

# Syngene



Environment



Social



Governance

**ESG Report**  
**2022-23**

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To download this report or to read it online, please log on to [www.esgreport.syngeneintl.com](http://www.esgreport.syngeneintl.com)

## Six capitals for value creation

### FINANCIAL CAPITAL

Performance highlights  
Section 04

### MANUFACTURED CAPITAL

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### INTELLECTUAL CAPITAL

Corporate governance  
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Section 13

- Responsible supply chain
- Quality
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- Cybersecurity and digitization



### HUMAN CAPITAL

Empowering our employees  
Section 11



### SOCIAL CAPITAL

Community engagement  
Section 12



### NATURAL CAPITAL

Protecting the environment  
Section 09

- Energy and emissions
- Water
- Waste management
- Green chemistry
- Biodiversity



# About the report

## Overview of the report

This is the third report on the Company's sustainability journey detailing performance on material issues as well as actions taken by the Company to improve non-financial performance.

## Reporting standards

This report is developed with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. Where applicable, it also indicates alignment with the United Nations Sustainable Development Goals and the Sustainability Accounting Standards Board disclosures.

## Reporting scope<sup>1</sup>

The report outlines the ESG performance and activities in the year 1 April 2022-31 March 2023.<sup>1</sup> The data presented in this report are aligned with the core values of excellence, professionalism and integrity which underpin Company operations and shape our approach to ESG matters. The reporting scope encompasses all the campuses and manufacturing facilities located in India during the reporting period. The date of publication of our ESG Report FY 2022-23 is 15 February 2024.<sup>2</sup>

Further information on our ESG performance for the above reporting period has been reported in the GRI data sheet FY 2022-23 and relevant sections of our Annual Report FY 2022-23.

As our reporting has matured, we have identified shortcomings or errors in prior reporting. In these cases, we have restated the data to provide clarity.<sup>3</sup>

## Responsibility statement

This report provides an accurate view of the ESG performance of the Company.

The Stakeholder Relationships and ESG Committee of the Board of Directors confirms that it has reviewed the content of this report which has been compiled under the oversight of the Executive ESG Council.<sup>4</sup>

## External assurance

The ESG Report FY 2022-23 has undergone an independent external assurance by DNV Business Assurance India Private Limited (DNV). The Assurance Statement is available on [Pg 87](#) of this report.<sup>5</sup>

Contact: For any queries or feedback, please contact us at [esg@syngeneintl.com](mailto:esg@syngeneintl.com).<sup>6</sup>

<sup>1</sup> GRI 2-3

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

<sup>3</sup> GRI 2-4

<sup>4</sup> GRI 2-14

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

<sup>6</sup> GRI 2-3

# Message from

Kiran Mazumdar-Shaw

Non-Executive Chairperson



**As we continue to feel the impact of climate change around the world, focusing on our environmental, social and governance practices has never felt more important and I am pleased to document the continued advances the company has made over the past year.**

We were not surprised to see the emergence of a coalition of large pharma companies at COP27 committing to re-double their efforts to mitigate the impact of their operations on the climate. In step with our clients we, too, are focusing on better managing our carbon footprint as it grows apace with our operations by making a public commitment to science-based targets for our greenhouse gas emissions.

During the year, the company became a signatory to the United Nations Global Compact to reinforce our absolute commitment to being a force for good in the world. Our environmental record is an important part of this commitment. Equally important is our determination to be a responsible employer creating hundreds of new roles in science each year and enforcing the highest standards of business ethics and governance, including transparent reporting, for the benefit of all stakeholders. On that score, I am delighted to note that our ESG report has been externally verified for the first time this year.

Turning to operations, I am very pleased to report two successful U.S. Food and Drug Administration inspections of our small and large molecule manufacturing facilities during the year. These inspections are not just a vital part of serving clients, they are also a definitive test of our adherence to global standards.

Discovery research showed tremendous growth during the year with the new campus in Hyderabad housing almost 1,000 research scientists by the end of the year. Establishing a second research campus has not only granted opportunities to many talented young scientists in the region but also offered us the benefits of being situated within a purpose-built science ecosystem in Genome Valley.

We have invested in educating the next generation of scientists through our STEM (Science, Technology, Engineering and Maths) education program 'Lab-on-a-Bike' as part of our corporate



social responsibility program. We have also partnered with the Research and Innovation Circle of Hyderabad to support women studying STEM subjects at tier 2 and 3 institutions through a scholarship and mentoring program. Twenty-five scholarships were awarded in the first year of the program. Syngene scientists will mentor these women, providing them with real insight into their chosen career.

As I reflect on the year and the efforts of our scientists to adopt green chemistry, our engineers to increase efficiency in our operations and our Human Resources team to promote gender balance and inclusivity in the workforce, I believe that we are playing our part as a responsible corporate citizen.

