



glenmark

A new way for a new world

Glenmark Pharmaceuticals Limited

**ESG Factbook
FY 2024**



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About this Factbook

The ESG Factbook offers a supplementary collection of pertinent and material Environmental, Social, and Governance (ESG) information, and it should be referred to alongside our Integrated Annual Report FY 2024 for a comprehensive understanding of our sustainability practices. Unless specified otherwise, the ESG data within this book encompasses our global operations, ensuring a holistic view of our impact and initiatives worldwide. The data presented in the Factbook is aligned with reference to GRI standards and all financial figures are presented in INR unless indicated otherwise.

Through this factbook, we aim to provide stakeholders with transparent and detailed insights into our ESG performance, reinforcing our commitment to responsible and sustainable business practices.

ESG Targets



Progressing on our Sustainability Commitments

| | Targets | FY 2024 Performance |
|-----------------------|--|--|
| Environmental Targets | <ul style="list-style-type: none"> Committed to sustainability across all our operations globally Become a carbon neutral enterprise by 2030 (Cover Scope 1 and Scope 2 emissions only) Achieve water neutral operations by the year 2025 Zero waste to landfill at all our plant locations by the year 2027 | <ul style="list-style-type: none"> Scope 1 Emissions: 15,455 tCO₂e Scope 2 Emissions: 69,632 tCO₂e Scope 3 Emissions: 1,71,146 tCO₂e 120+ rainwater harvesting structures created to enhance water storage capacity Total Waste Generated: 3,608 MT (Hazardous + Non-Hazardous waste) Total Waste Landfilled: 4% |
| Social Targets | <ul style="list-style-type: none"> 16 global safety programs to be successfully launched by 2023 Aspire to impact 3 Mn lives by 2025 and further impact 5 Mn lives by 2030 Deepen global presence and deliver quality affordable in new markets Continue focus on gender equality and diversification | <ul style="list-style-type: none"> All 16 global safety programmes successfully launched and implemented* Successfully impacted 3.3 Mn lives over the years Global presence in 50+ Countries Gender Diversity: <ul style="list-style-type: none"> 14% Women in the Global Workforce 33% Women on the Board** 158 Women in STEM roles |
| Governance Targets | <ul style="list-style-type: none"> Maintain an ethical business culture to drive robust governance practices beyond compliance Continue maintaining high quality products and product transparency | <ul style="list-style-type: none"> Continued to maintain an ethical business culture Continued to maintain high quality products |

*Self-assessments for the safety programmes are carried out by sites half yearly and the corporate office conducts yearly assessments)

**As on 31 March 2024

ESG Performance

Environment



Energy

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------|--|-----|------------|------------|------------|-------------|
| Energy Mix | Total non-renewable energy consumption | MWh | 1,21,080.2 | 1,27,054.4 | 1,26,488.3 | 1,35,309.52 |
| | Total renewable energy consumption | MWh | 6,148.9 | 9,252.5 | 8,294.2 | 7,621.24 |

Total GHG Emissions

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|---------------|---|---------------------|----------|----------|-------------|----------|
| GHG Emissions | Direct Greenhouse Gas Emissions (Scope 1) | MTCO ₂ e | 11,713 | 14,967 | 13,343 | 15,455 |
| | Indirect Greenhouse Gas Emissions (Scope 2) | MTCO ₂ e | 66,515 | 66,739 | 64,812 | 69,632 |
| | Scope 1+2 | MTCO ₂ e | 78,228 | 81,706 | 78,155 | 85,087 |
| | Total indirect GHG emissions (Scope 3) | MTCO ₂ e | 1,76,551 | 1,19,426 | 1,75,068.73 | 1,71,146 |

| Focus Area | Parameter | UoM | FY 2023 | FY 2024 |
|------------|--|---------------------|-------------|----------|
| Scope 3 | Total indirect GHG emissions (Scope 3) | MTCO ₂ e | 1,75,068.73 | 1,71,146 |
| | • Category 1: Purchase goods and services | MTCO ₂ e | 52,474 | 48,402 |
| | • Category 2: Capital Goods | MTCO ₂ e | 11,816.13 | 24,788 |
| | • Category 3: Fuel and Energy | MTCO ₂ e | 16,052.79 | 18,663 |
| | • Category 4: Upstream Transport and distribution | MTCO ₂ e | 33,161.56 | 22,491 |
| | • Category 5: Waste Generated in operations | MTCO ₂ e | 89.09 | 41 |
| | • Category 6: Business Travel | MTCO ₂ e | 2,690 | 7,227 |
| | • Category 7: Employee Commute | MTCO ₂ e | 55,847 | 46,333 |
| | • Category 9: Downstream Transportation & Distribution | MTCO ₂ e | 2,893 | 3,201 |



Waste Management

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------|--|----------------------|---------|---------|---------|---------|
| Waste | Total waste disposed | Metric Tonnes | 2,817 | 2,943 | 3,020 | 3,613 |
| | • Total waste recycled/reused | Metric Tonnes | 1,986 | 1,975 | 1,978 | 2,632 |
| | • <i>Waste landfilled</i> | <i>Metric Tonnes</i> | 307 | 196 | 150 | 45 |
| | • <i>Waste incinerated with energy recovery</i> | <i>Metric Tonnes</i> | 0 | 0 | 0 | 0 |
| | • <i>Waste incinerated without energy recovery</i> | <i>Metric Tonnes</i> | 162 | 160 | 150 | 163 |
| | • <i>Waste otherwise disposed (Co-processing)</i> | <i>Metric Tonnes</i> | 362 | 612 | 742 | 772 |
| | • <i>Waste with unknown disposal method</i> | <i>Metric Tonnes</i> | 0 | 0 | 0 | 0 |

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------|--|----------------------|---------|---------|---------|---------|
| Waste | Total hazardous waste disposed | Metric Tonnes | 1,095 | 1,214 | 1,272 | 1,125 |
| | • Total hazardous waste recycled/reused | Metric Tonnes | 264 | 246 | 230 | 145 |
| | • <i>Hazardous waste landfilled</i> | <i>Metric Tonnes</i> | 307 | 196 | 150 | 45 |
| | • <i>Hazardous waste incinerated with energy recovery</i> | <i>Metric Tonnes</i> | 0 | 0 | 0 | 0 |
| | • <i>Hazardous waste incinerated without energy recovery</i> | <i>Metric Tonnes</i> | 162 | 160 | 150 | 163 |
| | • <i>Hazardous waste otherwise disposed (Co-processing)</i> | <i>Metric Tonnes</i> | 362 | 612 | 742 | 772 |
| | • <i>Hazardous waste with unknown disposal method</i> | <i>Metric Tonnes</i> | 0 | 0 | 0 | 0 |

Water Management

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------|--|-----------------------------|----------|----------|----------|----------|
| Water | Total water withdrawal (A) | <i>Million Cubic Meters</i> | 0.438231 | 0.481340 | 0.485464 | 0.480826 |
| | Total water discharge (B) | <i>Million Cubic Meters</i> | 0 | 0 | 0 | 0.006973 |
| | Total net freshwater consumption (A-B) | <i>Million Cubic Meters</i> | 0.438231 | 0.481340 | 0.485464 | 0.473853 |



Environmental Management

EHS Policy

At Glenmark, we prioritize the safety, health, and overall well-being of our workforce. Our Environment, Health, and Safety (EHS) policy is central to developing a resilient health and safety management system, aligned with industry-leading standards. Our EHS policy safeguards employees by following the Deming Cycle, or 'Plan Do Check Act' (PDCA), which emphasizes continual improvement. We regularly evaluate safety practices across our manufacturing plants and R&D Centers through training sessions and equipment inspections to uphold high safety standards. (Please read our EHS Policy [here](#))

Environment Violations

The company has not paid any significant fines (> USD \$10,000) related to environmental or ecological issues in the past four fiscal years.

Environment Assurance

Our environmental assurance is carried out by DNV Business Assurance India Private Limited. DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements and ISO 14046 - Environmental management - Water footprint - Principles, requirements, and guidelines to evaluate disclosures wrt. Greenhouse gases and water disclosures respectively.

