their lives.

#### Key other initiatives:

##### On-site Crèche Facility

We provide a convenient and high-quality crèche facility for parents with young children, ensuring peace of mind and allowing employees to focus on their work.

#### Flexible Work Arrangements

Recognising individual needs, we provide eligible employees with options such as flexible timings to balance personal commitments while providing support across various time zones.

#### Work From Home

Employees in certain roles and situations can request to work from home, promoting flexibility and supporting a healthy balance between work and personal life commitments.

#### Leave Policy

In India, the leaves are designed to support employees in various circumstances. Employees receive 12 casual leave days and 20 privileged leave days annually, with higher allowances of 21 days for Puducherry and 24 days for Alathur. We offer maternity leave to support new mothers and leave for miscarriage in the event of that unfortunate situation. We also provide paternity leave for our male colleagues. For new hires and existing employees who are relocating, we provide relocation leave to help them settle into their new locations. Additionally, we offer case-by-case support for medical emergencies beyond the standard casual and paid leave, ensuring employees have the necessary time and resources to manage not only their own but also the well-being of their loved ones, including family members, partners and dependents.

These initiatives demonstrate our commitment to creating a supportive work environment where employees can thrive both personally and professionally. All permanent employees and workers are entitled to parental leave irrespective of gender (Male - 2,755; Female - 670). We observed a 98.83% return-to-work rate. The graph adjacent provides details on parental leave taken during FY24.<sup>44</sup>

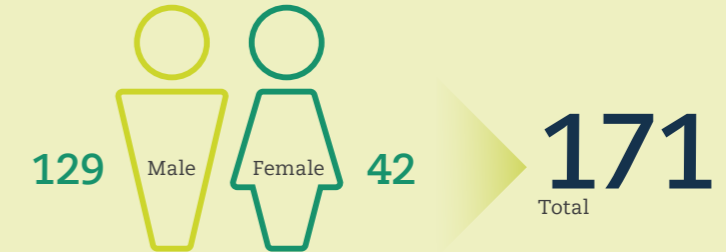
#### Empowering our People through Social Impact

We encourage employees to engage in social causes through volunteering opportunities facilitated by Strides Foundation, our dedicated CSR Implementation Agency.

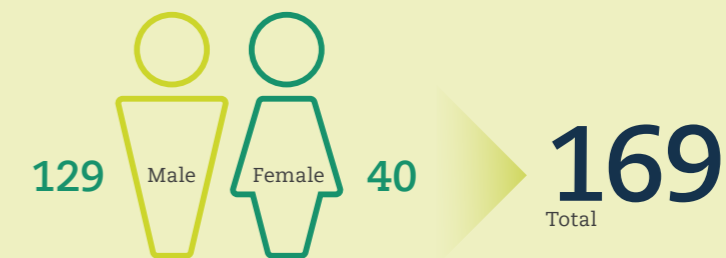
Employees are encouraged to participate in activities focusing on Health and Hygiene, Employment, Education, Livelihood, and Disaster Management through various campaigns like Joy of Giving, Blood Donation drives, etc. organised round the year. Established as a not-for-profit organisation by the Company's Promoters, Strides Foundation serves as a platform for employees to contribute meaningfully to society.

This collaboration enables employees to actively support community-driven projects aligned with our corporate social responsibility goals, fostering deeper engagement in societal issues and reinforcing our commitment to creating positive impacts beyond business operations.

Number of employees who took parental leave in FY24



Total number of employees who returned to work after parental leave and remained employed 12 months later



#### Employee Satisfaction and Well-being

Each year, we conduct a global anonymous engagement survey for employees and operators. In FY24, we conducted an employee engagement survey across all locations in India and the US. The survey aimed to assess employee experiences across various areas, including job

satisfaction, purpose, happiness, and stress. The survey achieved a response rate of 66% with 83% employees reporting high levels of engagement, satisfaction, and well-being. Site leaders then review the results and create action plans to boost engagement at each site.

Employees with top level of engagement, satisfaction, well-being

83%

FY24

85%

Target FY25

Employees who responded to the survey

66%

FY24

Note: Survey was conducted only for India operations and US site.

<sup>43</sup>GRI 201-3, 401-2

<sup>44</sup>GRI 401-3

# Championing Human Rights

At Strides, we are deeply committed to embedding human rights at the core of our business operations. Our approach is rooted in globally recognised principles endorsed by the United Nations' Universal Declaration of Human Rights and the International Labour Organization's Rights at Work ensuring that we meet international standards of regulatory agencies, local governments and our global vendors and customers.

As a signatory to the UN Global Compact, we recognise the transformative potential of businesses in advancing human rights globally, particularly given our extensive international footprint. We see this as both a responsibility and an opportunity to drive positive change across all our touchpoints—including patients, employees, suppliers, and communities.

Our Human Rights Policy is designed to foster a thriving, inclusive work environment that not only protects but actively promotes human rights. We maintain a zero-tolerance policy on human rights violations.

The policy comprehensively addresses aspects of forced labour and human trafficking, child labour, fair wages, equal remuneration, diversity and inclusion, non-discrimination, freedom of association and collective bargaining etc. It applies to all employees, contractual staff, vendors, suppliers, business associates, and stakeholders, guiding them to uphold this shared code and value system.

## Proactive Human Rights Due Diligence

At Strides, we take a proactive and systematic approach to identifying, managing, and mitigating human rights risks across our value chain. Our comprehensive due diligence framework allows us to map potential human rights risks associated with each stakeholder group, directly linked to our operations. This enables us to anticipate and address risks in real time, whether within our existing operations, in new business ventures, or throughout our supply chain.

By focusing on the most vulnerable groups—such as women, migrant workers, children, and local communities—we ensure that we are continuously refining our risk mitigation strategies.

These assessments, conducted on a regular basis both internally and externally, help us uphold the highest standards while safeguarding those most susceptible to human rights challenges. Our diligence extends beyond compliance; it reflects our ambition to lead by example in shaping an ethical, inclusive business environment across our operations and facilities.

## Rigorous Human Rights Assessments

To translate our human rights commitments into measurable outcomes, Strides conducts robust human rights assessments across all facilities, including manufacturing, corporate, and R&D centres. These evaluations are aligned with global frameworks such as the United Nations Guiding Principles on Business and Human Rights, and the ILO Core Labour Standards. By scrutinising key areas such as forced labour, discrimination, fair wages, and working conditions, we ensure that all aspects of our operations are in full alignment with our human rights priorities.

In FY24, our two largest manufacturing facilities in Karnataka and Puducherry were independently audited by a third party, confirming compliance with human rights and labour standards. Notably, no significant violations were recorded. These assessments have empowered Strides to not only mitigate risks but also capitalise on opportunities to enhance workplace conditions and drive employee engagement across our global footprint.

## Continuous Human Rights Remediation and Improvement

At Strides, safeguarding human rights is not just a matter of policy—it is embedded into the DNA of our operations. Our Human Rights Policy, in conjunction with frameworks such as our Code of Conduct and Vendor Code of Conduct, ensures that we consistently uphold ethical standards across our ecosystem. In addition, our Whistle-blower Policy and associated reporting channels provide clear pathways for addressing any potential human rights concerns diligently and effectively.

In 2024, we initiated comprehensive corrective action plans in response to human rights risks identified during assessments, particularly around safety compliance and workforce management. This proactive approach highlights our commitment to continuous improvement in human rights practices. To further strengthen our impact, we have designed a Vendor management Programme which includes ESG-focused capacity-building workshops for our critical suppliers, equipping them with the knowledge and tools needed to align with our rigorous human rights and ethical standards.

At Strides, we are actively endeavouring to improve Human Rights assimilation and adherence within our Company, across our value chain, and in the broader global community.



# Fostering a Culture of Safety

At Strides, cultivating a culture of safety is paramount. We are dedicated to continuously enhancing our infrastructure, work practices, and behaviours to safeguard the health and well-being of our employees. We also encourage our suppliers and vendors to adopt safe, healthy, and environmentally responsible practices.

A safe and healthy environment is actively promoted through management systems designed to create and sustain a 'safety culture' so that safety becomes an integral part of all activities at Strides. This chapter details our efforts of ensuring a safe, healthy, and conducive work environment for all personnel engaged in our offices and facilities. It includes details about OHS governance and management system, standard procedures and practices, risk identification and reporting, extensive training programmes, rigorous audit processes, and occupational health services provided to prioritise the health and safety of our people.<sup>45</sup>



## OHS Management System<sup>46</sup>

Our OHS policy encompasses the entire scope of our operations, extending to employees, contractors, and individuals under our supervision. A key feature of our policy is the active consultation and participation of workers and their representatives in strengthening safety systems. We are dedicated to continuously improving our OHS management system, which involves setting clear priorities and preparing action plans for course correction and enhancements. We establish quantitative targets to enhance OHS performance metrics and ensure those targets are met. The implementation of our OHS policy is endorsed by the highest decision-making authority.

Our EHS Guidelines are centered on the concept of our commitment to protect people and the environment and drive

continuous improvement. Corporate EHS establish organisation wide guidelines, position statements, written standards, establishment and tracking of quantitative targets and improvement goals. Site EHS along with site teams conduct risk assessment and mitigation action plans, emergency preparedness, investigations with learning from adverse events, communication, and training.

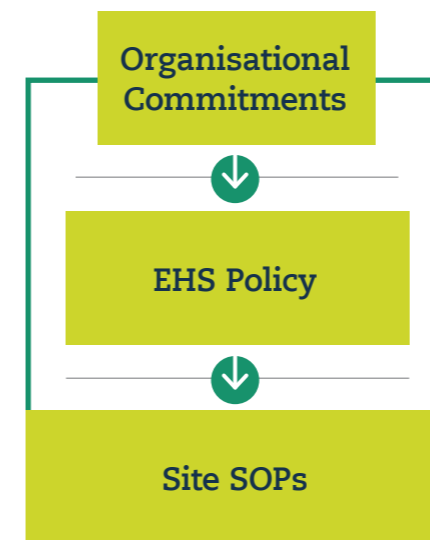
Targeted communication and training are an essential part of our control framework. EHS Councils at organisation level and site level regularly meet to discuss and review performance and set continuous improvement plans such as monitoring and learning from significant incidents, enhanced leadership accountability for safety, all of which support Strides' EHS commitments.

Every manufacturing site/facility has a site safety committee for health and safety management. Our site safety committee, a robust team of 50% worker representatives, is chaired by the Plant head and groups every quarter to review existing practices and deliberate upon key health and safety matters. In addition, our specialised biomedical committees at each site, composed of 3 dedicated worker representatives, convenes twice a year to focus on health-related safety measures.<sup>47</sup>

The site EHS heads report to the Central EHS Head on implementation of the Company's EHS Policy, functioning of OHS Management Systems and key discussion points from safety committee meetings at the site level.