Achieving our science-based targets will provide new opportunities for innovation as our scientists will be required to consider environmental criteria in addition to focusing on the needs of the people and patients who benefit from our work. Using science to find solutions has been the backbone of the company from its inception, so I have no doubt that we will find ways to protect our planet for the benefit of future generations.<sup>7</sup>

Kiran Mazumdar-Shaw

<sup>7</sup> GRI 2-22

# Message from

Jonathan Hunt

Managing Director & CEO



**The year covered by this report was significant both for our business and our commitment to protecting the environment, building social equity and ensuring strong governance and business ethics. In particular, the start of a 10-year biologics manufacturing partnership with our long-standing client, Zoetis, and the further expansion of our Hyderabad discovery research hub were developments that impacted both our operations and our workforce.**

However, our approach to ESG remains unchanged: we continued to focus on the 12 topics identified in our materiality survey in 2021 (Pg 15). For the first time, we provided Syngene-only energy and water disclosures for the global CDP disclosure system, having previously reported jointly with Biocon. We also took the decision to commit to science-based targets during the year as further evidence of our determination to manage our impact on climate change responsibly in line with the 1.5 degree global warming target.

The partnership with Zoetis, significantly builds our presence in animal health and consolidates the investments that we have made in our biologics development and manufacturing capability. However, growth in biologics manufacturing will have an impact on our environmental performance by increasing consumption of natural resources such as fresh water. The biologics manufacturing process is the most energy intensive area of our business, so this agreement will also increase our energy consumption. Mitigating these impacts will be incorporated into our plans over the coming years.

In other areas of our ESG activity, we continued to make progress. In a business based on innovation, diversity of our workforce is important, so I am pleased to report that 27% of our workforce is female - against an industry norm of 11% in India - including 20% of our managers and leaders. We also made progress on our ability to welcome differently-abled employees into our workforce. We continued to invest in management and leadership development skills to ensure that all employees are regularly assessed and have individual development plans so that they can progress their career within the Company.



When it comes to governance, we have award-winning systems and processes in the Company including Synpliance, our compliance monitoring tool. We are also embarking on a review of our policies to eliminate duplication and fill any gaps resulting from new requirements or legislation. The revised policies will be completed during the current financial year.

During the year, we reviewed our sourcing activities to verify the resilience of our supply chain. We also reinforced our systems so that all supplies required for Good Manufacturing Practises (GMP) projects were traceable as required. As part of our commitment to science-based targets, we identified the major contributors to our scope 3 emissions (those generated by our supply chain). This now constitutes a baseline to start addressing this source of greenhouse gases. Indeed, reducing emissions from our suppliers plays an important role in ensuring that we meet our own science-based target. Three years into our own ESG journey, we know the challenges associated with measuring and reporting activity and we are committed to sharing our experience with suppliers to help them meet their own ESG goals.

As ever, we welcome feedback on our activities and this ESG report. I hope that you get a clear sense of the challenges we face as a fast-growing business, as well as the efforts that are underway to ensure that we operate responsibly while respecting the needs of all our stakeholders.<sup>8</sup>

Jonathan Hunt

<sup>8</sup> GRI 2-22

# Performance highlights for FY23

Section  
04



## Environment

**38%**

Total water recycled

**75%**

Percentage of renewable energy consumed

**90.75%**

Percentage of waste recycled

**Zero landfill status**

Achieved as of December 2022

**0**

Environmental violations





**Social**

**100%**

Return to work rate for males and females after taking parental leave

**Rs 81.8 Mn**

Support for communities through CSR expenditure

**2,557**

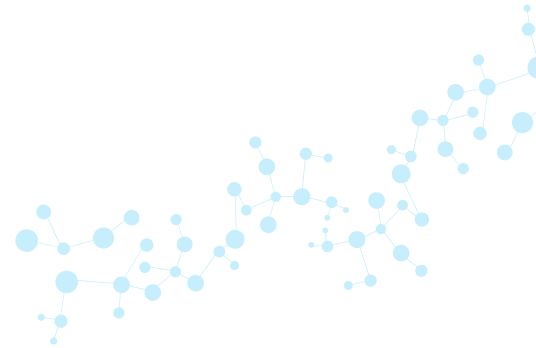
Number of new joinees

**27%**

Share of female permanent employees in the workforce

**0.07**

Safety record Total Recordable Case Frequency (TRCF)



**Governance**

**50%**

Share of women in board of directors

**0**

Number of suppliers/operations at risk for incidents of child labor or forced labor

**79**

Number of suppliers that were assessed using environmental & social criteria

**78**

Client and regulatory audits

**0**

Data breaches

# About Syngene<sup>9</sup>

Section  
**05**







**Syngene is a leading integrated research, development, and manufacturing services organization offering scientific solutions to advance human and animal health, specialty chemicals, and consumer goods. The Company has client partnerships that range from a single specialist service to an end-to-end research, development and manufacturing program, accelerating the progress of a molecule to market through seamless integration. With a history spanning more than three decades, Syngene is a trusted partner, offering tailored solutions and scientific services for clients ranging from some of the world's most sophisticated multinational corporations to small and medium-sized biotechs.**

### **Our locations**

Syngene's headquarters is situated on a 90-acre campus in Bangalore, India, serving as the hub for its discovery research and development activities. In addition to this campus, the Company operates three satellite campuses in Bangalore accommodating essential functions such as Human Resources, Legal, Finance, Clinical Development and Analytical Development.