Currently, 82% of our manufacturing sites globally are certified to ISO 14001 standards, affirming our commitment to international environmental best practices.

Biodiversity

We highly prioritize biodiversity and its crucial role in fostering a sustainable future. Our dedication is demonstrated through sustainable land use practices, habitat restoration initiatives, and measures to protect endangered species, all of which are integrated into our decision-making processes. This approach ensures ecological balance and aids in preserving biodiversity hotspots. Managing biodiversity is central to our operations, as evidenced by our ongoing Biodiversity Impact Assessment studies across all manufacturing sites which includes Ecosystem Services Review (ESR) Impact & Dependency Assessment. Additionally, we are also preparing a Biodiversity Management Plan for our sites.

Furthermore, our Biodiversity Policy underscores our commitment to afforestation and adherence to no-deforestation practices. This commitment aligns with the regulatory frameworks and is diligently adhered to across all our operating locations. (Please read our Biodiversity Policy [here](#))

Moreover, as part of our ESG initiatives, we planted 15,066 saplings in FY 2024.

ESG Performance

Social



Employee Information

| Focus Area | Parameter | UoM | <30 years | | 30-50 years | | >50 years | | Total |
|---------------------|---------------------------|--------|-----------|--------|-------------|--------|-----------|--------|--------|
| | | | Male | Female | Male | Female | Male | Female | |
| Workforce Breakdown | Total Permanent employees | Number | 2899 | 402 | 7579 | 1333 | 495 | 190 | 12,898 |
| | Total Permanent workers | Number | 883 | 57 | 1046 | 63 | 22 | 20 | 2,091 |
| | Total | Number | 3,782 | 459 | 8,625 | 1,396 | 517 | 210 | 14,989 |

| Focus Area | Parameter | UoM | <30 years | | 30-50 years | | >50 years | | Total |
|-----------------------------|-------------------|--------|-----------|--------|-------------|--------|-----------|--------|--------|
| | | | Male | Female | Male | Female | Male | Female | |
| Workforce Breakdown (Level) | Senior Management | Number | 0 | 0 | 55 | 4 | 60 | 9 | 128 |
| | Middle Management | Number | 0 | 0 | 260 | 56 | 110 | 25 | 451 |
| | Junior Management | Number | 43 | 32 | 1360 | 344 | 149 | 53 | 1,981 |
| | Non-Management | Number | 3740 | 427 | 6950 | 992 | 197 | 123 | 12,429 |
| | Total | Number | 3,782 | 459 | 8,625 | 1,396 | 517 | 210 | 14,989 |

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------------------------|--|------------|---------|---------|---------|---------|
| Workforce Breakdown (Gender) | Women in total workforce | Percentage | 13.41 | 14.5 | 13 | 14 |
| | Women in all management positions | Percentage | 16.31 | 20 | 18 | 19 |
| | Women in junior management positions | Percentage | 15.43 | 21 | 20 | 22 |
| | Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable positions | Percentage | 6.66 | 7.1 | 9.9 | 6 |
| | Women in revenue generating functions | Percentage | 14.13 | 14.1 | 12 | 14 |
| | Women in STEM-related positions | Percentage | 5.86 | 29.8 | 25 | 18 |

| Focus Area | Parameter | UoM | Share in total workforce | Share in all management positions |
|---|---------------------------|------------|--------------------------|-----------------------------------|
| Workforce Breakdown (Ethnicity & Nationality) | Asian | Percentage | 37 | 47 |
| | Black or African American | Percentage | 14 | 6 |
| | Hispanic or Latino | Percentage | 17 | 8 |
| | White | Percentage | 29 | 38 |
| | Indigenous or Native | Percentage | 0 | 0 |
| | Others | Percentage | 3 | 1 |

Data incorporated in Workforce Breakdown as per Ethnicity & Nationality covers 100% employees in the US



Gender Pay Indicators

| Focus Area | Parameter | UoM | Average Male Salary | Average Female Salary |
|-----------------------|--|-----|---------------------|-----------------------|
| Gender Pay Indicators | Executive level (base salary) | INR | 15,384,665 | 12,523,917 |
| | Executive level (base salary + cash incentives) | INR | 16,588,338 | 13,043,682 |
| | Management level (base salary) | INR | 3,023,879 | 2,948,491 |
| | Management level (base salary + cash incentives) | INR | 3,225,412 | 3,124,763 |
| | Non-management level (base salary) | INR | 598,447 | 735,909 |

Freedom of Association

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------------------|--|------------|---------|---------|---------|---------|
| Freedom of Association | Employees represented by an independent trade union or covered by collective bargaining agreements | Percentage | 3 | 3 | 4.3 | 4.1 |

Human Capital Return on Investment

| Focus Area | Parameter | UoM | FY 2024 |
|------------------------------------|---|-------------|------------|
| Human Capital Return on Investment | A. Total revenue | INR Million | 126,530.91 |
| | B. Total operating expenses | INR Million | 117,156.41 |
| | C. Total employee related expenses (salaries + benefits)* | INR Million | 30,128.68 |
| | Resulting HC ROI (A-(B-C))/C | Percentage | 1.311 |
| | Total full-time employees | Number | 14,989 |

*Total employee related expenses include employee benefits expense, labour charges, and employee post retirement benefits



Hiring

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|------------|------------------------------------|--------|---------|---------|---------|---------|
| Hiring | Total number of new employee hires | Number | 2321 | 2,682 | 3,528 | 3,504 |

| Focus Area | Parameter | UoM | FY 2024 |
|--------------------|--|--------|---------|
| New Employee Hires | New employee hires- by management level | | |
| | Senior management | Number | 18 |
| | Middle management | Number | 51 |
| | Junior management | Number | 277 |
| | Non-management | Number | 3158 |
| | New employee hires- by gender | | |
| | Male | Number | 3028 |
| | Female | Number | 476 |

Employee Wellbeing

| Focus Area | Parameter | UoM | FY 2023 | FY 2024 |
|---------------------|--|------------|---------|---------|
| Employee Wellbeing* | % of employees with top level of engagement satisfaction, wellbeing, or employee net promoter score (eNPS) | Percentage | 72 | 72 |
| | % of employees who responded to the survey | Percentage | 67 | 67 |

*Score as per the GPTW Survey

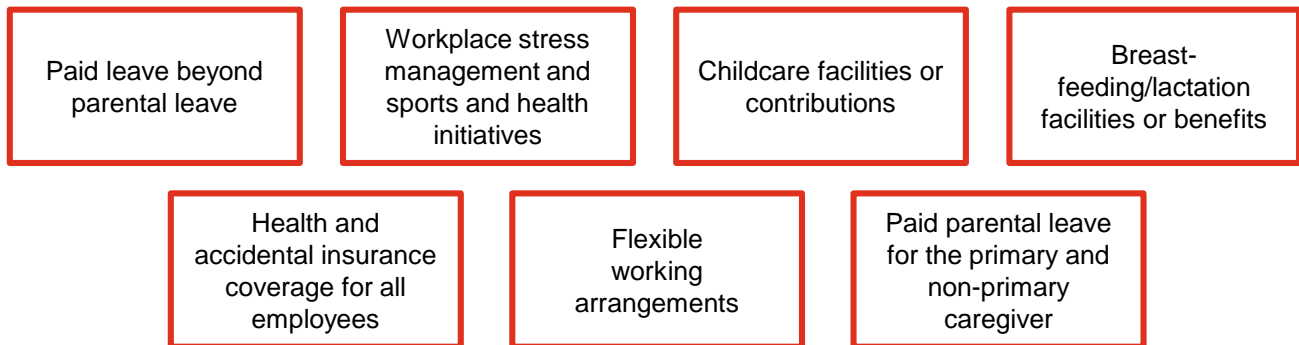


Performance Appraisal

At Glenmark, we implement a comprehensive performance management system that includes both individual and team-based appraisals, conducted annually. Our approach encompasses various methodologies such as Management by Objectives (A systematic process in which employees have pre-defined and measurable goals that are set in a collaborative manner on at least a yearly basis together with their line manager and routinely followed up on), Multidimensional Performance Appraisals, and Agile conversations. This multifaceted strategy not only fosters personal development among employees but also promotes a holistic team management perspective. By integrating these diverse appraisal techniques, we effectively manage skills and enhance human capital within the organization, ensuring continuous growth and development.

