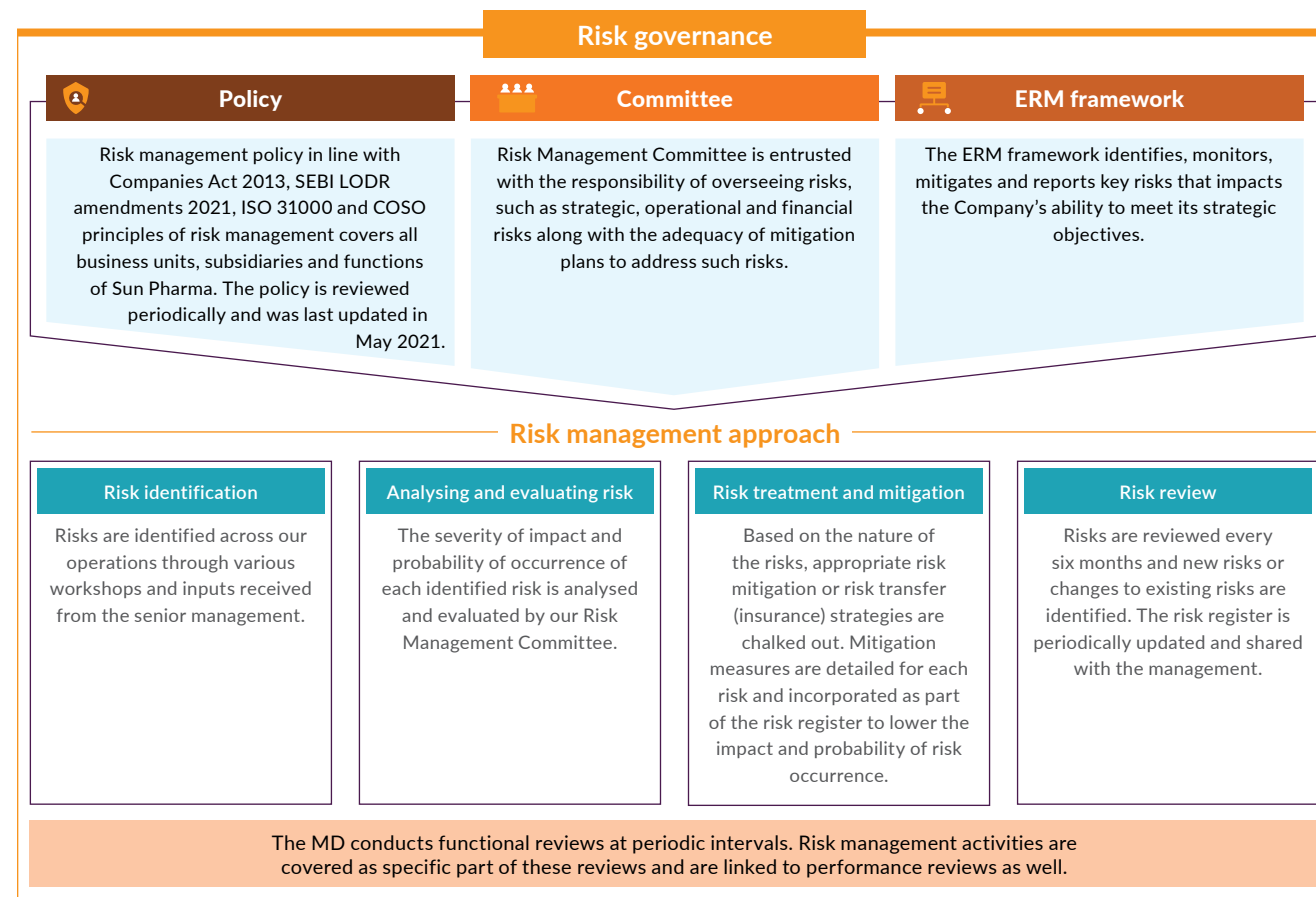


Future-proofing the business

Our business thrives in a dynamic environment characterised by emerging risks that have the potential to disrupt our business operations and hinder progress on our strategic objectives. A comprehensive Enterprise Risk Management (ERM) framework enables us to identify, assess and effectively mitigate risks.