Syngene's operational footprint extends to two other locations: Mangalore and Hyderabad. These campuses play a significant role as a commercial-scale active pharmaceutical ingredient (API) manufacturing facility and a discovery research hub, respectively. Further details on our operations can be found on [Pg 88-89](#) of our Annual Report FY 2022-23:

[https://annualreport.syngeneintl.com/pdf/Syngene\\_Annual-Report-2023.pdf](https://annualreport.syngeneintl.com/pdf/Syngene_Annual-Report-2023.pdf)<sup>9</sup>

<sup>9</sup> GRI 2-1

**Value creation**

**Vision**

To be a world-class partner delivering innovative scientific solutions.

**Values**



Integrity



Excellence



Professionalism

**Our workforce**

Our workforce<sup>10</sup> of 8,500+ people include some 6,000 scientists supported by specialist and functional professionals to ensure smooth delivery of client projects. Together, their skills and experience enable us to deliver great science at all points in the value chain from early discovery to commercial manufacturing for both small and large molecules.



<sup>10</sup> Our total number of permanent and non-permanent employees by gender have been reported in Annexure 3: GRI data sheet. We do not report employee data by region.

## Key business divisions

Syngene delivers innovative solutions and science-based services through four business divisions.<sup>11</sup>

### Discovery Services

The Discovery Services division assists clients in conducting early-stage research, identifying biological targets relevant to disease in patient populations and delivering drug candidates for further development. The Company has a specialized platform known as SynVent™ for integrated drug discovery. This platform provides clients with a complete project delivery capability based on differentiated technologies and our scientific expertise.

### Dedicated R&D Centers

Dedicated R&D facilities with multi-disciplinary teams focused on biopharmaceutical research for clients including Bristol Myers Squibb (BMS), Amgen, and Baxter. Each research and development center includes exclusive research infrastructure and dedicated research teams to support client requirements.

### Development Services

The Development Services division focuses on small molecules and provides the client with services ranging from pre-clinical to clinical trials, including drug substance, drug product development and associated services in order to demonstrate the safety, tolerability, and efficacy of drugs. Syngene specializes in analytical services such as method development, validation, transfer, and reference standard qualification throughout the development process. It also works with performance chemicals and specialty materials using synthetic organic chemistry and polymer chemistry.

### Manufacturing Services

Manufacturing Services offers commercial-scale manufacturing of small molecules from a cGMP-compliant API manufacturing campus in Mangalore and development and manufacturing services for large molecules from the biologics manufacturing campus in Bangalore.



<sup>11</sup> GRI 2-6

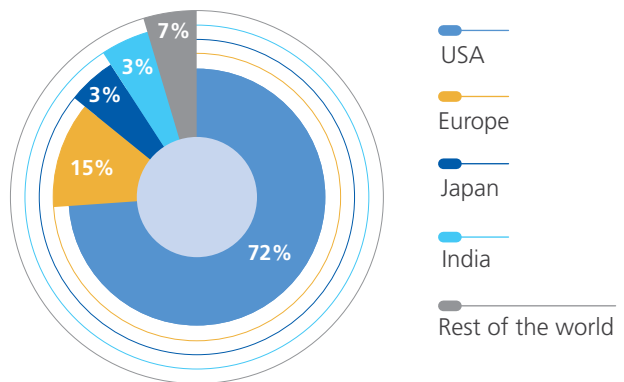


Syngene team at CPHI Barcelona - 2023, Gran Via Barcelona, Spain

**Our clients**

Syngene collaborates with clients<sup>12</sup> worldwide, with a significant proportion of them located in the United States. The Company provides customized, innovative solutions to a wide range of clients, including major multinational corporations as well as small and medium-sized biotech and manufacturing companies.