Employee Support Programmes

Glenmark is committed to implementing comprehensive support initiatives that promote the well-being and work-life balance of its staff.



Every region has a unique approach toward employee wellbeing. Below mentioned are some of the prominent benefits offered by Glenmark in many geographies.

- **Employee Assistance Programs:** 'Employee Assistance Program' is available for all employees in many geographies including India. The program is free, voluntary and confidential for all our employees. It provides services such as counselling sessions, life coaches and mental well-being programs.
- **Flexible working Arrangements:** We provide flexibility to our employees in working hours where we have core and non-core working hours. The employees can choose to plan their work hours basis their convenience within the ambit of the policy. We offer work from home arrangement in many geographies where employees can adjust their schedules and create a work environment tailored to their preferences.
- **Childcare facilities or contributions:** Formal creche policy
- **Breast-feeding/lactation facilities or benefits:** Established facilities at all plants
- **Parental Leave:** Our parental leave is in line with the statutory requirement for females (26 weeks in India) and for males we offer a paternity leave of 7 days/ 1 week. We also provide adoption leave for men and women as well as surrogacy leave for women
- **Paid leave beyond parental leave:** We offer a healthy mix of Privilege Leave, Casual Leaves and Sick leaves besides the parental care leaves to ensure employees at all times are equipped to handle all personal obligations. In India, in total we offer 36 leaves in a year to our corporate employees and 45 days to plant employees as specified in Policy. We also have 5 days working for most of our employees thus ensuring employees healthy work life balance for our employees.



Employee Development Programmes

Through our Employee Development Programs, we are committed to fostering the growth and advancement of our employees into key leadership roles. This initiative is strategically designed to identify and enhance the unique capabilities of our staff, providing them with the tools and opportunities needed to develop into effective and influential leaders. The program combines practical experience, personalized mentorship, and comprehensive training to ensure participants are well-prepared to drive innovation and achieve excellence within the organization. Through this program, we aim to cultivate a dynamic and thriving workforce, equipped to lead our company into a prosperous future.

| | 1 | 2 |
|--|--|---|
| Programme Name | Global Learning Calendar (GLC) | Talent Development |
| Description | Global learning Calendar - GCL calendar is a comprehensive global annual learning calendar spanning across 6 competencies and 26 programs. It offers a curated collection of learning interventions which focus on building internal capability not just for current business imperatives, but also to ensure that we are a future ready organization. | The Talent Development Programs are categorized into four tracks to address incremental role complexity and scale. Pearl & IRIS cater to early & midlevel managers while Gold and GlenEagles tracks have been curated for senior management and leadership. |
| Description of program objective/business benefits | Anchored on the Glenmark Competency Model, the calendar offers programs across the categories of <ul style="list-style-type: none"> •Competency development •Leadership transition •Professional excellence tailored to meet unique learning needs across levels, functions and geographies. | The program helps in building <ul style="list-style-type: none"> •Leadership capability •Strategic thinking •Business acumen skills |
| Quantitative impact of business benefits (monetary or non-monetary) | Training person days saw a 15% YoY increase Unique employee count saw a 10% YoY increase Training feedback was recorded at +4.8/5 | 214 participants have successfully completed the programs. |
| % of FTEs participating in the program | 7.5% | 1.5% |

Employee Turnover Rate

| Focus Area | Parameter | UoM | FY 2022 | FY 2023 | FY 2024 |
|-------------------------------------|-------------------------------|------------|---------|---------|---------|
| Total Employee Turnover Rate | Total employee turnover rate | Percentage | 22 | 23 | 20 |
| | Total voluntary turnover rate | Percentage | 19 | 19 | 18 |



Employee Turnover Rate

| Focus Area | Parameter | UoM | FY 2024 |
|-------------------------------|--|------------|---------|
| Total Voluntary Turnover Rate | Voluntary turnover rate - by management level | | |
| | Senior management | Percentage | 14.8 |
| | Middle management | Percentage | 11.5 |
| | Junior management | Percentage | 12.5 |
| | Non-management | Percentage | 19.1 |
| | Voluntary turnover rate- by gender | | |
| | Male | Percentage | 17.9 |
| | Female | Percentage | 18.2 |

Parental Leave

| Focus Area | Parameter | UoM | Male | Female | Total |
|-----------------|---|------------|-------|--------|-------|
| Parental Leave* | Employees entitled to parental leave | Number | 12924 | 2065 | 14989 |
| | Employees availed parental leave | Number | 435 | 35 | 470 |
| | Employees who were due to return to work in the reporting period after parental leave ended | Number | 436 | 40 | 476 |
| | Employees who returned to work in the reporting period after the parental leave ended | Number | 436 | 39 | 475 |
| | Employees who returned to work after parental leave ended and were due to complete 12 months after their return to work | Number | 339 | 27 | 366 |
| | Employees who returned to work after parental leave ended and were still employed 12 months after their return to work | Number | 306 | 25 | 331 |
| | Return to work rate | Percentage | 100% | 98% | 100% |
| | Retention rate | Percentage | 90% | 93% | 90% |

*Data for India FTE



| Focus Area | Parameter | UoM | FY 2024 |
|-----------------|---|--------|--|
| Parental Leave* | Total number of paid leave in weeks offered to your employees - Primary Caregiver | Number | 26 weeks- Maternal Leave 1 week- Paternal Leave |
| | Total number of paid leave in weeks offered to your employees - Non-Primary Caregiver | Number | 26 weeks- Maternal Leave 1 week- Paternal Leave |

*Data for India FTE

Employee Training

| Focus Area | Parameter | UoM | FY 2024 |
|----------------|--|-------|----------|
| Training Hours | Total training hours per full time employee (FTE) | Hours | 4,90,302 |
| | Total training hours by- management level | | |
| | Senior level employees | Hours | 1,119 |
| | Middle level management | Hours | 10,137 |
| | Junior level management | Hours | 55,708 |
| | Non-management | Hours | 423,338 |
| | Total training hours- by gender | | |
| | Male | Hours | 4,49,696 |
| | Female | Hours | 40,606 |
| | Average training hours per full time employee (FTE) | Hours | 33 |
| | Average training hours- by management level | | |
| | Senior level employees | Hours | 9 |
| | Middle level management | Hours | 23 |
| | Junior level management | Hours | 28 |
| | Non-management | Hours | 34 |
| | Average training hours- by gender | | |
| Male | Hours | 35 | |
| Female | Hours | 20 | |
| Training Cost | Average training cost per full time employee (FTE) | INR | 14,385 |

| Focus Area | Parameter | UoM | FY 2024 |
|-----------------------------|-------------------|-------|----------|
| Training Hours as per Topic | Compliance * | Hours | 2,09,593 |
| | Pharmacovigilance | Hours | 3,599 |
| | Skill upgradation | Hours | 2,77,110 |

*Communication and training about anti-corruption policies and procedures is included under Compliance training



Occupational Health and Safety

| Focus Area | Parameter | UoM | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|--------------------------------|--|-------------------------------|---------|---------|---------|---------|
| Occupational Health and Safety | Total number of fatalities | Number | 0 | 0 | 0 | 0 |
| | • <i>Total number of work-related fatalities for permanent employees</i> | Number | 0 | 0 | 0 | 0 |
| | • <i>Total number of work-related fatalities for permanent workers</i> | Number | 0 | 0 | 0 | 0 |
| | Lost time incident rate (LTIR) | LTIR (n/200,000 hours worked) | 0.04 | 0.06 | 0.03 | 0.01 |
| | Occupational disease | Number | 0 | 0 | 0 | 0 |

Human Rights

Glenmark Pharmaceuticals Limited has demonstrated a strong commitment to human rights through a comprehensive Human Rights Due Diligence (HRDD) exercise, reflecting its dedication to ethical and responsible business conduct. By aligning with global standards and the principles of the United Nations Global Compact (UNGC), Glenmark has put in place a robust Human Rights policy that ensures compliance with all applicable laws, regulations, and the company's internal protocols. This commitment is an integral part of Glenmark's broader objectives, which include enhancing workplace culture, protecting the environment, ensuring a sustainable supply chain, and uplifting the communities in which it operates.