Our OHS management system applies to all employees across all the manufacturing facilities and contractual workers across all units.<sup>48</sup> Our comprehensive health and safety management system comprises rigorous risk assessments, defined procedures on EHS technical topics, compliance with all statutory regulations, Safety Data Sheets, active stakeholder engagement, training and awareness programmes, and emergency preparedness and response protocols.

It emphasises proactive measures to prevent or mitigate significant occupational health and safety risks. One of our largest facilities is ISO 45001:2018 certified. Our operations are also in full compliance with statutory acts and rules, including Factories Act, Boilers Act, Electricity Act.



<sup>45</sup>GRI 3-3 | <sup>46</sup>GRI 403-1 | <sup>47</sup>GRI 403-4 | <sup>48</sup>GRI 403-8

## Fostering a Culture of Safety

We prioritise and integrate action plans with targets for addressing OHS risks, to do so we follow a structured approach. The first step involves the identification and selection of relevant key performance indicators (KPIs) to monitor.

This process includes a thorough analysis of our organisational goals and risk assessments to identify the most critical areas of performance. We then define clear, measurable, and achievable KPIs that align with our OHS objectives. We begin with the monthly tracking of these KPIs to ensure continuous alignment with OHS goals.



This is complemented by monthly review meetings where progress is assessed, challenges are discussed, and necessary adjustments are made. OHS targets are then integrated into ISO objectives and management programmes, ensuring comprehensive alignment across the organisation.

Additionally, capital expenditures (CAPEX) are strategically allocated to meet these targets, providing the necessary resources for effective implementation. This systematic approach ensures that OHS risks are addressed through well-defined, measurable, and integrated action plans.

### Audit Processes

We regularly conduct both external and internal audits and inspections of various areas, including but not limited to chemical storage, hazardous waste and material disposal recycling, safety equipment and emergency devices, personal protective equipment, compressed air and compressed gas, manuals, trainings, SOPs, Material Safety Data Sheet (MSDS), and occupational health centres.

Additionally, we perform assessments and audits on workplace conditions, human rights and responsible business practices, and compliance with environmental, occupational health, and safety standards.



## Hazard Identification, Risk Assessment and Incident Investigation<sup>49</sup>

We follow a streamlined process to ensure workplace safety and health. Our Hazard Identification and Risk Assessment (HIRA) process is guided by Group EHS guidelines, and all sites adhere to these guidelines for identifying hazards. HIRA is a process involving hazard identification, risk evaluation, and the implementation of controls to reduce risks to acceptable levels. It ensures that risks to our employees, contractors, the public, and the environment are consistently managed within defined limits.

### HIRA is a 5-step Process Encompassing:

<b>Step 1</b>	<b>Collection of information, classify work activities (area, process, equipment, new products etc.)</b>
Gather details on each work activity, including its nature, location, involved personnel, training, routine/non-routine classification, SOPs/Permit to Work (PTWs), material characteristics, utility services, legal requirements, past incidents, communications, monitoring data, existing control measures, and safety committee reports.	
↓	
<b>Step 2</b>	<b>Hazard identification</b>
Proactively identify hazards and assess risks. Consider hazard categories such as mechanical, physical, electrical, chemical, fire, explosion, radiation, toxic release, natural calamities, biological, ergonomic, high risk/confined spaces, and other applicable hazards. Record the source, potential harm, and causes of harm. Evaluate factors including human behaviour, external hazards, workplace hazards, infrastructure, organisational changes, legal obligations, and workplace design.	
↓	
<b>Step 3</b>	<b>Review of existing control measures - Conduct risk assessment (analyze and estimate risk from each hazard)</b>
Qualitative assessment considers legal, stakeholder, business concerns, and potential emergencies. Risks are evaluated based on their scale, severity, frequency, and existing controls, with acceptable risks requiring no action and unacceptable risks needing immediate attention. Significant risks include emergencies, legal issues, and stakeholder concerns. Control measures follow a priority order: eliminate, substitute, engineer controls, use administrative controls, and finally, personal protective equipment (PPE). The focus is on eliminating or reducing hazards through effective programme management or necessary administrative and protective measures.	
↓	
<b>Step 4</b>	<b>Documentation of HIRA in prescribed format</b>
The risk assessment and control methodology involves several key steps: It begins with a cross-functional team meeting to tailor the approach to the specific facility or area. Core team members and stakeholders conduct risk assessments using the HIRA procedure, with documentation reviewed by department heads and the EHS Head. The HIRA is stored digitally, with hard copies available if needed. Each department lists and reviews its control methods—engineering, administrative, and PPE—through checks and inspections. Risks are rated by scale, severity, and probability, and significant risks are addressed with an action plan based on a hierarchy of controls.	
↓	
<b>Step 5</b>	<b>Effectiveness Check &amp; Continual Improvement</b>
HIRA is required to be reviewed at least once every five years or before implementing changes to activities, processes, equipment, or control measures. The review is conducted by a cross-functional team (CFT), including process/functional department personnel, and is approved by the EHS lead and department head.	

<sup>49</sup>GRI 403-2

## Fostering a Culture of Safety

### Incident Reporting

We have established a clear process for planning, executing, and documenting Environmental, Health, and Safety (EHS) and hazard reporting. This procedure ensures systematic identification, assessment, and mitigation of risks, while maintaining detailed records for accountability and continuous improvement.

Employees are encouraged to report unsafe acts and conditions through the MySetu application, with root cause analyses conducted to determine underlying causes of safety incidents and implement preventive measures. We received zero complaints on working conditions and health and safety in the reporting year.

### Emergency Preparedness

We establish, implement, and maintain a documented emergency preparedness and response system to identify, prepare for, and respond to potential emergencies.<sup>50</sup> This system also includes actions to prevent or mitigate adverse EHS impacts from emergency situations<sup>51</sup> or associated risks.

### Reporting on LTIFR and Fatalities

Category	Indicator	FY22	FY23	FY24
Employees#	Fatalities	0	0	0
	LTIFR*	0.16	0.37	0.34
Contractors**	Fatalities	0	0	0
	LTIFR	0.35	0.48	0

#Includes full time employees and workers; \*LTIFR (Lost Time Injury Frequency Rate): (no. of injuries \*1000000/Manhours worked); \*\*Includes contractual workforce

Safety Incidents <sup>52</sup>	Employees	Contractors
Total recordable work-related injuries*	13	5
High-consequence work-related injuries (excluding fatalities)	2	0
Injury Rate	2.54	3.07

\*includes first aid injuries and reportable injuries

In the reporting year, we had zero fatalities and recordable cases associated with work-related ill health.<sup>53</sup>

<sup>50</sup>GRI 403-7 | <sup>51</sup>Emergencies may include fires, explosions, major machine accidents, medical emergencies, natural disasters, and large chemical spills or releases of hazardous materials |

<sup>52</sup>GRI 403-9 | <sup>53</sup>GRI 403-10

## Health and Safety Practices at Strides

### OHS Trainings

An **annual training calendar** is developed and implemented to meet all necessary OHS training requirements. **role-specific certification trainings**, such as First Aid and Emergency Response, are conducted by external agencies at defined intervals.

Key training topics encompass OHS policy, leadership, employee engagement, hazard identification, statutory and regulatory compliance, emergency planning, incident investigation, contractor safety, quality control, fire prevention, equipment management, health surveillance, energy efficiency, waste management, machinery safety, PPE usage, and business continuity planning. A total of **1,006 employees at different levels were trained** with 1,945<sup>54</sup> total man-hours of trainings.

### GEMBA Walks

GEMBA (actual workplace) walks are carried out to observe work processes and identify potential safety hazards, engaging with employees on the shop floor to discuss safety concerns and gather feedback. Findings from **GEMBA walks are documented, and corrective actions are implemented.**

### Noise Control

We have implemented procedures to identify and control sources of occupational noise exposure. Additionally, we have set up a conservation programme **for employees working in areas where noise levels exceed 90 dBA** as a time-weighted average.

### Safety SOPs

We have developed a Standard Operating Procedure (SOP) to assess and control health risks for employees involved in manufacturing highly potent products. This procedure ensures the **implementation of industrial hygiene controls** to protect our workforce from potential health hazards.

### Safety Audits

**Regular internal audits** are conducted to ensure compliance with safety regulations and standards, with findings reviewed and corrective actions implemented. Records of all internal audit activities and outcomes are maintained meticulously. We also coordinate with **external auditors to schedule and conduct safety audits**, such as ISO 45001, customer audits, and statutory audits, providing necessary documentation and access to facilities, and addressing any findings.

### Grievance Reporting

**Suggestion boxes** are placed in respective work locations to facilitate the reporting of unsafe acts and conditions. Additionally, the **SEEK application**, an online platform accessible to all employees, allows for the reporting of any grievances, including safety-related issues. This comprehensive approach ensures that **we maintain a safe and healthy working environment for all.**




### Hazard Reporting via MySetu Application

According to our internal SOP, employees receive training on reporting hazards through the MySetu online portal. A statutory safety committee, comprising workers and management, exists at all sites, with worker representatives highlighting safety hazards during meetings. We are committed to our EHS policy, which emphasises training and educating employees, contractors, and stakeholders to understand and mitigate EHS risks. The SOP ensures effective reporting of EHS incidents and workplace conditions via MySetu app. Additionally, process checklists are in place to confirm a safe working environment before batch startup. All EHS incidents are recorded in the MySetu application, with investigations and corrective and preventive actions (CAPA) conducted as per our internal SOP.

<sup>54</sup>GRI 403-5

## Fostering a Culture of Safety



FY24 Initiatives	Action Undertaken/Completed
Harmonisation and Group Level SOP/ Site Level SOP	3 policies implemented on:  Fire extinguishers    Fire hydrant system    Industrial hygiene
Biogas generation from canteen waste	Conversion of canteen waste into biogas
E-logbook	Additional manual logbook to convert to e-calibre
Emergency Control Centre	ECC established at largest manufacturing facility
Gas detection System	Implemented in all hazardous gas handling areas

## Enhancing Workplace Health and Safety through Occupational Health Services<sup>55</sup>

Occupational health services are pivotal in maintaining a healthy working environment by identifying and eliminating hazards and minimising risks. Their key functions include risk assessment and hazard identification, health surveillance and monitoring, operating a fully equipped Occupational Health Centre (OHC) with trained medical staff, providing training and education, implementing health and safety policies and procedures, emergency preparedness and response, occupational hygiene, health promotion and wellness programmes, accident investigation and reporting, collaboration with management and workers, and managing change.