**Global client base of Syngene**



<sup>12</sup> GRI 2-6

Our clients\*

Large & Mid-sized BioPharma	Emerging BioPharma (EBP)	Animal Health	AgroChem	Consumer Products	Chemicals/ Polymers
Bristol Myers Squibb <sup>®</sup>	Albireo <sup>®</sup>	zoetis	FMC	Givaudan	BAUSCH+LOMB
GSK	AMPHISTA THERAPEUTICS	Elanco	DOW	PURINA	essilor
sanofi	idosia	BAYER	Dow AgroSciences	Unilever	Beiersdorf
NOVARTIS	Genmab				KRATON
AMGEN	ASCENEURON <small>A Neurodegeneration Therapeutics Company</small>				
MERCK	PharmAust LIMITED				
Boehringer Ingelheim	saniona				
Baxter	C4 Therapeutics				

\*This is a representative selection of the customers Syngene works with. We work with over 450 customers across industry segments

\*All product names, logos, brands, trademarks and registered trademarks are property of their respective owners

Further information on our value chain and business relationships<sup>13</sup> can be found on Pg. 05-09 of our Annual Report FY 2022-23:  
[https://annualreport.syngeneintl.com/pdf/Syngene\\_Annual-Report-2023.pdf](https://annualreport.syngeneintl.com/pdf/Syngene_Annual-Report-2023.pdf)



CPHI Barcelona 2023

<sup>13</sup> GRI 2-6

# ESG strategy and material topics

Section  
**06**





## Our ESG Strategy

Syngene is committed to building a business that is sustained by active environmental protection, positive societal impact, strong corporate governance and business ethics, both within the Company and in partnership with those who contribute to our supply chain. We measure and report our progress annually to provide stakeholders with a clear picture of the way we run our business.

The Company tailors its ESG strategy and priorities to align with business requirements and stakeholder expectations. ESG progress is reported via two formal channels: the Business Responsibility and Sustainability Report (BRSR part of the Annual Report) and the annual ESG report. These documents are available on the Company's website.

We have structured our ESG strategy around 12 material issues – identified by gathering feedback from stakeholders. These 12 topics bring focus to our activities, allowing us to tackle significant sustainability challenges while continuously exploring new avenues for improvement, remaining accountable, and forging partnerships to create long-term value.

## Our Vision

As an integral part of running a successful business, we aim to be a recognized leader in our sector for our commitment to integrating ESG parameters into our operations and demanding the same from our suppliers.

We measure and report progress annually so that stakeholders can hold us accountable for delivering on our commitments and sharing our shortcomings in a timely way.

By doing this, we will build trust with all stakeholders; attract the professional and scientific talent that is central to our business model; and be able to fulfil our mission to improve the lives of people, animals and patients through client partnerships, while minimising the impact of our activity on the planet and the communities in which we live and work.

**Materiality assessment**

In 2021, Syngene conducted a six-step stakeholder engagement and materiality assessment for the first time. Active participation and valuable feedback from stakeholders enabled the Company to prioritize critical issues affecting business sustainability. The identified material topics were aligned with the guidelines

set forth by the Global Reporting Initiatives (GRI) and the Sustainability Accounting Standards Board (SASB) Materiality for the sector, ensuring that Syngene’s approach was in line with industry best practices.<sup>14</sup>

**Methodology**

**1**

**Define the strategic purpose and identify potential material topics**

Determine the pertinent ESG topics by engaging in conversations with internal stakeholders, comparing against industry peers, and evaluating media, investor reports, and other secondary sources.



**2**

**Identify key internal and external stakeholder samples**

Elaborate on the stakeholder engagement approach, which includes selecting a representative group of internal and external stakeholders. Develop survey questionnaires focused on materiality to gather insights from these stakeholders.



**3**

**Deploy a materiality survey to all stakeholders**

Utilize online survey tools to distribute and collect data on stakeholder perceptions of ESG topics relevant to Syngene.



**4**

**Internal management discussion and materiality assessment**

Review the findings of the materiality survey with members of the Executive ESG Council and prioritize the significant issues that align with the business strategy.



**5**

**Prioritize material aspects for reporting**

Assess ESG survey results from internal and external stakeholders, and calibrate findings by synthesizing collected data.



**6**

**Materiality matrix development and disclosure on the website and ESG report**

<sup>14</sup> GRI 3-1







Syngene’s stakeholders which include investors, workforce, clients, suppliers, regulators, media and government bodies, determined critical concerns linked to the Company’s ongoing business operations. Keeping these concerns in mind, the Executive ESG Council nominated the following ESG topics as top priorities and accordingly gained approval from the Board.

**Material issues<sup>15</sup>**



<sup>15</sup> GRI 3-2

# Corporate governance

Section  
**07**





**Rigorous corporate governance shapes all aspects of company operations. As a listed company, we adhere to all applicable laws, regulations and governance requirements as required by the Stock Exchange Board of India. Beyond these foundations, the Company enforces high standards of individual integrity, business ethics, labour standards and environmental management.**

### Governance processes & approach

Our governance framework reinforces business resilience and underpins progress towards sustainability goals. We regularly evaluate and update our policies to ensure they are relevant and accessible to stakeholders on the Company website for reference. The Company conducts internal and external audits to assess adherence to pertinent standards, laws, and reporting regulations. These evaluations serve as insights for both management and shareholders, with conclusions and advice being thoroughly reviewed.<sup>16</sup>

### Our Board

The Syngene Board includes one Executive Director, two Non-Executive Directors, and five Independent Directors with complementary skills and experience to ensure that it is able to provide independent, objective and effective oversight and decision-making.<sup>17</sup>