The HRDD exercise focused on assessing the human rights landscape within Glenmark's operations, specifically at the Nalagarh and Sikkim plants. This assessment involved a multi-faceted approach to stakeholder engagement, utilizing online surveys and video-conference interviews to gather comprehensive insights. The findings informed the development of a Remediation and Mitigation Plan, prioritizing the most severe concerns and proposing targeted solutions to foster a safer, more inclusive, and engaging workplace environment. Key immediate actions include facilitation of better communication between the Manager and the Team along with bolstering wellness programs.

Moreover, the plan underscores the importance of ongoing employee engagement, continuous monitoring, and regular training initiatives to ensure the effectiveness and sustainability of the measures. By focusing on both immediate rectification and long-term cultural shifts, Glenmark Pharmaceuticals is poised to make significant strides in safeguarding human rights and enhancing employee well-being. This HRDD initiative not only reaffirms Glenmark's pledge to transparency and accountability but also solidifies its role as a responsible and ethical leader in the pharmaceutical industry.

ESG Performance

Governance



Board of Directors

One-tier system

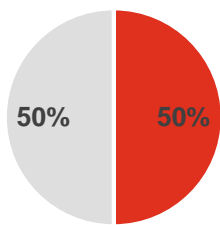
We have developed a robust governance structure that highlights our dedication to strong and effective governance practices. Our Board is enabled to ensure transparency, accountability, and integrity throughout the organization. As on date, our Board of Directors consists of eight members, including four female directors. We have a single-tier board comprising three executive directors and four independent directors.

| | | | |
|---|--|--|---|
| Mr. Glenn Saldanha Chairman and Managing Director | Mr. V. S. Mani Executive Director & Global Chief Financial Officer | Mrs. Cherylann Pinto Executive Director – Corporate Services | Mr. Rajesh V. Desai Non-Executive Independent Director |
| Mrs. B. E. Saldanha Non-Executive Director | Ms. Saira Ramasastry Non-Executive Independent Director | Mrs. Vijayalakshmi Iyer Non-Executive Independent Director | Mr. Dipankar Bhattacharjee Non-Executive Independent Director |
| Mr. D.R. Mehta* Non-Executive Independent | Mr. Bernard Munos* Non-Executive Independent | Dr. Brian W. Tempest* Non-Executive Independent | Mr. Sridhar Gorthi* Non-Executive Independent |

*Mr. D.R. Mehta, Mr. Sridhar Gorthi, Dr. Brian W. Tempest and Mr. Bernard Munos retired as Independent Directors from end of the day on 31 March 2024, consequent to completion of their second term of office as Independent Directors.

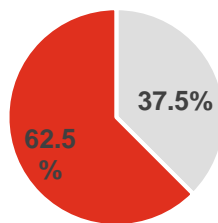
Board Composition**

Gender Diversity



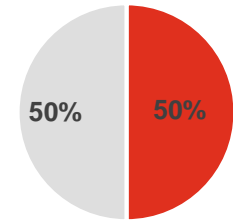
- Male Directors
- Female Directors

Executive Members



- Executive Directors
- Non-Executive Directors

Independent Members



- Independent Directors
- Non-Independent Directors

**As on date

Board Committees

| | | | |
|----------------------------------|--|--|--|
| Audit Committee | Corporate Social Responsibility Committee | Nomination & Remuneration Committee | Stakeholders Relationship Committee |
| Risk Management Committee | ESG Committee | Operations Committee | |



Key Board attributes

| Parameter | UoM | FY 2024 |
|--|-------------|--|
| Board gender diversity | Number | 4 female directors |
| Board average tenure | Years | 9.75 years |
| Board independent Directors | | 4 |
| Target share of Independent Directors to be maintained in the board | Descriptive | As per the Listing Obligations and Disclosure Requirements Regulation, 2015 by SEBI (Securities and Exchange Board of India) "If the listed entity does not have a regular non-executive chairperson at least half of the board of directors shall comprise of independent directors". Therefore, given that our Chairman is an Executive Director, the target share of independent directors at Glenmark is 50%. Currently, Glenmark has met target share and 50% of the Board is constituted by Independent Directors. |
| Board meeting attendance (minimum required) | Percentage | 14.25% Total Board Meetings in FY 2024 were 7. Considering 1 meeting as minimum requirement, the minimum Board meeting attendance is 14.25% (i.e. 1/7). Moreover, minimum 3 Directors including 1 Independent Director needs to be present in every Board meeting |
| Board meeting attendance* | Percentage | 95.24% |
| Name of non-executive/ independent directors with 4 or less other mandates | Descriptive | 4 (Mrs. B. E. Saldanha; Mr. Rajesh Desai; Ms. Sona Saira; Mr. Dipankar Bhattacharjee) |
| Non-Executive Chairperson/ Lead Director | Descriptive | Our Chairman and Managing Director, Mr. Glenn Saldanha is an Executive Director. Role of Chairperson and Managing Director/CEO is joint. |

*As of 31st March 2024

Board Processes

| Parameter | UoM | FY 2024 |
|------------------------|-------------|---|
| Board election process | Descriptive | <p>As per our Nomination and Remuneration Policy, the appointment of Directors, KMP, and Senior Management involves a thorough assessment of candidates' integrity, qualifications, expertise, and experience by the Nomination and Remuneration Committee, which then recommends suitable candidates to the Board. The Board members are elected individually and these appointments are aligned with our Company's employment policies, and Whole-Time Key Managerial Personnel are restricted to holding office in only one company at a time, except for subsidiaries, though they may serve as Directors elsewhere with Board notification.</p> <p>Independent Directors must meet specific attributes and disqualification criteria per Section 149(6) and relevant equity listing agreements. The tenure for a Managing Director or Whole-Time Director is capped at five years per term, with re-appointments allowed no sooner than one year before the current term's expiration. Independent Directors can serve up to two consecutive five-year terms, adhering to conditions set by the Companies Act, 2013, and the Listing Agreement. This framework ensures that appointments are based on merit and align with regulatory standards, promoting effective governance and operational integrity.</p> |



| Parameter | UoM | FY 2024 |
|---------------------------------|-------------|--|
| Board performance review | Descriptive | The Board completes its annual performance evaluation, encompassing its overall performance, the effectiveness of its Committees, and the contributions of each individual Director. The Company utilizes a secure, web-based application to facilitate the evaluation process. Directors received the evaluation questionnaires through this application, which can be conveniently accessed via iPads. The application is password-protected to ensure high security. The questionnaires are meticulously crafted, incorporating feedback from the Directors and addressing various aspects of the Board's functionality. These aspects include Board diversity, the composition and adequacy of committees, operational dynamics, governance, and Board relationships. Additionally, a separate evaluation is conducted for individual Directors. This evaluation assesses parameters such as the level of engagement and contribution, strategic vision, involvement, and professional independence. |

Board industry experience

| Parameter | UoM | FY 2024 |
|---|-------------|--|
| *Number of independent or non-executive members with industry experience | Number | 4 Directors |
| *List of Independent or Non-executive Directors | Descriptive | Mrs. Blanche Saldanha; Mr. Dipankar Bhattacharjee; Mr. Rajesh Desai; Ms. Sona Saira Ramasastry |

*As on date

Compensation attributes

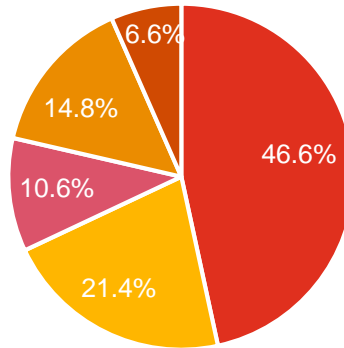
| Parameter | UoM | FY 2024 |
|--|-------------|---|
| CEO variable compensation metrics | Descriptive | Financials and Non-Financials Achievements on Goals |
| CEO annual compensation | INR | 16,86,09,325 |
| Employee annual compensation (median) | INR | 6,21,743 |
| Ratio of compensation | Ratio | 271.19 |