We ensure the quality of these services and facilitate workers' access through various strategies. These include compliance with regulations by conducting periodic health examinations every six months, employing qualified occupational health professionals for medical examinations, health monitoring, and risk assessments, and promoting health through programmes and fitness activities. Employees have access to medical care for work-related injuries, including timely treatment, rehabilitation, and follow-up care. Workers

are encouraged to participate in health and safety initiatives, and continuous monitoring and evaluation ensure OHS effectiveness. Collaboration with external partners such as healthcare providers and government agencies further enhances the quality and accessibility of occupational health services.

Medical certificates and employee health data are managed by the Occupational Health Centre doctor and the Admin department, ensuring data protection under the supervision of the OHC doctor. Access to health information is restricted to authorised personnel, with health data accessible only to occupational health staff and, when necessary, HR personnel with appropriate clearance and in line with statutory guidelines.

All employees are covered by the General Medclaim Policy, Group Personal Accident Policy (wide cover), and Group Term Linked Insurance Policies as required by the Company. We offer voluntary health promotion services and programmes to tackle significant non-work-related health risks.

These initiatives include Mental Health Awareness Programme, Breast Cancer Awareness Programme, and Stress Reduction Programme. Additionally, we ensure the provision of hygienic food in the canteen and organise an annual sports competition for all employees. Wellness programmes are also conducted by our in-house Factory Medical Officer.<sup>56</sup>

Type of voluntary health promotion services and programmes offered	Workers who were offered the service/ programme in FY24
Healthy food through Canteen services	100% employees & contract employees
Health insurance coverage	100% coverage for permanent workers and employees
Loan facility	100% coverage for permanent workers and employees

<sup>55</sup>GRI 403-3 | <sup>56</sup>GRI 403-6

# Our Social Impact

We recognise that our operations significantly impact global well-being. Access to affordable healthcare remains a critical issue in many areas, with socioeconomic barriers often preventing individuals from obtaining essential treatments.

At Strides, we take our social responsibility seriously and aim to contribute positively to society through our Corporate Social Responsibility (CSR) initiatives.



Our community development programmes are an integral part of our sustainability strategy, focusing on healthcare, education, employability, and vocational skill development to create sustainable value and foster meaningful change.<sup>57</sup>

We strive to empower communities and make a positive impact, embodying the principles of corporate citizenship and responsible business practices to create a more equitable and healthier world for all. In 2010, we launched Strides Foundation, an executive CSR arm of Strides, to reinforce our social commitment.

In 2013, a scientific Need Analysis was taken up leading to the CSR focus on education, healthcare and employability, aligning with our belief that society is integral to our identity and essential for sustainable growth. Through our dedication to CSR, we aim to make lasting contributions that benefit both communities and the world at large.

## The foundation's objective is to:

- |   |   |  |
|---|---|--|
| <b>1</b>  | <b>2</b>  | <b>3</b>   |
| Uplift the communities around our areas of operation, thereby create a positive impact in the community | Identify interventions to ensure sustainable social development after considering the immediate and long term socio environmental consequences. | Setting high standards of quality in providing interventions and support to meet the needs of the community. |



## CSR Impact Assessment<sup>58</sup>

To measure the impact of our activities, we voluntarily assessed our CSR initiatives from 2020 to 2023 from a third party viz., Social Audit Network, India (SAN India), which supports the Social Accounting and Audit (SAA) framework for measuring impact. The CSR programme's objectives were evaluated using the REES framework: Relevance, Effectiveness, Efficiency, and Sustainability. **We are pleased to report an overall rating of 9.2 out of 10, a 7% improvement from 2019.**

## Governance

Our board level CSR Committee is chaired by Dr. Kausalya Santhanam, one of our Independent Directors. Other members of the Committee are Mr. Arun Kumar and Mr. Homi Rustam Khusrokhhan. Our CSR policy, drafted in accordance with Companies Act 2013, outlines

our approach to CSR and provides guidelines and mechanisms for implementing programmes that benefit community welfare and promote sustainable development. Strides Foundation monitors the implementation and provides periodic reports to the Committee,

ensuring the Board of Directors to fulfill their monitoring, reporting, and legal obligations.

Our CSR spend (excluding administrative overheads) in FY24 stood at ~₹ 3.45 Crores which is 63% higher than FY23.<sup>59</sup>

<sup>57</sup>GRI 3-3, 203-2 | <sup>58</sup>GRI 413-2 | <sup>59</sup>GRI 203-1

Our CSR Programmes<sup>60</sup>

Health & Hygiene

Objective/Initiative



To increase awareness on health and hygiene and provide high-quality preventive, promotive, and curative services, we have implemented the following initiatives:

**Specialty Healthcare Facility:** We established Arogyadhama, a state-of-the-art specialty healthcare centre, in Bangalore Rural near our facility in Suragajakkanahalli. This specialty centre offers promotive, preventive and curative services that include free consultations with specialist doctors like Gynaec, pediatrician, Ophthal, Dental and General medicine, highly subsidised medicines, and diagnostic services like Radiology & Lab services. It also actively participates in various government-sponsored community health care programmes to provide better and affordable healthcare facilities.

**Sanitation and Hygiene:** in our pursuit to improve sanitation and hygiene we have built underground drainage systems and septic tanks with upflow filters at Suragajakkanahalli, covering the complete village among other infrastructure improvements.

**Safe Drinking Water:** We have set up self-sustainable drinking water units to increase the accessibility of safe drinking water for nearby communities, to provide for 12000 people. We have also set up a pilot project - Alternate water source – Atmospheric Water Generator in Lingapura, Haragadde village which does not use ground water and there is no wastage of water.

SDG Mapping



Arogyadhama

Bridging healthcare gaps Arogyadhama, our multispeciality health centre in the Bengaluru rural area, has earned a commendable reputation for its exceptional work. Over the past 7 years, we have served an average of 11,900+ people per annum from 12 villages, providing preventive, promotive, and curative healthcare. Equipped with state-of-the-art medical facilities, including X-ray, scan, laboratory, and minor OT, Arogyadhama also offers specialised services like Ophthalmology, Gynecology, Pediatrics, Dental Treatments, and Pharmacy. We are proud to offer pocket-friendly services, providing free consultations and diagnostic services to the community.

The health centre conducts specialist and health camps for villagers, both at the centre and in the villages. Door-to-door screenings for non-communicable diseases (NCDs) are performed, checking for 22 parameters

and providing guidance and medication as needed. The health camps also identify patients who require government services such as Ayushman Bharat or disability cards, and the centre helps make these services accessible to the villagers.

Towards self sustenance, Arogyadhama has expanded its services to cater to the periodical annual medical check-up programme for corporate employees. Situated close to an industrial area, Arogyadhama is well-positioned to attract local companies for these services. It has already secured contracts with several industries in the region.



FY24 Milestones

1

**8543 Lives touched** through Arogyadhama's Preventive, Promotive, and Curative Programmes.

2

**951 individuals screened** for non-communicable diseases (NCDs). Provision of regular check-ups and medication to diabetic & hypertensive patients.

3

**12,000 Number of individuals screened for Tuberculosis:** 8 positive cases identified and treated. 1 cured and 7 currently under treatment.

4

**602 Students from 11 schools** were covered under the School Health Programme.

5

**1,947 Immunisations** administered to children in collaboration with the Government Primary Health Centre (PHC) in Haragadde.

6

**347 Individuals** covered under special health camps for Ophthalmology, Cardio, Orthopaedic, and general medical check-ups. Spectacles were provided to 56 people, while 8 were referred for cataract surgery and 11 Cardio cases were referred for further investigation and care

Our activities in healthcare follow a three-pronged approach: Curative, Preventive, and Promotive.

Strides Foundation supports health and hygiene initiatives in 12 villages within Suragajakkanahalli panchayat, Anekal taluk, serving around 13,000 population. This was initiated in 2015 owing to the fact that there were no healthcare facilities in the vicinity of the 5-kilometer radius of Suragajakkanahalli.

<sup>60</sup>GRI 413-1



## Our Social Impact

### Safe Drinking Water

Strides Foundation has constructed 11 RO plants & 1 Atmospheric water generator, which are self-sustainable, and managed their maintenance and operation. Recently, these plants were transferred to the local Panchayat, which is now responsible for their upkeep. Additionally, 7 village wells were chlorinated to ensure safe drinking water.

Water samples from these plants are regularly tested by Arogyadhama to ensure potability. As a result, villagers have become accustomed to using the potable water for drinking and cooking. As of March 2024 the total water dispensed is over 2.65 crore litres.

### Shiva Shakti Homes

Nurturing lives with care Siva Sakthi Sathya Sai Charitable Trust, an organisation dedicated to serving intellectually challenged people and senior citizens, operates a home in Sri Raja Rajeswari Nagar, Bengaluru. We have been extending our support by sponsoring groceries and medicines for the 28 differently abled inmates, ensuring their well-being and comfort.



### Output

<b>13,000</b> villagers reached out	<b>20,000+</b> patients served	<b>11</b> RO plants installed
<b>1,260</b> school children reached out through health camps	<b>4</b> Anganwadi built	<b>5,356</b> people reached out through health camps

### Impact

- Increased health care support and management for the villages around Anekal
- Improved access to potable drinking water
- Better care and Management of NCD cases in the villages
- Improved access to dental and eye services.

## Education

### Objective/Initiative

To improve the quality of education and learning outcomes, we have implemented several key initiatives aimed at increasing student retention, enhancing school infrastructure, and providing access to relevant learning materials. Our efforts also include empowering and training teachers, improving in-school performance, and developing students into responsible citizens through life skills programmes and mentoring. Our initiatives include:

- School Infrastructure Development**
  - Building new schools and Anganwadis within the stakeholder community.
  - Adopting existing schools and Developing them by providing necessary infrastructure, facilities and amenities, Supporting in Academics to ensure a Conducive and Quality learning environment.
- Teacher Empowerment and Training**
  - Offering training programmes to teachers to enhance their teaching skills and methodologies.
- Student Support and Development**
  - Providing access to relevant learning materials.
  - Implementing life skills programmes and mentoring to foster the holistic development of students.
  - Improving in-school performance through targeted interventions.

### SDG Mapping



### Leadership Adoption Programme for Schools (LeAPS)

Our Leadership Adoption Programme for Schools is designed to motivate government school students to achieve their goals. By empowering them with holistic developmental skills and essential knowledge, we foster the best in each student. The year-long programme is incorporated into the school's regular curriculum, with a specific teacher assigned to it. Successively from 2013, the programme tailors life skills education instruction to the students' based on their age and grade level. The content and delivery adapt to the students' class and developmental stage, using quizzes, role-plays,

This focus area aims to enhance education quality and prepare students for the future by focusing on life skills and value education. Strides Foundation continues to support the schools it adopted in the earlier years. To align with its goal of holistic development, the foundation provides ongoing training and educational support to these schools.

## Our Social Impact

activities, and experiments to teach life lessons. We provide academic support, examination skills, and career guidance sessions too.