The Syngene Board comprises qualified members who collectively bring with them the required skills, expertise and competencies, which allow them to make effective contributions to the Board and Committees as required in the context of the business, thus being instrumental in the progress and growth of the Company.<sup>18</sup>

The responsibility for identifying and evaluating a suitable candidate for the Board is delegated to the Nomination and Remuneration Committee (NRC). Further details on the nomination and selection of Board Members can be found on **Pg 116** of our Annual Report FY 2022-23:

[https://annualreport.syngeneintl.com/pdf/Syngene\\_Annual-Report-2023.pdf](https://annualreport.syngeneintl.com/pdf/Syngene_Annual-Report-2023.pdf)<sup>19</sup>

<sup>16</sup> GRI 2-12

<sup>18</sup> GRI 2-17



<sup>17</sup> GRI 2-9, 2-11 and 2-12

<sup>19</sup> GRI 2-10

Our Executive ESG Council<sup>20</sup> is chaired by the Managing Director & Chief Executive Officer, Jonathan Hunt who is also a member of the Board. The council also includes the Chief Financial Officer, the Chief Operating Officer, the Chief Human Resources Officer and the Head of Corporate Affairs. The Executive ESG Council is responsible for maintaining oversight on ESG performance and reports quarterly to the Stakeholder Relationship and ESG Committee of the Board.

### The Board Committees

Our Board Committees oversee company processes for identifying, investigating, and managing strategic issues.

-  **Audit Committee**
-  **Risk Management Committee**
-  **Stakeholders Relationship & ESG Committee**
-  **Corporate Social Responsibility Committee**
-  **Nomination & Remuneration Committee**
-  **Science & Technology Committee**

### Board diversity

Our Board diversity policy outlines the Board’s belief that a diverse Board, comprising individuals with varied expertise, backgrounds and industry knowledge greatly enhances the Company’s overall performance and effectiveness. <https://cdn.syngeneintl.com/2020/11/10173002/Syngene-Board-Diversity-Policy-2017.pdf>

All Board appointments are made on the basis of merit, taking into account the necessary skills required for business operations, general management, financial expertise and industry knowledge.

**In FY23, 50% of the Syngene Board members were female<sup>21</sup>**

### Environmental, Social & Governance in action

The MD & CEO is responsible for the implementation of the ESG strategy and performance. The creation of an Executive ESG Council in 2021 was instrumental in shaping the ESG strategy. This governing body also ensures accurate reporting of progress to stakeholders.<sup>22</sup>

The Executive ESG Council delivers quarterly updates to the Stakeholders Relationship and ESG Committee. It is complemented by an ESG working group, overseen by the Head of Corporate Affairs. Members of this group are tasked with the implementation of ESG initiatives across company operations.

For more information on Board Committees, please refer to the Annual Report: [https://annualreport.syngeneintl.com/pdf/Syngene\\_Annual-Report-2023.pdf](https://annualreport.syngeneintl.com/pdf/Syngene_Annual-Report-2023.pdf) - Section - Committees of the Board **Pg 123**

The Stakeholders Relationship & ESG Committee represents the views of the Board in overseeing delivery of the Company ESG goals. The Executive ESG Council reports progress to the committee quarterly.

<sup>20</sup> GRI 2-13

<sup>21</sup> GRI 405-1

<sup>22</sup> GRI 2-12 and 2-13



## Code of Conduct and compliance

The Code of Conduct is binding for every employee within the organization and its subsidiaries. It articulates expectations from its stakeholders concerning matters such as conflict of interest, workplace harassment, anti-corruption and adherence to all legal requirements.<sup>23</sup>

During the year, a business ethics team was set up to oversee and monitor compliance with standards, across the business. The Code of Conduct is being revised with additional provisions on key areas such as anti-bribery, conflict of interest, fair employment, fair competition and social media usage guidelines. As part of the review, a third party audit of our anti-bribery, anti-corruption framework was undertaken and the findings will be incorporated into the updated version.

Synpliance, a proprietary compliance tool, is used to monitor and track compliance with all applicable standards and regulations governing our activity.<sup>24</sup> A third party audit of the tool was conducted in the current financial year and the findings will drive improvements to the tool and associated procedures.

<https://cdn.syngeneintl.com/2022/08/24154649/Code-of-Ethics-and-Business-Conduct.pdf>

## Supplier ethics framework

The Supplier Code of Conduct is extended to suppliers, contractors, and business associates. Syngene is committed to strong and ethical business practices, and requires all suppliers and service providers to align with this commitment under the Supplier Code of Conduct.

The Supplier Code of Conduct covers key areas such as anti-bribery and corruption, embezzlement, labor standards and human rights and environmental compliances. In the current year, the document is also being enhanced with detailed provisions on material areas including on anti-bribery, export control, trade sanctions and forced labor.