Ownership structure

| Parameter | UoM | FY 2024 |
|--|---------------------------|---|
| CEO share ownership | No. of shares owned | 9,83,439 |
| Family ownership (Individuals owning more than 5% of the voting rights) | No. and % of shares owned | The Saldanha Family Trust owns more than 5% of the shares, i.e., 45.45% of voting rights (12,82,41,936 shares) |
| Government voting rights | Descriptive | No governmental institutions own more than 5% of the total voting rights. |



Shareholding pattern



■ Promoters ■ Foreign Portfolio Investors ■ Mutual Funds ■ Resident Individuals ■ Others

Code of Conduct

Our Code encapsulates our core values and principles, guiding the behavior of all individuals associated with Glenmark, including employees, officers, and our Board of Directors. It upholds integrity and ethical standards, serving as a roadmap for sound decision-making, reinforced through comprehensive training and regular sessions. The Code directs us in how we conduct ourselves, treat each other, care for our patients, engage with our communities, and ensure our business remains compliant and sustainable. We continuously strengthen our Compliance framework through interventions and improvements, ensuring value creation for all stakeholders.

Our group-wide code of conduct, and it covers the following aspects –

1. Corruption and Bribery
2. Discrimination
3. Confidentiality of information
4. Conflicts of interest
5. Antitrust/anti-competitive practices
6. Money-laundering and/or insider trading/dealing
7. Environment, health and safety
8. Whistleblowing

Read our governance policies [here](#).

Codes of Conduct: Systems/ Procedures

Our company has meticulously outlined specific roles, responsibilities, and reporting structures across all divisions and subsidiaries to ensure seamless operations and adherence to our Code of Conduct (CoC). Each department has appointed officers dedicated to overseeing compliance with the CoC and escalating any issues to senior management. These responsibilities are regularly reviewed and updated to maintain their effectiveness and alignment with our company objectives. To support this structure, we have established help desks, focal points, and hotlines to offer support and advice on ethical issues and CoC-related matters, ensuring that all stakeholders can report concerns or seek guidance confidentially and easily. Furthermore, compliance with the CoC is closely linked to employee remuneration, and our performance appraisal systems are integrated with compliance metrics to ensure that adherence to our ethical guidelines is a key component of employee evaluations.

Coverage of topics under the Glenmark Code also extends to Privacy of Personal Information, Records and Information Management, Marketing Integrity, Patient Safety, Equal Employment Opportunity, Honest and Ethical Conduct, Accuracy and Integrity of Books, Records, and Accounts, Protection of Glenmark Assets, Communications, Marketing Integrity, Patient Safety, Product Quality, and Safety, Interaction with Health Care Professionals and Health Care Entities, Interaction with Government Officials, Insider Trading, etc.



Code of Conduct Breaches

| Parameter | UoM | FY 2024 |
|---------------------------------------|--------|---------|
| Corruption or Bribery | Number | 2 |
| Discrimination or Harassment (Sexual) | Number | 5 |
| Customer Privacy Data | Number | 0 |
| Conflict of Interest | Number | 3 |
| Money Laundering / Insider Trading | Number | 0 |

Compliance to Regulatory Standards

| Parameter | UoM | FY 2023 | FY 2024 |
|--|--------|---------|---------|
| Number of inspections | Number | 49 | 32 |
| Environmental-related regulatory violations. | Number | 0 | 0 |

Information and data security

Cybersecurity is crucial to Glenmark's operations, safeguarding our sensitive data, ensuring uninterrupted workflows, and preserving the integrity of our company's systems against cyber threats.

Mrs. Cherylann Pinto is our Board member who oversees Glenmark's corporate services, which include Human Resources (HR), Administration, Insurance, Information Technology (IT), Corporate Communications, and Corporate Social Responsibility (CSR). We also have a Chief Data Privacy Officer and a Deputy Data Privacy Officer who report to the Executive Vice President and Head of Legal, Compliance and Intellectual Property, who form part of our Executive team.

An internally accessible information security/cybersecurity policy is in place, complemented by mandatory awareness training for all employees. To enhance this training, Glenmark has partnered with a third-party provider, offering comprehensive programs and maintaining records of attendance. A clear escalation process is established for employees to report suspicious activities, ensuring that the latest cybersecurity threats are communicated effectively. Robust measures, including a Standard Operating Procedure (SOP) for incident management, delineate roles and responsibilities for handling incidents. The IT Acceptable Usage Policy (AUP) is a prerequisite for accessing Glenmark's IT systems, detailing the dos and don'ts to safeguard information security. Periodic IT security awareness training is provided to keep employees informed about emerging threats, supported by a well-structured escalation matrix for reporting any suspicions.

| Parameter | UoM | FY 2024 |
|---|--------|---------|
| Total number of information security breaches | Number | 0 |
| Total number of clients, customers and employees affected by the breaches | Number | 0 |

Read more about our Data security and Privacy in our Integrated Annual Report FY 2024 on page 151 [here](#).



Supply chain management

| Parameter | UoM | FY 2024 |
|---|------------|---------|
| Tier 1 suppliers | Number | 716 |
| Significant suppliers in Tier 1 | Number | 181 |
| % of total spent on significant suppliers in Tier 1 | Percentage | 90 |
| Significant suppliers in non-tier 1 | Number | 0 |
| Total number of significant suppliers (Tier 1 and Non-tier 1) | Number | 181 |
| Total number of suppliers assessed via desk/ on site assessment | Number | 17 |
| % of unique significant suppliers assessed | Percentage | 9.39 |
| Total number of suppliers assessed with substantial actual/potential negative impacts | Number | 181 |
| % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan | Percentage | 0 |
| Total number of suppliers with substantial actual/potential negative impacts that were terminated | Number | 0 |
| Total number of suppliers in capacity building programs | Number | 181 |
| % of significant suppliers in capacity building programs | Percentage | 100 |

Risk Management

Risk Governance

Glenmark's Risk Management Committee formulates a detailed [Risk Management Policy](#) to identify internal and external and mitigate risks, including financial, operational, business and strategic risks among others. It ensures methodologies and systems are in place to monitor and control these risks and oversees policy implementation, keeping the Board informed.





Risk Management

The policy is reviewed every two years to adapt to industry changes.

1. Operational Risk Ownership is undertaken by front-line employees and dedicated roles like risk managers, business unit heads, ensuring risks are managed at the operational level.
2. Risk Management and Compliance is overseen by senior management and the Risk Management Committee, setting control standards and ensuring compliance.
3. The audit function provides an independent assurance on the effectiveness of risk management and compliance processes.



We have implemented a comprehensive Risk Management framework designed to enhance management's understanding of the risk environment and evaluate potential exposure. At Glenmark, we review our company's risk exposure on a regular basis. Navigating geopolitical instability, supply chain disruptions, climate change, and evolving ESG risks requires adept management. Our risk management framework includes a defined risk appetite embedded in strategic plans, guiding decision-making. The Board, Committees, and Senior Management monitor our risk appetite to maintain appropriate risk tolerance.

Key determinants of Glenmark's risk appetite include:

- Shareholder and investor preferences and expectations
- Expected business performance
- Capital requirements for risk-taking
- Company Culture
- Management experience in risk and control management
- Long-term strategic priorities

Remaining risks are documented and discussed with the Committee. We conduct regular reviews to understand market shifts and changes in the external landscape. Key risks are reviewed quarterly to enhance mitigation strategies. Employees in high-risk roles receive regular, role-based training. Our risk management includes regular internal and annual external audits, adhering to statutory requirements. We also integrate risk considerations into developing new products or services.

Read more about Risk Management in our Integrated Annual Report FY 2024 on page 52-63 [here](#).