In Haragadde, we have a total of 290 students at Government Higher Primary School (GHPS) and 375 at Government High School (GHS) who are being benefited by this programme.

### Infrastructure Development

During FY23, we undertook the renovation of a primary school in Muthanallur, transforming its premises to include a clean assembly and dining area, a well-equipped stage, and an updated wash area. This effort was met with gratitude and praise from teachers, the School Development Management Committee (SDMC) team, parents, students, and panchayat members.

### Enhancing Early Childhood Care

In Medahalli village within the Suragajakkanahalli Panchayat



in Bengaluru, we constructed a state-of-the-art Anganwadi based on the felt need and in response to the request from the panchayat. This facility serves over 30 children, pregnant women, and new mothers, providing them with a supportive environment for growth and learning. The Anganwadi features a spacious hall, a storage room, kitchen, restrooms, and a play area.

### Output

2 schools impacted

5 teachers provided

650+ children reached out

### Impact

- Quality teacher support enhanced the overall learning
- Experience of the students with improved pass percentage for the school



### Vidyadhama

The Vidyadhama-Strides Model Government Higher Primary School - Project is our initiative to create a safe and conducive environment for children to learn. Spanning 2 acres and 16 guntas of land in Haragadde, Bengaluru rural, this project aims to provide an exemplary model school. The construction is progressing well, and we look forward to handing over the project to the School Authorities upon completion.

### Vocational Training

Furthermore, in partnership with the Tata Institute of Social Sciences (TISS), we run the Bachelor of Vocational Training in Pharma Manufacturing (B.Voc) programme in Puducherry. This initiative aims to elevate the educational and career prospects of disadvantaged and marginalised youth in the region. The programme combines classroom instruction with practical, on-the-job training, equipping students with valuable skills and a B. Voc degree. The third batch of B.Voc-TISS training began in 2021, with 39 students currently advancing through their second year.

## Employability & Livelihood

### Objective/Initiative

To improve the employability opportunities of youth and empower women to attain financial self-sufficiency, we have implemented the following initiatives:

#### Employment Empowerment Programme

- Conduct job-oriented courses with a holistic approach to train youth, empower them with employment and make them responsible citizens.

#### Support for Under-privileged Communities

- Offer vocational training to youth from under-privileged communities to improve their job prospects and financial stability.
- Provide vocational training programmes to empower women and help them achieve financial independence.

### SDG Mapping



This CSR pillar aims to equip underprivileged rural youth with the skills and education necessary to become responsible citizens. To enhance their employability, Strides Foundation is continuing its partnership with SVRCC in Puducherry. Through this Employability Empowerment Programme, we have successfully trained a total of 660 individuals, with 609 students securing gainful employment. Additionally, 32 students are currently pursuing higher studies.



# Our Social Impact

Located in Keezhaputhupattu village near Puducherry, SVRCC has been transforming lives and empowering youth with quality skill training since 2008. As part of our commitment to empower the desiring and deserving youths from the local communities, we annually sponsor 100 students from the fisherman and underprivileged communities. The organisation is distinguished by its comprehensive education approach, which not only imparts employable skills but also fosters strong character and depth of personality. They offer a one-year vocational training programme, comprising nine months of classroom sessions and three months of on-the-job training.



Many of these courses are registered under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and are assessed by the National Skill Development Corporation (NSDC). Recently, SVRCC received approval from the Department of Employment

## FY24 Milestones

- a. 100 Students from the 7<sup>th</sup> batch have successfully completed their training. Among them, 75 students have secured placements in various industries, while 25 have embarked on gainful self-employment ventures. This achievement marks a 100% employment rate for this year
- b. 100 Students of 8<sup>th</sup> batch of 56 girls and 44 boys are undergoing training at SVRCC from August 2023, they with start on the job training in June 2024

Output	Impact
<p>660 students impacted</p>	<ul style="list-style-type: none"> <li>• Mainstreaming of rural youth into formal economy</li> <li>• Transformation of youth into responsible citizens, from becoming an anti-social</li> </ul>
<p>609 students are gainfully employed</p>	
<p>32 students pursuing higher education</p>	

## Disaster Management

Objective/Initiative	SDG Mapping
<p>To extend support to communities during natural calamities, pandemics, and disasters, we help restore the lives of those affected.</p>	



This CSR pillar focuses on responding to disaster situations, both natural and pandemics. Aiming to support communities during national calamities, Strides Foundation stepped up to restore affected lives and provide essential aid during the COVID-19 pandemic, in addition to their regular initiatives. They established a COVID care centre in Puducherry, and in Bangalore, Arogyadhama played a crucial role in controlling the disease in collaboration with PHC Haragadde and Anekal Hospital, ensuring that all residents were vaccinated.

Output	Impact
<p>13,000 (Anekal) No. of villagers</p> <p>Support in Puducherry</p>	<ul style="list-style-type: none"> <li>• Preventing the spread of the diseases and promoting good health practices</li> <li>• Timely access to the emergency support services, medicines and food Medical equipment and masks distributed</li> </ul>
<p>12 villages supported during the pandemic in Anekal</p> <p>Survival kit &amp; Ration supplied to the villages</p>	

# Environmental Sustainability

Environmental stewardship is a critical pillar of Strides' corporate strategy and ethical responsibility. In an era of climate change and resource scarcity, the pharmaceutical industry faces unique challenges and opportunities to drive positive environmental impact through operations and beyond.



This chapter outlines Strides' approach to environmental sustainability, detailing its practices to limit its environmental footprint and adverse impact on climate by controlling harmful emissions preserving water resources, managing waste responsibly and protecting biodiversity.<sup>61</sup> Strides is committed to judiciously utilising and responsibly managing

the key natural resources across its operations, from research and development to manufacturing and distribution.

At Strides, we have always been conscious about conducting our operations in an environment friendly and sustainable manner. We continuously strive to go beyond mere regulatory compliance and meet

leading industry standards of environmental management through robust reporting practices, collaborative partnerships and strategic investments. This is mutually beneficial as it combines our goal of meeting global sustainability objectives while driving operational efficiency and creating stakeholder value.

## Environmental Governance and Management

Strides' commitment to environmental stewardship begins with the leadership's vision and it percolates into the Company's organisational structure and decision-making processes. The Group Level Steering Committee, along with the EHS Head provides strategic oversight and monitors inter-alia implementation of the EHS Policy. The Risk Office monitors key ESG and climate related risks through the ERM framework and conducts discussions with the EHS team on risk management. Periodic reviews of EHS matters and key events are also carried out with the Risk Management Committee and the Board.

The implementation of the environmental strategy across the organisation is overseen by the Central EHS Head, who is responsible for monitoring and tracking progress, and ensuring that Strides successfully realises its environmental objectives. Site-level EHS Heads report to the Central EHS Head on implementation of the Company's EHS Policy,

functioning of Environmental Management Systems and key risks, if any, at a site level.

Strides has developed a comprehensive EHS Policy, to guide sound environmental management practices around energy usage, water conservation, waste management and efficient resource use. The policy extends beyond the Company's operations, to its value chain, business partners and products.

A robust environmental management system is essential to systematically identify, monitor, and mitigate environmental impacts and drive continuous improvement. Currently, all 4 of our manufacturing facilities and R&D in India are ISO 14001 certified and adhere to all statutory and regulatory requirements.

A key aspect of achieving strong environmental governance is the establishment of effective monitoring and review systems. Strides' facilities have compliance management systems in place to

ensure that all environmental regulatory requirements are met promptly. Consequently, as on date, there are zero pending environmental violations against the Company. In the last 4 years, one show-cause notice was issued to the Company in this regard and the same was resolved.

Robust internal review systems ensure that environmental data is collected and recorded systematically, and periodic reports are sent from individual sites to the Group Level EHS function to communicate progress and identify gaps, if any.

<sup>61</sup>GRI 3-3

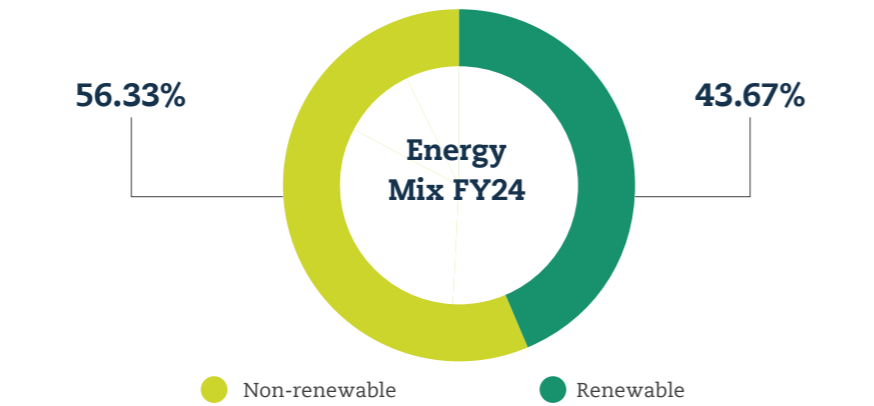
# Environmental Sustainability

## Energy Management Practices

Energy management is a critical focus area for our Company and the industry at large, given the energy-intensive nature of pharmaceutical research, development, and manufacturing processes. Using energy efficiently allows Strides to reduce its carbon footprint and operational costs, while also building resilience against energy price volatility.

The approach taken to address energy management is two-pronged: first, the adoption of energy-efficient equipment in facilities and optimisation of manufacturing processes to reduce energy consumption, and second, a progressive increase in adoption of renewable energy in the Company's energy mix. Strides currently has an installed capacity of ~1.7 MW of renewable energy on-site at its facilities and is working toward increasing this capacity in the coming years.

**0.00248**  
MWh/₹ million<sup>62</sup>  
energy intensity for FY24



The table below reports the total energy consumption of Strides (based on energy source) for the reporting year and prior years.

Energy consumption (Kwh) <sup>63</sup>	FY21	FY22	FY23*	FY24**
Non-renewable energy	-	28,112,743	29,353,445	30,064,186
Renewable energy	-	1,283,618	18,271,946	23,311,838
<b>Total</b>	<b>49,500,000</b>	<b>45,396,361</b>	<b>45,574,736</b>	<b>53,376,023</b>
<b>Non-renewable energy consumption target for FY24</b>	-	-	-	<b>27,885,772</b>

\*Data for all 4 manufacturing sites in India.

\*\*Data includes all manufacturing sites in India and R&D.

A year-on-year increase in non-renewable energy consumption can be attributed to the corresponding growth of Strides' operations in the recent years. However, it is important to note that the Company's energy intensity has remained uniform over the same period, indicating that the efficiency of energy use per unit of activity has not diminished, and may have even increased through our energy management programmes.

In line with the Company's environmental strategy, Strides has adopted certain energy management practices, with the goal of improving energy efficiency, maximising energy savings, minimising overall environmental impact and aligning with the sustainability objectives of the organisation.