## Supplier due diligence

Prior to onboarding, suppliers undergo due diligence in corruption, sanctions, economic crimes and litigations. A vendor anti-bribery, anti-corruption program is being introduced where vendors will be categorized according to risk and due diligence will be conducted for all high-risk vendors. Vendors are required to provide declarations once in two years with respect to their compliance with anti-bribery and corruption laws.

<sup>23</sup> GRI 2-23, 2-24 and SV-PS-510a.1.

<sup>24</sup> GRI 2-25

<sup>25</sup> GRI 2-25 and 2-26

<sup>26</sup> GRI 205-2

## Whistleblower mechanism and non-retaliation policy

The Company provides various channels for stakeholders to report any non-compliance concerns. Apart from internal reporting options, Syngene also has partnered with an external independent organisation for non-compliance reporting, which also includes anonymous reporting. This external reporting service is available around the clock. The Integrity and Whistleblower policy outlines the procedure for any individual to raise concerns about suspected unethical or non-compliant activities and can be accessed at the <https://cdn.syngeneintl.com/2021/11/08224716/Integrity-and-Whistle-blower-Policy.pdf><sup>25</sup>

Syngene upholds a strict policy against retaliation against whistleblowers or any employee who reports complaints in good faith. Complete confidentiality is guaranteed for both the complainant and the whistleblower. In FY23, there were nine whistleblower complaints and no individuals were denied access to the Chairman of the Audit Committee.


Whenever a concern is reported, the Company undertakes fair and unprejudiced investigations, in accordance with the policy and applicable laws and regulations.

## Training & awareness

All employees mandatorily undergo Code of Conduct certification annually, in addition to completing training modules on anti-bribery and anti-corruption; prevention of sexual harassment; and data integrity. Induction sessions are conducted for the new joiners on ethics topics and they are required to complete the training modules within 30 days of joining.<sup>26</sup>

Syngene conducted familiarization programs and awareness sessions for its Board of Directors during FY23. These sessions encompassed critical subjects such as: cybersecurity and the mitigation of ransomware threats; strategic planning; and enhancing customer engagement. Performance evaluation of the Board is done externally once every three years and internally during the intervening years. The outcome of the evaluation determines whether the appointment term of the independent directors coming up for appointment is extended.

## Memberships and trade associations

Syngene engages with industry associations and other membership associations, and national or international advocacy organizations in which it participates in a significant role. BRSR report principle 7  177 in the Annual Report FY23.

[https://annualreport.syngeneintl.com/pdf/Syngene\\_Annual-Report-2023.pdf](https://annualreport.syngeneintl.com/pdf/Syngene_Annual-Report-2023.pdf)

# Stakeholder engagement

Section  
08





Supplier Summit & Awards 2023, Bangalore

**The Company recognizes the important role that stakeholders play in sustaining future growth. Through regular interactions and strategic engagements, we aim to build relationships that enable us to pursue sustained business growth with support and alignment of all stakeholders.<sup>27</sup>**



<sup>27</sup> GRI 2-29

## Key stakeholders

### Stakeholder



#### CSR partners

### Channel for communication

The Company's CSR programs are overseen by the Biocon Foundation, which serves as the CSR arm of the Biocon Group. The Company also directly collaborates with agencies and institutions to carry out its CSR initiatives.

### Nature of communication

Biocon Foundation facilitates day-to-day engagement activities.



#### R&D, manufacturing, and other commercial clients

A key account management system provides clients with a dedicated company contact.

Regular interaction occurs through the client account team and project teams, with the frequency of communication tailored to the project's specific requirements.

Each dedicated center has a management team which has responsibility for organizing projects and communicating with clients. The nature of the engagement is established as a component of the contract in each case.



#### Vendors

The Strategic Sourcing team has oversight of all vendors within the procurement process.

Category managers serve as the initial point of contact for vendors, assisting in contract formulation and managing any concerns or feedback throughout the contract execution.



#### Local and national authorities

Interaction with authorities can occur through direct engagement with local authorities or involvement in an industry body at the national level.

The Company engages as needed with local authorities through teams such as Health and Safety, Human Resources, and Legal. Additionally, the Company actively participates in industry bodies to collaborate with government departments on relevant industry developments.



#### Media

Corporate Communications manages all communication with the media either directly or through a specialized consultancy.

Quarterly business briefings are conducted for business media interested in covering financial results. Engaging with trade media individually throughout the quarter offers a chance to highlight scientific accomplishments. During the year, the Company hosted 2 on-site media visits on the Bangalore campus.



**Stakeholder**



**Employees**

**Channel for communication**

Employees have multiple avenues to connect with colleagues and managers, such as quarterly town halls, COO weekly coffee chats, and additional town hall sessions. For personal support, employees can reach out to the Human Resources (HR) team directly or utilize the HR chatbot. An annual all-employee survey provides an independent channel for employee feedback.