Our risk management system is designed to ensure the creation and implementation of appropriate risk policies and procedures, along with independent monitoring and reporting by internal audit. This system integrates centrally issued policies with procedures developed by individual divisions, enhancing the robustness of risk management. Specific structures are in place to address inherent risks in high-risk business areas. A strong and independent internal audit function performs risk-focused audits across all businesses, identifying areas for improvement. The Audit Committee of the Board reviews internal audit findings, provides strategic guidance on internal controls, and ensures the implementation of audit recommendations. Senior management regularly reviews the risk management framework to keep it up-to-date and effective in a changing business environment.



Emerging Risks

In today's rapidly evolving landscape, it is imperative for pharmaceutical companies to identify and manage emerging risks to ensure operational safety and long-term success. New challenges such as technological advancements, evolving regulatory requirements, geo-political concerns and data privacy concerns necessitate a strategic and proactive approach. By remaining vigilant and adapting our strategies to address these emerging risks, we can safeguard our assets, capitalize on new opportunities, and maintain resilience amidst uncertainty. This proactive stance ensures we remain competitive, compliant, and well-positioned to navigate the complexities of the global market.




| Supply Chain and Geopolitical Disruptions | Insufficient Cybersecurity and Data Privacy Protocols | Climate-related Events and Natural Disasters |
|---|---|--|
| Category | | |
| Economic | Technological | Environmental |
| Description | | |
| Pharmaceutical products must adhere to stringent manufacturing regulations, with compliance necessary across the entire supply chain, including both internal facilities and external suppliers. Compliance failures can lead to product recalls, production halts, delays in new product approvals, and license revocations. Geopolitical instability, such as wars and regional conflicts, further raise uncertainties to our operations. | Cyber-attacks and non-compliance with data privacy regulations threaten our global supply chain, risking sensitive data, intellectual property, financial stability, operations, reputation, and business growth. Non-compliance with laws like HIPAA and GDPR can also result in legal actions and fines. | Operating globally exposes our Company to various natural disasters such as earthquakes, floods, hurricanes, and extreme weather events. These environmental risks can significantly disrupt the value chain, impacting both production and distribution capabilities |
| Impact | | |
| Non-compliance can disrupt production, delay product launches, and lead to significant financial losses. | Cybersecurity breaches can be severe, impacting our legal standing, patient confidentiality, clinical results, proprietary research, intellectual property rights, financial performance, and customer trust. Due to climate events, human resources can be strained and there might be increased occurrences of cybercrime. | Natural disasters can disrupt production and distribution channels, leading to delays in the timely delivery of products and potential financial losses. This can lead to shortages in the market, impacting customer trust and satisfaction, and non-compliance with contractual obligations potentially leading to regulatory fines. |
| Mitigation Measures | | |
| To mitigate supply chain risks, our Company diversifies suppliers to reduce reliance on single sources, maintains business continuity plans, safety stocks, and backup arrangements. We regularly monitor external suppliers to identify and manage risks early. We invest in new and upgraded manufacturing facilities and register multiple sites with regulatory authorities. While geopolitical disruptions are beyond our control, we monitor changes and prepare contingency plans to mitigate potential impacts. | We are committed to a robust cybersecurity framework, including proactive measures, incident management, and compliance with privacy laws like GDPR and HIPAA. We implement strong IT systems with multi-factor authentication, web and email security, and controlled access to confidential data. Regular training, risk assessments, and continuous upgrades ensure protection against emerging threats. Comprehensive insurance and climate resilience measures further safeguard our infrastructure. | Our Company conducts comprehensive Climate Risk Assessments to evaluate both physical and transition risks across our manufacturing facilities. We implement several mitigation strategies, including supplier base diversification, investment in disaster-resilient infrastructure, and conducting regular structural safety assessments. Emergency response protocols are established to ensure swift and effective actions during crises. Additionally, our Company maintains comprehensive insurance coverage to mitigate financial losses associated with natural disasters. Moreover, we are investing in technologies to reduce energy and water consumption and transitioning to cleaner fuels to reduce greenhouse gas emissions. For more information on climate risk refer to our TCFD report. |



Materiality Assessment

In FY 2023, we conducted a robust impact materiality assessment and we review our material issues every three years to address evolving industry trends, dynamics and stakeholder expectations. We continually monitor, review, and validate economic, environmental, social, and governance topics to stay abreast with volatile market dynamics. Once our material issues are identified, they are integrated into our enterprise risk management process and forward-looking strategy. This integration ensures our strategic objectives are aligned with our risk management practices, fostering a cohesive approach to long-term success. Given a major change in the business structure in FY 2024, we re-evaluated our issues given the changing priorities of our stakeholders and have subsequently revised our material priorities.

Material Issues and its Mapping to Capital, Strategic Priorities, and SDGs

| | Material Topics | ESG Classification | Mapping with the Integrated Report | SDG Mapping |
|--------------|--------------------------------------|--------------------|---|---|
| Very High | Business Ethics | Governance | <ul style="list-style-type: none"> Financial Capital Social and Relationship Capital Intellectual Capital |  |
| | Corporate Governance | Governance | | |
| | Cybersecurity and Data Privacy | Governance | | |
| High | Risk Management | Governance | <ul style="list-style-type: none"> Financial Capital Social and Relationship Capital Intellectual Capital Human Capital |  |
| | Product Quality and Safety | Social | | |
| | Human Capital Development | Social | | |
| | Enhancing Accessibility of Medicines | Social | | |
| | Climate Change | Social | | |
| | Talent Attraction and Retention | Social | | |
| | Human Rights | Social | | |
| | Occupational Health and Safety | Social | | |
| | Supply Chain Management | Social | | |
| | Community Development | Social | | |
| | Climate Change | Environment | | |
| Biodiversity | Environment | | | |
| Medium | Innovation and Research | Social | <ul style="list-style-type: none"> Financial Capital Social and Relationship Capital Intellectual Capital Human Capital |  |
| | Promoting Diversity | Social | | |
| | Water and Waste Management | Environment | | |



Materiality Assessment

Enterprise value creation

| Material Issue | 1 | 2 | 3 |
|--------------------------------|--|--|---|
| | Climate Change | Water and waste management | Risk Management |
| Material Issue Category | Climate Transition & Physical Risks | Water | Corporate Governance |
| Business Case | <p>Climate change poses significant physical and transition risks to the Company's business. The impacts of climate change could potentially hinder business continuity and human safety. Glenmark has already embarked on a strategic journey to align with global sustainability initiatives, driven by the increasing influence of climate-related norms, regulations, and industry trends. The company is proactively implementing initiatives aligned to their target of reducing carbon emissions by 2035 and are also ensuring strict compliance with environmental standards. It is our objective to position ourself as a responsible industry leader committed to mitigating its climate impact.</p> | <p>Previously names as Circular Economy, our material issue water and waste management, play a crucial role in our business. Our operations depend on high-quality water sourced from surface and groundwater, municipal supplies, and harvested rainwater. Ensuring a reliable water supply is crucial for maintaining production of essential medicines and meeting our social responsibility commitments. A robust waste management framework is equally vital, ensuring both regulatory compliance and ethical stewardship. Given the hazardous nature of pharmaceutical waste, specialized disposal measures are necessary to mitigate environmental and health risks. Investing in advanced water and waste management systems will safeguard our operational integrity, enhance regulatory adherence, and uphold our commitment to sustainable practices.</p> | <p>Effectively identifying and managing risks is essential as we navigate an ever-changing landscape characterized by geopolitical instability, supply chain disruptions, climate change, and evolving ESG concerns. Addressing these challenges requires skilled management to maintain our success in an increasingly complex global environment.</p> |
| Business Impact | Risk | Risk | Risk |
| Business Strategies | <p>By conducting a scenario based CRA we were able to develop a climate change strategy with a targeted approach to help our business grow amid a dynamic operating environment. Our mitigation strategy incorporates short- and long-term action points so we are equipped with accurate response mechanisms. Glenmark's governance mechanism includes a Board level ESG committee, which is responsible for framing the sustainability and climate change initiatives at Glenmark.</p> | <p>Our strategy emphasizes business continuity, water risk mitigation, and conservation. We employ water-efficient technology, optimize water use, and raise employee awareness to reduce environmental impact and ensure clean water availability. We are committed to water neutrality by 2025 and have also implemented Zero Liquid Discharge (ZLD) at three of our eight Indian manufacturing sites, with the remaining sites recycling treated effluent. These efforts preserve ecosystems, promote community health, and ensure sustainability.</p> | <p>At Glenmark, we have implemented a comprehensive enterprise risk management framework to systematically identify, assess, and mitigate risks that could affect our value chain. This proactive strategy allows us to foresee potential vulnerabilities and develop strategic action plans to minimize severe impacts. By embedding risk management into our core operations, we not only protect our assets but also promote a culture of continuous improvement and operational excellence.</p> |