## Our Energy Management programmes have the following main objectives<sup>64</sup>:

### Environment Protection

Reduction in greenhouse gas emissions by increasing the renewable energy mix in overall energy consumption. Besides having on-site installed capacity of ~1.7 MW for renewable energy, we have demonstrated an increasing trend in the clean energy mix of our overall consumption.

We have set quantified targets to increase our clean energy consumption and reduce our carbon footprint from all manufacturing sites. We are also in the process of formulating our long term decarbonisation strategy and roadmap to contribute effectively to the global Net Zero agenda.

We monitor and track our Scope 1 and Scope 2 emissions from non-renewable energy sources due to manufacturing operations. Systematic efforts were made to take stock of our emissions inventory and identify opportunities for improving performance:

- Our certified environment management systems ensure that audits of energy and other environmental metrics are undertaken regularly;
- As part of ESG governance, review meetings take place with the leadership to account for progress on set targets and commitments.

### Energy Usage Optimisation and Minimising Wastage

We have taken active steps to maintain stable levels of energy intensity of our operations. We undertake benchmarking of energy consumption and performance both internally on periodic basis.

### Energy Efficiency

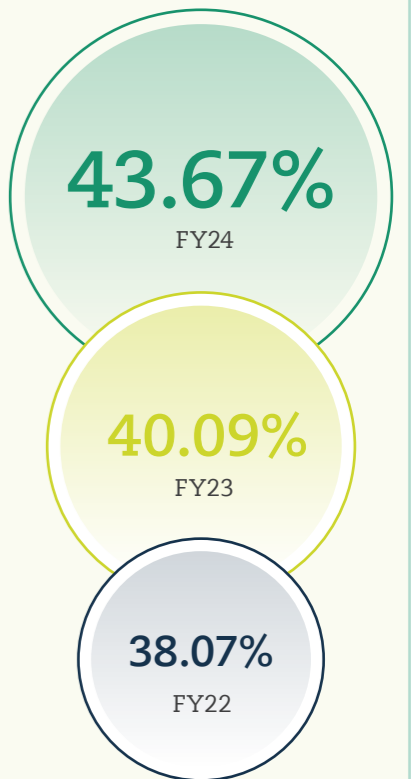
We have adopted energy efficient systems in HVAC, water chilling plants and manufacturing equipment to conserve energy. Some of our process efficiency initiatives/investments to streamline operations are as follows:

- AI based project ensures optimal energy consumption of Air Handling Units (AHUs). The Tech-based initiative is expected to achieve power savings of around 30% by autonomously adjusting operations based on real-time feedback;
- Investment in a dedicated Feeder HT for power distribution agency shall significantly alleviate power cut issues resulting in reducing diesel usage and minimising energy wastage;
- Harmonisation of line equipment in all container packaging lines resulting in uniformity and flexibility in our daily operations which in turn increased efficiency.

### Sustainable Operations

Our operations are aligned the UN Sustainable Development Goals such as clean energy usage, responsible consumption and production among others.

#### Trend in renewable energy consumption



<sup>62</sup>GRI 302-3 | <sup>63</sup>GRI 302-1

<sup>64</sup>GRI 302-4, 305-5 | <sup>63</sup>GRI 302-3

# Environmental Sustainability

## Emissions

GHG emission reduction is closely linked to Strides' energy management strategy and reaffirms the Company's commitment to mitigate its contribution to climate change. Our focus has been on rigorously measuring and reducing Scope 1 emissions from our facilities and operations and Scope 2 emissions from purchased energy. To achieve emission reductions, the Company has been increasingly adopting renewable energy to reduce reliance on non-renewable energy sources. Another proactive set of measures being taken to reduce our carbon footprint includes energy efficiency initiatives and process optimisations.

While we have made significant progress with respect to Scope 1 and 2 emissions, we are also aware of the importance of monitoring and reporting on Scope 3 emissions. Our Company is currently developing a comprehensive approach to measure and manage these broader emissions, with plans to begin Scope 3 monitoring and reporting within the next year.<sup>65</sup>

### Other Air Emissions<sup>66</sup>:

SOx and NOx emissions are monitored quarterly through Pollution Control Board-mandated testing. Strides ensure that the levels of these gases are well under the limit prescribed by the associated Pollution Control Boards.

**Our Scope 1 and 2 emissions over the past three years are represented in the table below<sup>67</sup>:**

Emissions (tCO <sub>2</sub> e)	FY21	FY22	FY23	FY24	Target for FY24
Scope 1	NA	6,206	4,490	5,332	4,265
Scope 2	NA	19,960	19,548	19,893	18,571



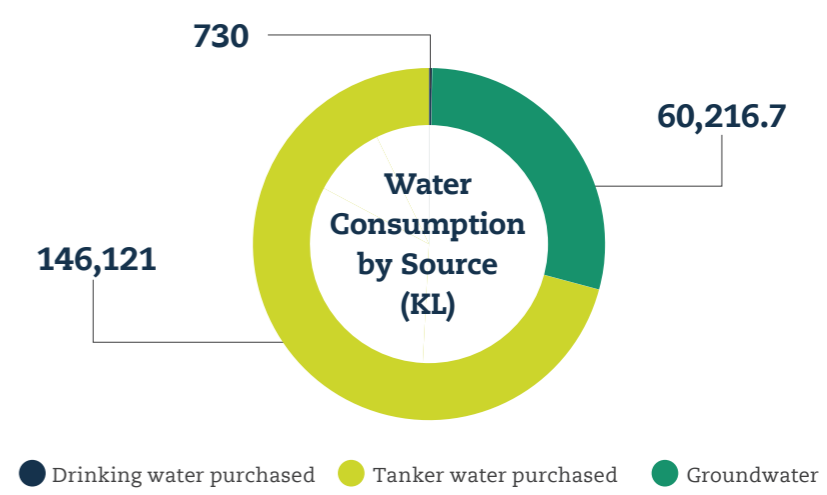
## Water Management<sup>68</sup>

As water scarcity becomes a global concern, effective water management is crucial for our environmental sustainability and operational continuity. Strides' water stewardship programme focuses on reducing consumption, improving efficiency, and protecting water quality.

There are also measures in place to ensure that all facilities comply with statutory and regulatory requirements regarding water withdrawal, usage and quality-related parameters.

Quantitative water-related indicators are monitored and analyzed periodically to help identify trends, monitor performance and set targets around water consumption. Several water conservation measures like wastewater recycling and rainwater harvesting are ongoing at Strides' facilities and these will be discussed in detail later in the section.

**43.9%**  
of water consumed was recycled and reused within our facilities in FY24



The following table illustrates trends around water consumption<sup>69</sup>:

Water Consumption (m <sup>3</sup> )	FY21	FY22	FY23	FY24
Water Withdrawal	207,386	192,967	194,778	204,416
Water Discharge	0	0	0	0
Water Consumption (Withdrawal - Discharge)	207,386	192,967	194,778	204,416
<b>Water consumption target for FY24</b>				<b>185,039</b>

### Water Management Programmes:

As part of Strides' commitment to water stewardship, there are number of initiatives being taken across the Company's manufacturing facilities to reduce water consumption and increase recycling. Our Company takes internal targets to monitor year-on-year water consumption trends, with the goal of optimising water

consumption in manufacturing processes. Manufacturing is a water intensive process, requiring a high degree of water purity. Reject water generated from Reverse Osmosis plants is recycled in our facilities and used for toilet flushing. This has resulted in the recycling of 10,415 KL of water in the reporting year.

# Environmental Sustainability

At our Puducherry plant, treated wastewater received from third-party treatment facilities is reused in cooling towers and utilities (1,139KL). Strides has undertaken multiple rainwater harvesting initiatives through the installation of percolation pits, to recharge groundwater aquifers. In FY24, 67,819 KL of rainwater was harvested in our flagship facility in Bengaluru and 60,627 KL water was harvested

in our Puducherry plant. This initiative is especially impactful for the facilities and surrounding areas, which are located in a 'water-stressed' region.

3 out of 5 manufacturing facilities have in-house water treatment facilities and other 2 facilities are utilising services of 3<sup>rd</sup> party waste water treatment facilities. As part of the recycling initiative, Strides provides tertiary treatment

to its effluent, the treated effluent water is then effectively recycled and reused for in-house gardening.

In R&D and Puducherry plant industrial effluent water is sent to authorised external effluent treatment plant. Our efforts to reuse treated water from RO for cooling tower use has reduced intake from external water supplier leading to reduction in water charges.



## Waste Management<sup>70</sup>

Responsible waste management is paramount in the pharmaceutical industry, owing to the potential environmental and health impacts of pharmaceutical waste. Strides' approach centres on the principles of reduce, reuse, and recycle, with a focus on minimising waste generation.

Our manufacturing facilities employ waste segregation systems, to ensure that all waste is disposed of responsibly, and only work with licensed waste disposal agencies to dispose of different waste streams (especially hazardous waste) in line with regulatory requirements.

Majority of the waste generated by Strides' facilities undergoes incineration (100% hazardous waste). Of the waste that can be diverted from disposal, our Company works with third-party recyclers to ensure that these waste streams are recycled appropriately.

The tables below highlight waste management metrics around generation, disposal and recycling of different types of waste:

Waste Generation (MT) <sup>71</sup>	FY24
Plastic Waste	108
E-waste	8.05
Hazardous Waste	457
Non-hazardous waste	253
<b>Total</b>	<b>826</b>

Waste	Unit	FY22	FY23	FY24
Total Waste recycled/reused <sup>72</sup>	MT	416	414	253
Total Waste Disposed <sup>73</sup>	MT	430	736	457
- Waste landfilled	MT	0	0	0
- Waste incinerated with energy recovery	MT	0	0	0
- Waste incinerated without energy recovery	MT	430	736	457
- Waste with unknown disposal method	MT	0	0	0
<b>Total Waste Disposal target for FY24</b>	<b>MT</b>			<b>699</b>

Hazardous Waste	Unit	FY22	FY23	FY24
Total Hazardous Waste recycled or reused <sup>72</sup>	MT	0	0	0
Total Hazardous Waste Disposed <sup>73</sup>	MT	430	736	457
- Hazardous Waste landfilled	MT	0	0	0
- Hazardous Waste incinerated with energy recovery	MT	0	0	0
- Hazardous Waste incinerated without energy recovery	MT	430	736	457
- Hazardous Waste with unknown disposal method	MT	0	0	0
<b>Total Hazardous Waste Disposal target for FY24</b>	<b>MT</b>			<b>699</b>

<sup>70</sup>GRI 306-1, 306-2 | <sup>71</sup>GRI 306-3

<sup>72</sup>GRI 306-4 | <sup>73</sup>GRI 306-5

## Environmental Sustainability

### Waste Management Programmes

In alignment with the principles of circularity, Strides has introduced several programmes focusing on reducing waste generation, promoting recycling practices and minimising the amount of waste being sent to landfills. Waste Management audits of our facilities are conducted through periodic GEMBA walks at our facilities. Our Company takes internal targets to monitor year-on-year waste generation and disposal trends, with the goal of optimising waste management processes and minimise waste generation.