The ERM framework not only helps us to deal with risks associated with our business, stakeholders and communities, but also create opportunities to advance towards a sustainable future.



Our key risks and mitigation strategies

Strategic, business and commercial risk | Addressing risks associated with managing product portfolio, pricing and margins

- Establishing a strong and diversified product portfolio by enhancing cross-functional synergies, organisational capabilities, project management and governance focused on product identification, development, planning and launch
- Strengthening in-licencing and out-licencing of products
- Focus on developing and commercialising specialty products and complex generics among others
- Vendor development, strengthening supply chain, working capital and inventory management
- Undertaking operational excellence programmes focused on yield and throughput improvement

Material topic linkage

- Responsible product pricing
- Product responsibility
- Product accessibility
- Investment in innovation and technology
- Development of complex molecules

Mitigation strategy

GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-15

Sectoral and regulatory compliance risk | Risks linked to non-adherence with standards and guidelines of all local and global regulatory agencies, focusing on pharmacovigilance, proprietary, confidentiality and other core governance standards (For instance, CGMP, CGLP, among others)

- Employ robust and centralised pharmacovigilance processes encompassing detailed SOPs that ensure efficient surveillance and reporting of adverse events
- Make consistent investments in technological interventions, strengthening governance mechanisms, and employee capacity-building in the area of pharmacovigilance management
- Established global quality standards and procedures throughout the organisation
- Rolled out periodic training programmes for employees on global GMP training
- Strengthening and harmonising quality related IT applications and systems
- Undertaking periodic quality review of third-party locations
- Strengthen quality of manufacturing records, test procedures at lab and continuous uptake of best practices
- Conduct brand protection activities and strengthen framework for trademark and IP protection activities with the support of a dedicated IP team focusing on patents

Material topic linkage

- ESG compliance
- Product responsibility

Business continuity risk | Addressing risks linked to business interruption from changes in local and global geo-political, socio-economic, regulatory or other events

- Ensuring business continuity by maintaining inventory of products and raw materials, having adequate local manufacturing capacity, conducting disaster recovery and business continuity testing for critical applications and alternative vendor development
- Focusing on stable and larger markets and strengthening regulatory capacity in key markets by actively engaging with regulatory agencies and hence mitigating risks from external sources

Material topic linkage

- Risk management
- ESG compliance

Technology risk | Maintain a secure and impenetrable network and system while supporting pace and scale of business transactions across geographies

- Strengthened perimeter security, IT and monitoring systems, anti-virus and patch management while conducting trainings on cyber security to reduce risks arising from cyber security and data breaches

Material topic linkage

- Data integrity and security
- Technology and digitalisation
- Investment in innovative technologies

Climate change and environmental risk | Addressing environment and climate change related risks and incorporating relevant norms and practices across the value chain

- Ensuring compliance through strong governance and review mechanisms, strengthening capabilities of EHS and legal compliance teams, conducting risk assessments and periodic reviews, implementing compliance management software for tracking and monitoring adherence to all applicable regulatory requirements
- Undertaking proactive initiatives towards mitigating the physical and transitional risks linked to climate change, for instance decarbonising operations, GHG emission reduction measures, and physical climate risk assessment for climate-proofing assets
- We also apply the precautionary principle (as described in Rio Declaration 1992) through the ERM framework to mitigate environmental risks

Material topic linkage

- Managing waste
- Water stewardship
- Energy management

Talent management linked risk | Addressing risks associated with talent acquisition, retention and development

- Attracting and retaining talent through multiple talent development programmes encompassing global talent management, stretch programmes and schemes along with compensation and other benefits to employees
- Formal succession planning programme for all leadership positions

Material topic linkage

- Attracting and retaining talent
- Workforce welfare

Mitigation strategy

GRI 102-11