Materiality Assessment

Enterprise value creation

| Material Issue | 1 | 2 | 3 |
|----------------------------|--|--|---|
| | Climate Change | Water and waste management | Risk Management |
| Business Strategies | <p>The President is responsible for tracking progress and overseeing the implementation and management of the strategy and targets set by Glenmark. As part of our strategic plan, we will be increasing capital investments in low carbon and energy-efficient technologies and refining supply chain compliances to ensure transparency. We are also working towards diversifying our supply chain to cope with distribution and availability-based factors that are under the threat of climate change.</p> | <p>For waste management, we recycle non-hazardous waste, minimize hazardous waste to landfills, manage plastic per EPR guidelines, recycle e-waste, and return battery waste for recycling. Our goal is zero waste to landfill by 2027, with five sites and 1 R&D center already achieving this milestone.</p> | <p>The day-to-day oversight and management of the Company's risk management program have been conferred upon the Committee. The Committee is responsible for ensuring that the Company maintains effective risk management and internal control systems and processes. It also provides regular reports to the Board on the effectiveness of the risk management program in identifying and addressing material business risks.</p> <p>The Company's risk management process systematically identifies, analyzes, evaluates, and manages all risks. The Board oversees and manages the risk management program, while senior management develops and maintains it to meet the Company's daily needs. Our approach is supported by a robust risk governance structure, a well-defined risk management policy, and strong internal control systems.</p> |
| Target | <p>We have SBTi approved targets to reduce our absolute scope 1 and 2 GHG emissions by 35% (from a FY 2021 base year) by FY 2035</p> <p>Become a carbon neutral enterprise by 2030 (Covers Scope 1 and Scope 2 emissions only)</p> | <p>Achieve water neutral operations by the year 2025.</p> <p>Zero waste to landfill at all our plant locations by the year 2027</p> | <p>Attain ISO 31000 Certification by 2027</p> |
| Target Year | 2035 | 2025 and 2027 | 2027 |



Materiality Assessment

Enterprise value creation

| Material Issue | 1 | 2 | 3 |
|-------------------------------|--|--|--|
| | Climate Change | Water and waste management | Risk Management |
| Progress | <ul style="list-style-type: none"> • 10.8% reduction in Scope 1 from base year 2021 • 2.8% reduction in Scope 2 from base year 2021 | <ul style="list-style-type: none"> • Recycled 145 MT of hazardous waste and co-processed 772 MT, with only 4% sent to landfill • Recycled 1,81,759 kL of wastewater | <ul style="list-style-type: none"> • Risk Management policy in accordance with the provisions of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") already in place and implemented |
| Executive Compensation | <p>The incentives (variable compensation) of the Group Presidents are tied to their performance on Key Result Areas (KRAs). Climate related KRAs form a part of their overall KRAs and include targets on energy efficiency, emission reduction, and other climate-related targets. These KRA's are part of the performance scorecard, which determines the computation of the variable compensation of each individual. ESG performance is part of overall Company scorecard which determines variable compensation for the management and employees.</p> | <p>The incentives (variable compensation) of the Group Presidents are tied to their performance on Key Result Areas (KRAs). Waste and waste related KRAs form a part of their overall KRAs and include targets on water consumption efficiency, waste reduction, recycling and other water and waste related targets. These KRA's are part of the performance scorecard, which determines the computation of the variable compensation of each individual. ESG performance is part of overall Company scorecard which determines variable compensation for the management and employees.</p> | <p>The incentives (variable compensation) of the Group Presidents are tied to their performance on Key Result Areas (KRAs). Risk management related KRAs form a part of their overall KRAs. These KRA's are part of the performance scorecard, which determines the computation of the variable compensation of each individual. ESG performance is part of overall Company scorecard which determines variable compensation for the management and employees.</p> |



Materiality Assessment

External Stakeholders

| Material Issue | Impact 1 | Impact 2 |
|---|---|--|
| | Climate Change | Community Development |
| Material Issue Category | Climate Transition & Physical Risks | Society & Community Relations |
| Cause of the Impact | <ul style="list-style-type: none"> • Business value chain: Operations and Supply chain • Business activity coverage: >50% of business activity | <ul style="list-style-type: none"> • Business value chain: Operations and Supply chain • Business activity coverage: >50% of business activity |
| External stakeholder(s)/impact area(s) evaluated | Environment and External employees (e.g. supply chain, contractors) | Environment and Society External employees (e.g. supply chain, contractors) |
| Topic relevance on external stakeholders | <p>The impact of climate change could potentially hinder business continuity and human safety. Climate change could also fundamentally alter how we view and engage with our suppliers. It also has a potential to affect communities and society as a whole through extreme weather conditions. On the other hand, It also offers opportunities arising through innovations in controlling air emissions, improving energy efficiency and increasing the percentage of renewable energy in the total energy consumed. We have undertaken science-based targets (SBTi) to mitigate our corporate greenhouse gas emissions. We also conduct Supplier Assessments and Screening on environmental and social criteria, through our Glenmark Supplier Protocol, to make our supply chain more sustainable. We also conduct supplier assessments to analyse climate risks to safeguard our supply chain. The supplier assessment protocol is aligned with the Pharmaceutical Supply Chain Initiative (PSCI).</p> <p>Impact: Positive and Negative</p> | <p>Community development is imperative for us. Our Corporate Social Responsibility (CSR) initiatives align with key areas including health, livelihood and skill-building, education, sports promotion, disaster relief, and access to healthcare and water positively impacts members of the community helping them lead a better quality of life.</p> <p>Impact: Positive</p> |
| Output Metric | Reduce absolute scope 1 & 2 GHG emissions by 35% | Lives impacted in a positive manner |
| Impact Valuation | Environmental value lost/gained Reduced environmental impact on the society | Quantified quality of life impacted Improved and enhanced quality of life |
| Impact Metric | GHG emissions reduced | Number of lives impacted |



GRI Index

| GRI 2: General Disclosures | | Slide Number |
|---|--|---------------------|
| 2-5 | External assurance | |
| 2-7 | Employees | 10 |
| 2-8 | Workers who are not employees | 10 |
| 2-9 | Governance structure and composition | 19 |
| 2-10 | Nomination and selection of the highest governance body | 20 |
| 2-11 | Chair of the highest governance body | 19 |
| 2-18 | Evaluation of the performance of the highest governance body | 21 |
| 2-19 | Remuneration policies | 20 |
| 2-21 | Annual total compensation ratio | 21 |
| 2-27 | Compliance with laws and regulations | 23 |
| 2-30 | Collective bargaining agreements | 11 |
| GRI 3: Material Topics 2021 | | Slide Number |
| 3-2 | List of material topics | 27 |
| Topic Standards | | |
| GRI 101: Biodiversity 2024 | | |
| 101-1 | Policies to halt and reverse biodiversity loss | 8 |
| 101-2 | Management of biodiversity impacts | 8 |
| GRI 201: Economic Performance 2016 | | |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 26 |
| GRI 205: Anti-corruption 2016 | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 16 |
| 205-3 | Confirmed incidents of corruption and actions taken | 23 |
| GRI 304: Biodiversity 2016 | | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | 8 |
| GRI 302: Energy 2016 | | |
| 302-1 | Energy consumption within the organization | 6 |