Various R&D programmes undertaken at our facilities are aimed at improving process yields, which has the added benefit of waste reduction. Apart from the hazardous waste which is disposed through incineration, all other waste generated at our facilities is sent for recycling through licensed third party vendors.

At Strides facilities, the E-Logbook initiative has been introduced to transition towards paperless operations. This programme emphasises the importance of minimising paper consumption across sites and product portfolios. In the past year, this initiative has resulted in digitisation of 95% of our paper-based logbooks, leading to a significant reduction in paper consumption.

### Sustainable Packaging:

Strides philosophy on sustainable packaging is based on the principles of using packaging materials wisely, minimising waste, and conserving resources for the future. All our sustainable packaging initiatives and document proofing systems are aligning with the guidelines of various regulatory agencies like USFDA, MHRA, TGA, SAPRA, WHO, CDSCO and adhere to quality standards throughout the product lifecycle.

Through our Company's various sustainable packaging initiatives, we have received recognition domestically and internationally - Excellence in Sustainable Packaging Award at India Packaging Awards.

Significant R&D efforts are directed towards incorporating sustainable packaging principles across our products' life cycle. Some examples of sustainable packaging initiatives are as follows:

#### - **Compact Packaging:**

Optimisation of the primary packaging helps reduce the overall amount of material used in packaging. Bottle standardisation with minimum wall thickness, weight and headspace has allowed us to reduce overall material consumption and eliminate the use of gap fillers in our bottle pack products. This right sizing and structured approach has also allowed us to reduce the usage of plastic.

- A similar approach has been taken in designing blister packs with right sizing and structure by reducing the grammage of foils and films, and removing perforations and stiffeners wherever not required. Blister packs have also been redeveloped with specific designs allowing for the removal of paper layers in the Child Resistance (CR) blister foil, which typically includes a paper as an outer layer.
- In our commercial packaging processes, Strides has proactively reduced the GSM (grams per square meter) of our PIL (Patient Information Leaflet) which significantly decrease paper usage. Through the introduction of e-medication and e-PIL, our Company aims to eliminate paper usage completely.
- Strides is also currently exploring various sustainability innovations in reducing amount of plastic usage in CR closures and blister films to make our packaging initiatives more sustainable.

# Appendix



# ESG Performance

## A. List of 'in-scope entities' for our sustainability reporting boundary

1. Strides Pharma Science Limited, India
2. Strides Pharma Global Pte Limited, Singapore
3. Strides Pharma Inc, USA
4. Strides Alathur Private Limited, India (formerly Vivimed Life Sciences Private Limited)
5. Arco Lab Private Limited, India
6. Strides Pharma UK Limited, UK
7. Strides Pharma International AG, Switzerland (formerly Fairmed Healthcare AG)

In addition, we've also covered our partnered facility in Kenya (UCL), which is an Associate Company of the group for Social parameters reporting.

## B. Materiality Issues for Enterprise Value Creation

Governance	
Material Risk or Opportunity	Corporate Governance and Ethics
Business Case	<p><b>Regulatory Compliance:</b> With increasing scrutiny from regulatory bodies globally, ensuring compliance with local and international regulations is paramount.</p> <p><b>Reputation Management:</b> Trust and reputation are critical in the pharmaceutical industry. Ethical practices reduce the risk of reputational damage caused due to lack of proper governance.</p> <p><b>Investor Relations:</b> Investors are increasingly focusing on ESG factors in their decision-making.</p> <p><b>Risk Management:</b> A robust governance framework helps identify and mitigate risks, including financial, operational, and reputational risks.</p> <p><b>Long-term Value Creation:</b> Integrating ESG considerations aligns business strategies with long-term sustainability goals, enhancing overall corporate value.</p>
Business Impact	Risk

Governance (contd.)	
Material Risk or Opportunity	Corporate Governance and Ethics
Business Strategies	<p>At Strides, we have ensured that the board brings diverse perspectives, including members with expertise in ESG issues leading to more comprehensive governance strategies. Board Level Risk Management Committee is responsible to oversee ESG performance and monitor implementation.</p> <p>Stakeholder engagement-based assessments were undertaken to identify key material ESG issues relevant to the business. ESG objectives are also being aligned to the overall business operations, including incorporating ESG considerations into supply chain management, environmental sustainability etc.</p> <p>ESG risks have been incorporated in the enterprise risk management framework, assessing how they might impact business operations and reputation.</p>
Target/Metric	To formally integrate ESG KPIs into the internal audit programme of all our key global material subsidiaries
Target Year	2029
Progress	Data collation and tracking against key ESG KPIs is in progress for material subsidiaries and the associate company in Kenya

Human Capital Management	
Material Risk or Opportunity	Learning and Development and Workforce Diversity
Business Case	<p><b>Talent Acquisition and Retention:</b> A robust learning and development framework, coupled with a diverse workforce, helps attract and retain top talent in a competitive market.</p> <p><b>Innovation and Agility:</b> A diverse workforce brings a variety of perspectives, enhancing creativity and problem-solving capabilities, which are essential for innovation in drug development.</p> <p><b>Employee Engagement and Productivity:</b> Investing in employee development leads to higher engagement, reducing turnover and increasing productivity.</p> <p><b>Regulatory Compliance and Ethics:</b> A diverse and well-trained workforce helps Strides navigate complex regulatory environments and uphold ethical standards.</p> <p><b>Reputation and Brand Value:</b> Strides' commitment to learning &amp; development is reflected in the training hours achieved during FY24 and external recognition through awards.</p>
Business Impact	Cost

## ESG Performance

Human Capital Management (contd.)	
Material Risk or Opportunity	Learning and Development and Workforce Diversity
Business Strategies	<p>At Strides, we have developed a structured learning and development framework that includes onboarding, technical skills training, leadership development, and continuous education opportunities.</p> <p>We place great emphasis on an inclusive environment where all employees feel valued and respected. Our efforts include training on unconscious bias, cultural competence, and inclusive leadership. Clear diversity metrics and targets are in place to track progress in hiring, retention and promotions for achieving diversity goals.</p> <p>There is also a culture of continuous feedback through regular check-ins and periodic performance reviews, focusing on development and growth.</p>
Target/Metric	To ensure 50 hours of training per FTE on average by FY27; Increase share of women in total permanent workforce to 25% by FY30
Target Year	2030
Progress	32.75 hours were spent on training per FTE on average

Risk Management (contd.)	
Material Risk or Opportunity	Risk and Crisis Management
Business Strategies	<p>We have implemented systematic processes to identify and assess risks across all functions, including operational, financial, strategic, regulatory, and reputational risks. The Company's risk appetite and tolerance levels are clearly defined to guide decision-making and risk management strategies. The Group Level Steering Committee ensures that risk management is integrated into all business processes, from strategic planning to day-to-day operations, engaging all departments in the process.</p> <p>We have built a strong risk management culture within the organisation by conduct training programmes to build awareness of related principles among employees at all levels. Further, the top tier of management is engaged in risk review and monitoring, demonstrating a strong commitment to risk management, reinforcing its importance throughout the organisation.</p>
Target/Metric	Third party audit of risk management processes- in line with ISO 31000
Target Year	2027
Progress	Strides currently has a robust, enterprise-level risk management framework in place, aligned to ISO, COSO standards and other globally recognised frameworks.

Risk Management	
Material Risk or Opportunity	Risk and Crisis Management
Business Case	<p><b>Regulatory Compliance:</b> The global pharmaceutical industry is heavily regulated. Effective risk management ensures inter-alia compliance with local and international regulations, reducing the risk of fines and penalties.</p> <p><b>Operational Resilience:</b> A comprehensive ERM framework helps identify vulnerabilities in operations, allowing the Company to respond swiftly to disruptions and maintain business continuity.</p> <p><b>Reputation Management:</b> Proactively managing risks associated with product quality, safety, and ethical considerations protects the Company's reputation and brand value.</p> <p><b>Stakeholder Confidence:</b> Transparent risk management practices, including independent audits, enhance investor trust and can positively impact financial metrics.</p> <p><b>Sustainable Growth:</b> Identifying and mitigating risks supports strategic planning and decision-making, enabling the Company to pursue growth opportunities more confidently.</p>
Business Impact	Risk

### C. Materiality Issues and Metrics for External Stakeholders

Environmental Sustainability	
Material Issue for External Stakeholders	Environment Policy and Management
Cause of the Impact	Operations Products/Services
External stakeholders/Impact Areas evaluated	Operations Society
Type of Impact	Positive and Negative
Topic Relevance on External Stakeholders	<p><b>Communities:</b> Poor environmental management including uncontrolled industrial emissions can exacerbate health issues of the surrounding communities. However, prioritising environmental sustainability can improve engagement with the local communities, fostering trust and collaboration.</p> <p><b>Environment and Biodiversity:</b> Mismanaged carbon emissions will result in ecosystem destruction and resultant shortages in availability of natural resources, hindering operational effectiveness. As we prioritise responsible environmental management, we can contribute to the broader efforts to meet international climate goals, supporting long-term ecological balance.</p> <p>With greater scrutiny on environmental impact management, inability to effectively manage our emissions can result in loss of stakeholder trust and business reputation.</p>

# ESG Performance

Environmental Sustainability (contd.)	
Material Issue for External Stakeholders	Environment Policy and Management
Output Metric	Avoided CO <sub>2</sub> Emissions
Impact Valuation	Improved quality of air and other available natural resources
Impact Metric	Social Cost of Carbon

Access to Healthcare	
Material Issue for External Stakeholders	Accessibility and Affordability of medicines
Cause of the Impact	Operations Products/Services Suppliers
External stakeholders/Impact Areas evaluated	Society Consumers External Employees like suppliers
Type of Impact	Positive and Negative
Topic Relevance on External Stakeholders	<p><b>Patients and Consumers:</b> Ensuring access to affordable medicines is vital for improving health outcomes. Patients worldwide rely on generic medicines to manage chronic conditions, prevent diseases, and improve their quality of life.</p> <p><b>Society:</b> Access to affordable medicines is a pressing societal concern. Affordability directly impacts equitable access to healthcare. Vulnerable populations often face barriers to obtaining essential medications, leading to disparities in health outcomes.</p> <p><b>Healthcare Providers and Suppliers:</b> Governments, donor agencies, regulatory bodies all aim to improve public health through access to affordable medications. At Strides, we make continuous efforts to support these goals through on time delivery in full to the agencies, distributors to contribute to positive health outcomes and reduce healthcare costs.</p>
Output Metric	Improved access to low-cost and affordable treatments
Impact Valuation	Timely intervention for critical illnesses and reduction in disease burden through supply of affordable medicines
Impact Metric	Improvement in healthcare status and well-being

## D. Workforce Breakdown: Nationality

Nationality	Share in total workforce (as % of total workforce)	Share in all management positions, including junior, middle and senior management (as % of total management workforce)
India	90.13%	88.27%
United States	4.82%	6.06%
Kenya	4.09%	2.71%
Germany	0.38%	1.29%
United Kingdom	0.35%	1.03%
Others*	0.23%	0.64%

\* includes Greece, Iceland, Israel, Lithuania, Nepal, Singapore and Switzerland.