**Nature of communication**

Before each town hall, employees are encouraged to submit questions, which are addressed either during the town hall itself or subsequently on the intranet. Managers are responsible for maintaining regular engagement with their team members and conducting both mid-year and full-year performance reviews for each team member. In cases of personal workplace challenges, the HR team offers assistance and support as required.



**Investors/  
shareholders**

The Investor Relations team organizes meetings with analysts and investors throughout the year. Shareholders have the opportunity to interact with the Company through the Company Secretary at any time and during the Annual General Meeting.

Quarterly briefings, led by the MD & CEO and CFO, are conducted for analysts and investors. Investors have the flexibility to request meetings with the Company at any time. A comprehensive report of all meetings is submitted quarterly to the Stakeholder Relationship and ESG Committee.

In the virtual Annual General Meeting held in July 2022, shareholders had the opportunity to directly pose questions to the Chairperson and other Board members.



**Quality  
stakeholders**

Engagement with these stakeholders typically occurs within the context of a virtual or physical audit of company operations.

The Chief Quality Officer takes charge of the engagements with all drug regulatory authorities on behalf of the Company. This engagement is structured based on the specific requirements of the respective regulator.

# Protecting the environment

Section  
**09**





**We believe that sustainable business growth can only be achieved by actively identifying and managing environmental considerations. Our dedication to resource conservation in the areas of energy, water, and waste - including co-processing activity for energy recovery - is a testament to our commitment to sustainable business practices. During the year, we explored new avenues and technologies to help minimize our environmental impact through improving energy efficiency, effective waste management, discharge control, and the protection of valuable resources.**

We have set ambitious targets for energy and water use, emissions and waste reduction as well as seeking energy and resource-saving initiatives across the entire value chain, from drug discovery through to manufacturing. In addition, we have compiled an inventory of our Scope 3 greenhouse gas emissions which means that our environmental ambitions can be extended to include the suppliers who work with us. Over the long term, our aim is to protect and restore natural resources to maintain a healthy planet for future generations.

**Environmental governance**

The Company is dedicated to preserving the environment and has established a strong system of governance to achieve this goal.

An Environmental Management System (EMS) underpins our operating environment. The EMS helps to ensure coordination across our plans for overall resource conservation and waste reduction. This, in turn, helps to further improve our environmental compliance and reduce operating impacts on the environment. Our EMS has achieved ISO 14001:2015 certification. The EMS is audited regularly, with the last surveillance audit conducted in November 2023.

Our team of Environment, Health, Safety and Sustainability (EHSS) professionals provide expert advice to the in-house engineering team and operational divisions to identify new ways to improve resource efficiency and minimize environmental impact. The EHSS team monitors environmental metrics to drive continuous improvement and shares best practices across Syngene.

The Executive Committee oversees and provides assurance to the Board concerning strategic, operational, and emerging environmental risks each quarter using an Enterprise Risk Management framework. This approach ensures that our responsibility for environmental protection is embedded at all levels of our organization.

**Energy and emissions**

**Highlights**

**0.0036**

is the Energy intensity for the current financial year<sup>28</sup>

**16.3%**

decrease in GHG emissions intensity

**52,834**

tCO<sub>2</sub> GHG savings as a result of efficiency measures

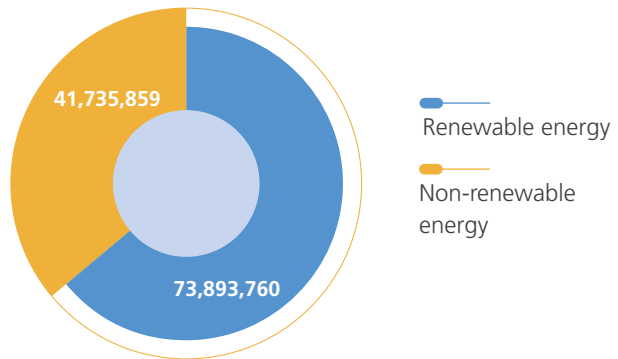
**75%**

of the electricity procured from green sources, an 11.6% increase in renewable energy consumption as compared to FY22

**3.8%**

year-on-year reduction in energy consumption through energy conservation measures<sup>29</sup>

**Energy consumption in FY23<sup>30</sup>**



Our approach to energy management centers around reducing consumption of fossil fuels through collaboration with local authorities to procure energy from renewable sources. By leveraging new technology and streamlined processes, we have adopted energy-saving approaches to achieve both environmental, and economic benefits and we track progress through monitoring and performance reporting. We have set a target to source 96% of our energy from renewable sources by 2028.<sup>31</sup>

<sup>28</sup> GRI 302-3

<sup>29</sup> GRI 302-4

<sup>30</sup> GRI 302-1 and RT-CH-130a.1: Energy consumption data for all three years is being restated from prior public disclosure due to the inclusion of additional categories of sources of energy.