GRI Index

| | | |
|---|--|--------|
| GRI 303: Water and Effluents 2018 | | |
| 303-3 | Water Withdrawal | 7 |
| 303-4 | Water Discharge | 7 |
| 303-5 | Water consumption | 7 |
| GRI 305: Emissions 2016 | | |
| 305-1 | Direct (Scope 1) GHG emissions | 6 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 6 |
| 305-3 | Other indirect (Scope 3) GHG emissions | 6 |
| GRI 306: Waste 2020 | | |
| 306-4 | Waste diverted from disposal | 7 |
| 306-5 | Waste directed to disposal | 7 |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers that were screened using environmental criteria | 24 |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | 24 |
| GRI 401: Employment 2016 | | |
| 401-1 | New employee hires and employee turnover | 12, 14 |
| 401-3 | Parental leave | 15 |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-5 | Worker training on occupational health and safety | 16 |
| 403-9 | Work-related injuries | 17 |
| 403-10 | Work-related ill health | 17 |
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | 16 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | 14 |
| GRI 405: Diversity and Equal Opportunities 2016 | | |
| 405-1 | Diversity of governance bodies and employees | 19, 10 |
| 405-2 | Ratio of basic salary and remuneration of women to men | 11 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 11 |
| Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | 24 |
| 414-2 | Negative social impacts in the supply chain and actions taken | 24 |
| GRI 418: Customer Privacy 2016 | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 23 |



INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Glenmark Pharmaceuticals Limited (Corporate Identity Number L24299MH1977PLC019982, hereafter referred to as 'Glenmark' or 'the Company') to undertake an independent assurance of the Company's sustainability/non-financial disclosures in its ESG Factbook (hereafter referred to as 'ESG Factbook') for the period April 2023 – March 2024. The ESG Factbook has been prepared by Glenmark as a supplementary to the Integrated Report FY 2023-24, which was earlier assured by DNV.

The disclosures have been prepared by Glenmark:

- "with reference" to requirements of Global reporting Initiative (GRI) standards 2021
- Greenhouse Gas Protocol: *A Corporate Accounting and reporting Standard*.

DNV carried out the assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits*. DNV's VeriSustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol, DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements* and ISO 14046 - *Environmental management - Water footprint - Principles, requirements, and guidelines* to evaluate disclosures wrt. Greenhouse gases and water disclosures respectively.

The intended user of this assurance statement is the Management of Glenmark Pharmaceuticals Limited.

We have not performed any work and do not express any conclusion, on any other information that may be published outside of the 'ESG Factbook' and/or on Company's website for the current reporting period.

Responsibilities of the Management of Glenmark and of the Assurance Provider

The Management of Glenmark has the sole responsibility for the preparation of the 'ESG Factbook' and is responsible for all information disclosed in it. The company is responsible for maintaining the processes and procedures for collecting, analyzing and reporting the information and, ensuring the quality and consistency of the information presented in the ESG Factbook. Glenmark is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The scope of work as agreed is a limited level of assurance of the GRI disclosures in the 'ESG Factbook' as mentioned in Annexure-I, for the reporting period 01/04/2023 to 31/03/2024. The reported disclosures of the non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the section 'Scope and reporting Boundary' of the Company's Integrated Report FY 2023-24.

The boundary for the ESG Factbook covers all the global operation locations of Glenmark at consolidated level. For environmental disclosures, the boundary covers all the manufacturing plants and the Research & Development (R&D) centres of Glenmark in India.

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and free from material misstatements.

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The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial ESG Factbooks of the Company.
- The assessment is limited to data and information within the defined reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the ESG Factbook. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the ESG Factbook with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the ESG Factbook that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance Process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of Glenmark. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

1. Reviewed the disclosures in the ESG Factbook. Our focus included general disclosures, management processes, and any other key metrics specified under the reporting framework.
2. Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in ESG Factbook.
3. Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
4. Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
5. Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected GRI disclosures.
6. DNV audit team conducted on-site audits for corporate offices and sites (mentioned in Annexure- II). Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
7. Reviewed the process of reporting as defined in the assessment criteria.

Conclusion

Limited Level of Assurance

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the disclosures in the ESG Factbook does not properly describe adherence to the GRI Standards 2021, including the GRI 2: General Disclosures, GRI 3: Management Approach and the other selected GRI disclosures (as mentioned in Annexure-I), in all material aspects and in accordance with the reporting criteria.

1. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The ESG Factbook explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, as well as issues of relevance in terms of impact for Glenmark's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period. The ESG Factbook, prepared by Glenmark as a supplement to the Integrated Report for FY 2023-24, includes only selected material topics. All material topics are covered in the Integrated Report (already underwent independent Assurance by DNV) and these selected topics are detailed in the ESG Factbook, as referenced in the 'GRI Index' of the Factbook.

Nothing has come to our attention to suggest that the ESG Factbook does not meet the requirements related to the Principle of Materiality.

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2. Responsiveness

The extent to which an organization responds to stakeholder issues.

The ESG Factbook effectively highlights the Company's policies and governance systems addressing key material topics and major stakeholder concerns.

Nothing has come to our attention to believe that the ESG Factbook does not meet the requirements related to the Principle of Responsiveness.

3. Reliability/Accuracy

The accuracy and comparability of information presented in the ESG Factbook, as well as the quality of underlying data management systems.

The ESG Factbook brings out its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our assessments with Glenmark's management teams and process owners at the Corporate Office and sampled sites within the boundary of the ESG Factbook were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the ESG Factbook during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the ESG Factbook does not meet the principle of Reliability and Accuracy.

4. Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The ESG Factbook highlights the Company's performance concerning environmental, social, and governance matters for the designated reporting period, adhering to the Principle of Completeness requirements.

Nothing has come to our attention to suggest that the ESG Factbook does not meet the Principle of Completeness with respect to scope, boundary and time for reported disclosures.

5. Neutrality/Balance

The extent to which a ESG Factbook provides a balanced account of an organization's performance, delivered in a neutral tone.

The ESG Factbook brings out the disclosures related to Glenmark's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the ESG Factbook does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – *Conformity assessment – General principles are requirements for validation and verification bodies*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the ESG Factbook except for this Assurance Statement for internal use of Glenmark Pharmaceuticals Limited.

¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>



DNV

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Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this ESG Factbook.

For DNV Business Assurance India Private Limited

| | | | |
|--|--|---|--|
| Parab, Ankita | Digitally signed by Parab, Ankita Date: 2024.10.09 17:26:42 +05'30' | Kakaraparthi Venkata Raman | Digitally signed by Kakaraparthi Venkata Raman Date: 2024.10.09 18:28:23 +05'30' |
| Ankita Parab Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India. | | Kakaraparthi Venkata Raman Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India. | |
| Assurance Team: Anjana Sharma, Varsha Bohiya, Himanshu Babbar | | | |

09/10/2024, Mumbai, India.

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

Annexure- I

Disclosures assured for Limited level of assurance:

- GRI 101: Biodiversity 2024 – 101-1;
- GRI 205: Anti-corruption 2016 –205-2, 205-3;
- GRI 302: Energy 2016 – 302-1;
- GRI 303: Water and Effluents 2018 – 303-3, 303-4, 303-5;
- GRI 305: Emissions 2016 –305-1, 305-2, 305-3*;
- GRI 306: Waste 2020 – 306-4; 306-5;
- GRI 308: Supplier Environmental Assessment 2016 – 308-1, 308-2;
- GRI 401: Employment 2016 – 401-1, 401-3;
- GRI 403: Occupational Health & Safety 2018 –403-5, 403-9, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1, 405-2;
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1;
- GRI 414: Supplier Social Assessment 2016 – 414-1, 414-2;
- GRI 418: Customer Privacy 2016 – 418-1.

* For Scope 3, GHG emissions are calculated for Category 1, 2, 3, 4, 5, 6, 7 and 9 as per GHG Protocol.

Annexure- II

Sites selected for audits

| Sr. no. | Site | Location |
|---------|-------------------------------|--|
| 1. | Corporate office | Mumbai, Maharashtra |
| 2. | Manufacturing plants- on-site | Pithampur, Madhya Pradesh Colvale, Goa |
| 3. | Manufacturing plants- remote | Ranipool, Sikkim Nalagarh, Himachal Pradesh |



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