## E. Gender Pay Indicators

Employee Level	Average Women Salary	Average Men Salary
Executive level (base salary only)	₹ 1,07,90,000	₹ 2,55,51,533
Executive level (base salary + other cash incentives)	₹ 1,35,40,000	₹ 3,43,02,877
Management level (base salary only)	₹ 49,73,372	₹ 56,37,346
Management level (base salary + other cash incentives)	₹ 59,61,887	₹ 66,47,710
Non-management level	₹ 17,96,257	₹ 19,34,048

## F. Employee Development Programmes

We take active efforts to invest in the development of our employees. We also undertake measures to understand the positive business and financial effects of our L&D investments and whether they are having the desired impact on our people and overall business performance.

Employee Level	Programme 1	Programme 2
Name and description of the programme	Leadership Competency Development Programmes	Young Talent Development Programme
Business benefits of the programme	<ol style="list-style-type: none"> <li>To develop in-house talent for succession planning;</li> <li>Strengthened our internal succession pipeline for critical roles mainly from technical functions.</li> </ol>	<p>Strides utilises Self-Managed Teams (SMT) to empower young employees to oversee all manufacturing aspects. This programme ensures a continued pipeline of skilled individuals for technical functions benefitting the organisation with talent management and maintaining uninterrupted business operations</p> <p>SMTs collaborate across functions within teams while participating in weekly academic sessions. After completing their training, they take on roles as Technical Officers and progress through a Supervisory Development Program (SDP), aiming to achieve Senior Technical Officer positions based on their performance and endorsements.</p>

Employee Level	Programme 1	Programme 2
Quantitative impact of business benefits	1) 65 key talents identified across the organisational hierarchy for whom detailed development and structured retention plans were documented  2) 6 people moved vertical internally either in same function or Cross functional leading to >20% cost savings in hiring  3) 10 projects with direct impact to Company cost, process efficiency and cross functional collaboration  4) Achieved <5% attrition of key talent	1) 75 young professionals empowered to manage manufacturing were onboarded;  2) 15 people have undergone successful training and were promoted to take higher roles;  3) Low Cost Hiring for managing the manufacturing operations;  4) Increased retention rate for all trained employees thereby reducing the hiring cost
% of FTEs participating in the programme	5%	4%

## G. Hiring

Description	FY21	FY22	FY23	FY24
Total number of new employee hires	373	814	535	709
Total number of open positions	435	672	787	941
Percentage (%) of open positions filled by internal candidates (internal hires) Calculated on new hires	0.27%	6.76%	10.08%	3.19%
Average hiring cost/ FTE (INR)	68,735	70,655	1,68,990*	52,124

\*In FY23, the hiring cost was higher in comparison to other years due to some severance packages rolled out by the US entity.

Note - During FY23, the company experienced a turnaround where we leveraged internal talent for key positions. However, in FY24, we started with a lean organization and concentrated on structured succession planning through internal recruitment for critical roles specifically. Additionally, junior level hiring was done in FY24 to build future bench strength.

## H. Employee Turnover Rate

Description	FY21	FY22	FY23	FY24
Total employee turnover rate	12	19	27	13
Voluntary employee turnover rate	12	16	21	12
Data coverage (% of FTEs of in-scope entities)	100	100	100	100

# Key Financial Metrics

## A. Key other financial metrics<sup>76</sup>

Description	FY24
Payments to providers of capital	<b>Dividend flow-out to shareholders of Strides Pharma Science Limited, India</b> <ul style="list-style-type: none"> <li>Flow-out including tax in FY24 for FY23 – ₹ 135 Mn (₹1.50 per share)</li> <li>Flow-out including tax in FY25 for FY24 – ₹ 230 Mn (₹2.50 per share)</li> </ul> <b>Interest Cost</b> ₹ 3,467 Mn (Interest cost of in-scope entities)
Payments to government	₹ 264 Mn (Standalone current tax and property tax cost of in-scope entities)
Financial Investment received from the government	₹ 308 Mn (Product Linked Incentive Scheme (PLI) of Strides Pharma Science Limited, India and Duty Drawback of Strides Pharma Science Limited, India and Strides Alathur Private Limited)

Note - Conversion rate to INR : USD - 82.82; GBP - 104.11; EUR - 89.69

## B. Human Capital Returns on Investment (HCROI)

Description	FY21	FY22	FY23	FY24
a. Total Revenue* (₹ in Mn)	33,159	30,703	37,672	42,141
b. Total Operating Expenses* (₹ in Mn)	21,389	24,337	26,720	26,664
c. Total employee-related expenses (salaries + benefits)* (₹ in Mn)	5,501	6,469	7,431	7,728

\*Universal Corporation Limited, Kenya (UCL) is an associate company of Strides Pharma Science Limited, India (Strides), effective September 30, 2022, and accordingly its financial metrics are not consolidated by Strides effective September 30, 2022.

Since our reporting boundary for social parameters (viz., workforce etc.) includes UCL, the financial information is also presented after including details of UCL for FY23 and FY24.

Consequently, the figures provided in a, b, and c above for FY23 and FY24 will differ from Strides' respective annual consolidated financial statement as available in the annual reports, owing to deconsolidation of UCL effective September 30, 2022.

<sup>76</sup>GRI 201-1, 201-4

# Tax Information and Employee Count of Subsidiaries

Particulars	Amount (₹)
Cash taxes paid	35,34,58,439
Less: tax refund received	(47,51,38,046)
<b>Net tax paid/(refund)</b>	<b>(12,16,79,607)</b>

Name of the Company	Country of incorporation	Number of full time employees	Revenue	Profit before tax	Provision for tax - as per Financial statement	Income tax paid	Tax refund - Received	Conversion rate	Currency	Amount - in ₹ (Million)	
										Effective shareholding as at March 31, 2024	Relationship
Strides Pharma Science Limited	India	2,397	21,532.58	696.21	41.31	113.05	473.79	1	INR	Public Company, listed in BSE and NSE, India	Listed Company
Strides Alathur Private Limited (formerly, Vivimed Life Sciences Private Limited)	India	301	1,298.54	(283.45)	(76.83)	0.32	-	1	INR	100%	Wholly owned Subsidiary
Neviton Softech Private Limited	India	132	76.72	16.63	5.49	5.91	-	1	INR	50%	Subsidiary
SVADS Holdings SA	Switzerland	0	61.29	33.61	51.82	1.35	-	93	CHF	100%	Wholly owned Subsidiary
UCL Brands Limited	Kenya	0	194.39	(152.68)	13.18	-	-	0.57	KES	51%	Subsidiary
Strides Pharma Global Pte Ltd	Singapore	4	19,922.87	(481.50)	212.18	-	-	82.82	USD	100%	Wholly owned Subsidiary
Strides CIS Limited	Cyprus	0	-	0.40	(0.46)	-	-	82.82	USD	100%	Wholly owned Subsidiary
Strides Pharma (Cyprus) Limited	Cyprus	12	1,381.24	197.80	24.39	26.77	-	89.69	EUR	100%	Wholly owned Subsidiary
Arco Lab Private Limited	India	367	1,387.31	173.71	46.24	39.00	0.02	1	INR	100%	Wholly owned Subsidiary

Name of the Company	Country of incorporation	Number of full time employees	Revenue	Profit before tax	Provision for tax - as per Financial statement	Income tax paid	Tax refund - Received	Conversion rate	Currency	Amount - in ₹ (Million)	
										Effective shareholding as at March 31, 2024	Relationship
Strides Nordic ApS	Denmark	0	475.23	4.36	2.39	15.58	-	12.04	DKK	100%	Wholly owned Subsidiary
Strides Netherlands B.V.	Netherlands	0	115.24	12.73	3.25	3.29	-	89.69	EUR	100%	Wholly owned Subsidiary
Strides Pharma UK Ltd	UK	22	2,987.05	133.52	153.27	-	-	104.11	GBP	100%	Wholly owned Subsidiary
Trinity Pharma (Pty) Limited	South Africa	45	1,791.45	137.28	34.30	38.44	1.33	4.41	ZAR	51.76%	Subsidiary
Strides Pharma Inc	USA	175	19,716.39	758.11	177.09	134.34	-	82.82	USD	100%	Wholly owned Subsidiary
Strides Lifesciences Limited	Nigeria	5	20.34	(344.56)	0.15	0.05	-	0.11	NGN	100%	Wholly owned Subsidiary
Strides Pharma Global (UK) Limited	UK	0	-	10.91	(6.61)	-	-	104.11	GBP	100%	Wholly owned Subsidiary
Strides Arcolab International Limited	UK	0	-	(1,017.03)	(222.27)	-	-	82.82	USD	100%	Wholly owned Subsidiary
Strides Pharma International Limited	Cyprus	0	-	77.32	9.33	10.18	-	82.82	USD	100%	Wholly owned Subsidiary
Tax credit on account of Consol adjustments										(152.33)	-
<b>Total Tax Cost as per Consolidated financial statement</b>						<b>388.28</b>	<b>475.14</b>				

#### Note:

- Entities are considered only if tax cost is accrued during FY24.
- Taxes paid and refunds have been considered basis the actual outflow/ inflow within the cut-off date of March 31, 2024. Any outflow or inflow post such date in relation to the subject year will be considered in the subsequent financial year in which such payment is done.
- Refund details provided do not include the interest component since the same is in the nature of interest income and not refund of taxes paid.
- For any additional details including capital, please refer Annexure 2 of our Board's Report, viz., Form AOC 1 in page. 85-87 of FY24 Annual Report.

# GRI Index

Statement of use	GRI 1 used
<p><b>Strides Pharma Science Limited</b> has reported the information cited in this GRI content index for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 (FY24) with reference to the GRI Standards.</p>	<p><b>GRI 1:</b> Foundation 2021</p>

GRI Standard	Disclosure	Section/ Subsection Title/ Annual Report FY24	Page no. References
GRI 2: General Disclosures	2-1 Organisational details	About Strides	7
GRI 2: General Disclosures	2-2 Entities included in the organisation's sustainability reporting	Introducing our Sustainability Report: Reporting Boundary and Scope	Front inside cover & 124
GRI 2: General Disclosures	2-3 Reporting period, frequency and contact point	Introducing our Sustainability Report	
GRI 2: General Disclosures	2-4 Restatements of information	-	-
GRI 2: General Disclosures	2-5 External assurance	-	-
GRI 2: General Disclosures	2-6 Activities, value chain and other business relationships	About Strides: Our Operations	8
GRI 2: General Disclosures	2-7 Employees	Our People: Future Ready Workforce	80
GRI 2: General Disclosures	2-8 Workers who are not employees	Our People: Future Ready Workforce	80
GRI 2: General Disclosures	2-9 Governance structure and composition	Responsible Governance: Our Board	20-23
GRI 2: General Disclosures	2-10 Nomination and selection of the highest governance body	Responsible Governance: Our Board	20-25
GRI 2: General Disclosures	2-11 Chair of the highest governance body	Responsible Governance: Our Board	20-24
GRI 2: General Disclosures	2-12 Role of the highest governance body in overseeing the management of impacts	Refer to our Annual Report FY24: Corporate Governance Report	115-117
GRI 2: General Disclosures	2-13 Delegation of responsibility for managing impacts	Refer to our Annual Report FY24: Corporate Governance Report	115-117
GRI 2: General Disclosures	2-14 Role of the highest governance body in sustainability reporting	Responsible Governance: ESG Governance	28-29

GRI Standard	Disclosure	Section/ Subsection Title/ Annual Report FY24	Page no. References
GRI 2: General Disclosures	2-15 Conflicts of interest	Responsible Governance: Ensuring Ethical Conduct: Policies and Procedures	26-27
GRI 2: General Disclosures	2-16 Communication of critical concerns	<a href="#">Whistleblower Policy</a>	-
GRI 2: General Disclosures	2-17 Collective knowledge of the highest governance body	Refer to our Annual Report FY24: Board Skill Matrix	109-110
GRI 2: General Disclosures	2-19 Remuneration policies	<a href="#">Nomination &amp; Remuneration policy</a>	-
GRI 2: General Disclosures	2-20 Process to determine remuneration	<a href="#">Nomination &amp; Remuneration policy</a>	-
GRI 2: General Disclosures	2-21 Annual total compensation ratio	Refer to our Annual Report FY24: The Board's Report	92-93
GRI 2: General Disclosures	2-22 Statement on sustainable development strategy	Our ESG Framework	12-17
GRI 2: General Disclosures	2-23 Policy commitments	<a href="#">Corporate policies</a> <a href="#">ESG focussed policies</a> <a href="#">Risk related policies</a>	-
GRI 2: General Disclosures	2-24 Embedding policy commitments	<a href="#">Risk related policies</a>	-
GRI 2: General Disclosures	2-25 Processes to remediate negative impacts	Refer to our Annual Report FY24: BRSR- Principle 3 <a href="#">Code of Conduct</a> <a href="#">Whistleblower Policy</a>	149-155
GRI 2: General Disclosures	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Code of Conduct</a> <a href="#">Whistleblower Policy</a>	-
GRI 2: General Disclosures	2-27 Compliance with laws and regulations	<a href="#">Code of Conduct</a>	-
GRI 2: General Disclosures	2-28 Membership associations	Responsible Governance: Contributions and Other Spending Refer to our Annual Report FY24: BRSR - Principle 7	30-31 168-169
GRI 2: General Disclosures	2-29 Approach to stakeholder engagement	Stakeholder Engagement	18-19
GRI 2: General Disclosures	2-30 Collective bargaining agreements	Our People: Future Ready Workforce	81
GRI 3: Material Topics	3-1 Process to determine material topics	Our ESG Framework: Materiality Analysis	12-13
GRI 3: Material Topics	3-2 List of material topics	Our ESG Framework: Materiality Analysis	13

GRI Standard	Disclosure	Section/ Subsection Title/ Annual Report FY24	Page no. References
GRI 3: Material Topics	3-3 Management of material topics	Responsible Governance	22-33
		Product Quality and Responsibility	46-53
		Resilient and Responsible Supply Chain	54-59
		Enhancing Access to Affordable Healthcare	66-77
		Our People	78-93
		Our Social Impact	104-113
		Environmental Sustainability	114-122
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Refer to our Annual Report FY24 Appendix - Key financial metrics	14-17 130
GRI 201: Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	Our People: Enhancing Employee Well-being with WeCare	92-93
GRI 201: Economic Performance	201-4 Financial assistance received from government	Appendix - Key financial metrics	130
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Our People: Talent Attraction and Retention	82-83
GRI 202: Market Presence	202-2 Proportion of senior management hired from the local community (India)	Our People: Future Ready Workforce	87 & 128
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Our Social Impact: Governance	105
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	Our Social Impact	104-113
		Enhancing Access to Affordable Healthcare	66-77
		Our People	78-93
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Resilient and Responsible Supply Chain: Distribution and Supplier Mapping	56
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	<a href="#">Anti Bribery &amp; Anti Corruption policy</a>	-
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	<a href="#">Anti Bribery &amp; Anti Corruption policy</a>	-
		Our People: Fostering Diversity and Inclusion	86
		Our People: Continuous Learning and Development Support	88-89

GRI Standard	Disclosure	Section/ Subsection Title/ Annual Report FY24	Page no. References
GRI 205: Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	Responsible Governance: Ensuring Ethical Conduct: Policies and Procedures	26-28
GRI 206: Anti-competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Responsible Governance: Ensuring Ethical Conduct: Policies and Procedures	
GRI 207: Tax	207-1 Approach to tax	Responsible Governance: Tax Strategy and Reporting	30
GRI 207: Tax	207-2 Tax governance, control, and risk management	Responsible Governance: Tax Strategy and Reporting	
GRI 207: Tax	207-3 Stakeholder engagement and management of concerns related to tax	Responsible Governance: Tax Strategy and Reporting	
GRI 207: Tax	207-4 Country-by-country reporting	Responsible Governance: Tax Strategy and Reporting	30
		Tax information and employee count of subsidiaries	131-132
GRI 301: Materials	301-2 Recycled input materials used	Refer to our Annual Report FY24: BRSR - Principle 2	148
GRI 301: Materials	301-3 Reclaimed products and their packaging materials	Refer to our Annual Report FY24: BRSR - Principle 2	149
GRI 302: Energy	302-1 Energy consumption within the organisation	Environmental Sustainability: Energy Management Practices	116-117
GRI 302: Energy	302-2 Energy consumption outside of the organisation	Environmental Sustainability: Emissions	118
GRI 302: Energy	302-3 Energy intensity	Environmental Sustainability: Energy Management Practices	116
GRI 302: Energy	302-4 Reduction of energy consumption	Environmental Sustainability: Energy Management Practices	116-117
GRI 302: Energy	302-5 Reductions in energy requirements of products and services	Environmental Sustainability: Energy Management Practices Innovation Management: Process Efficiency Initiatives	117 64-65
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	Environmental Sustainability: Water Management	119-120
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GRI 303: Water and Effluents	303-4 Water discharge	Environmental Sustainability: Water Management	119-120
GRI 303: Water and Effluents	303-5 Water consumption	Environmental Sustainability: Water Management	
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Refer to our Annual Report FY24: BRSR - Principle 6	166-167
GRI 304: Biodiversity	304-2 Significant impacts of activities, products and services on biodiversity	Refer to our Annual Report FY24: BRSR - Principle 6	166-167
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Environmental Sustainability: Emissions	118
GRI 305: Emissions	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Sustainability: Emissions	
GRI 305: Emissions	305-3 Other indirect (Scope 3) GHG emissions	Environmental Sustainability: Emissions	
GRI 305: Emissions	305-4 GHG emissions intensity	Refer to our Annual Report FY24: BRSR - Principle 6	164
GRI 305: Emissions	305-5 Reduction of GHG emissions	Environmental Sustainability: Energy Management Practices	116-117
GRI 305: Emissions	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Sustainability: Emissions	118
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Environmental Sustainability: Waste Management	120-122
GRI 306: Waste	306-2 Management of significant waste-related impacts	Environmental Sustainability: Waste Management	
GRI 306: Waste	306-3 Waste generated	Environmental Sustainability: Waste Management	120
GRI 306: Waste	306-4 Waste diverted from disposal	Environmental Sustainability: Waste Management	121-122
GRI 306: Waste	306-5 Waste directed to disposal	Environmental Sustainability: Waste Management	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Resilient and Responsible Supply Chain: Supplier ESG Programme Capacity Building	59

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GRI 308: Supplier Environmental Assessment	308-2 Negative environmental impacts in the supply chain and actions taken	Resilient and Responsible Supply Chain: Supplier Screening and Risk Management	57
GRI 401: Employment	401-1 New employee hires and employee turnover	Our People: Talent Attraction and Retention	82-85
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People: Enhancing Employee Well-being with WeCare	92
GRI 401: Employment	401-3 Parental leave	Our People: Enhancing Employee Well-being with WeCare	92-93
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Fostering a Culture of Safety: OHS Management System	97-98
GRI 403: Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	Fostering a Culture of Safety: Hazard Identification, Risk Assessment and Incident Investigation	99-100
GRI 403: Occupational Health and Safety	403-3 Occupational health services	Fostering a Culture of Safety: Enhancing Workplace Health and Safety Through Occupational Health Services	103
GRI 403: Occupational Health and Safety	403-4 Worker participation, consultation, and communication on occupational health and safety	Fostering a Culture of Safety: OHS Management System Incident Reporting Health & Safety Practices at Strides	97 100 101
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GRI 403: Occupational Health and Safety	403-8 Workers covered by an occupational health and safety management system	Fostering a Culture of Safety: OHS Management System	96-98
GRI 403: Occupational Health and Safety	403-9 Work-related injuries	Fostering a Culture of Safety: Hazard Identification, Risk Assessment and Incident Investigation Incident Reporting	99 100
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GRI 404: Training and Education	404-1 Average hours of training per year per employee	Our People: Continuous Learning and Development Support	88
GRI 404: Training and Education	404-2 Programmes for upgrading employee skills and transition assistance programmes	Our People: Continuous Learning and Development Support	88-89
GRI 404: Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	Our People: Performance Management	90-91
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Our People: Future Ready Workforce Fostering Diversity & Inclusion	80 86-87
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GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Responsible Governance: Ensuring Ethical Conduct: Policies and Procedures	28
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our People: Future Ready Workforce	81
GRI 408: Child Labour	408-1 Operations and suppliers at significant risk for incidents of child labour	Refer to our Annual Report FY24: BRSR - Principle 5	159-161
GRI 409: Forced or Compulsory Labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Refer to our Annual Report FY24: BRSR - Principle 5	159-161

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GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Refer to our Annual Report FY24: BRSR - Principle 5	157-161
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