<sup>31</sup> GRI 3-3 and RT-CH-110a.2



Cooling towers at Biocon Park, Bangalore

### Energy conservation measures<sup>32</sup>

Energy conservation measure	Energy saved per annum	
	(Unit) (Mt)	Scope <sup>33</sup>
1 Lean mode operation of fresh air and exhaust evacuation for fume hoods in Bangalore and Hyderabad laboratories	1.50	1
2 Variable flow control for hot water and permeate pumps in Mangalore	0.84	1
3 Utility chiller primary pump pipeline modified from open loop to closed loop system thereby eliminated secondary pump usage in Mangalore	0.80	1
4 Variable flow control for heat pump water circulation motors and chilled water primary motors at optimum frequency in Bangalore	0.21	1
5 Temperature controller to optimize the cooling tower fan operation in Mangalore	0.20	2
6 Advanced acoustic leak detection used to detect and arrest the compressed air leakage and compressed air input pressure for the nitrogen plant has been reduced by one bar without affecting the quality parameters in Bangalore	0.06	1
7 Operation optimization of exhaust blowers of scrubbers through timer automation in Bangalore	0.05	1
8 Motion sensors for lighting control in Bangalore and Hyderabad facilities	0.05	2
9 Ventilation optimization by reducing the frequency and controlled through timers based on laboratory occupancy in Bangalore	0.04	1

<sup>32</sup> GRI 302-4 and RT-CH-110a.2

<sup>33</sup> GRI 305-5: The GHG saving for FY22 & FY21 are being restated, due to streamlining of our calculation methodology for GHG emissions avoided.

### Captive solar and wind power plant

The Company increased its share of renewable electricity consumption, by entering into an agreement in FY21, to set up a captive to generate wind and solar power.

#### Wind power plant

**10.4 MW**

Capacity

**26%**

Share in Equity

#### Solar power plant

**27.45 MWDC**

Capacity

**26%**

Share in Equity

#### Solar rooftop

**250 KW**

Capacity

**100%**

in-house

These efforts delivered 75% of electricity from renewable sources, thereby avoiding 52,834 metric tons of CO<sub>2</sub> emissions. Efficiency measures delivered a reduction of 3.75 million units of energy thereby avoiding 2,683 metric tons of CO<sub>2</sub> emission.

There are multiple benefits from these investments in renewable energy including de-risking our energy costs as well as contributing to delivery of our environmental commitments. Despite an increase in total energy consumption due to the expansion of our facilities, increasing power and fuel requirements, these investments provided us with a mechanism to mitigate cost increases.

In order to maintain a robust and sustainable business, the Company routinely evaluates its supply chain and operations for possible disruptions related to climate change and puts contingency plans in place.

The Company tracks and benchmarks the energy index in all operating units in order to reduce the overall GHG emission (see table 1 and 2).

**Table 1 - Emissions from our operations by category**

Scope Emissions		Unit
Scope 1 <sup>34</sup>	6,003	tCO <sub>2</sub> e
Scope 2 (Location-based) <sup>35</sup>	71,170	tCO <sub>2</sub> e
Scope 2 (Market-based) <sup>36</sup>	18,765	tCO <sub>2</sub> e
Intensity <sup>37</sup>	0.0000036	Ratio*

\*Total GHG emissions / Annual Turnover

**Table 2 - Emissions from our operations<sup>38</sup> by type**

	NO <sub>x</sub> (µg/m <sup>3</sup> )	SO <sub>x</sub> (µg/m <sup>3</sup> )	PM 10 (µg/m <sup>3</sup> )	PM 2.5 (µg/m <sup>3</sup> )	Ozone (µg/m <sup>3</sup> )	Ammonia (µg/m <sup>3</sup> )	Volatile Organic Compounds (µg/m <sup>3</sup> )
<b>Bangalore</b>	19.5	8.3	72.6	28.1	3.0	4.5	Below detection level
<b>Mangalore</b>	18.2	16.9	71.8	46.2	Below detection level	Below detection level	Below detection level
<b>Hyderabad</b>	17.1	13.9	55.9	22.8	13.2	18.8	Below detection level

<sup>34</sup> GRI 305-1 and RT-CH-110a.2: The Scope 1 data reported for all three financial years is being restated herein due to inclusion of additional categories of emissions in our calculation

<sup>35</sup> GRI 305-2

<sup>36</sup> The data for Scope 2 (Market-based) is being restated for all three years due to inclusion of additional categories of emissions in our calculation.

<sup>37</sup> GRI 305-4

<sup>38</sup> GRI 305-7 and RT-CH-120a.1



Carport solar panels - Mangalore campus

## Case study

### Solar power generation at the Mangalore campus

#### Introduction

The solar power generation plant at the Mangalore campus makes a positive contribution to the Company's energy management. The captive solar power generation plant, once fully installed will have a capacity of 479.7KW DC with a monthly generation of 50,000 units.

#### Solar infrastructure

The campus has added a total of 1,127 solar panels, each having a peak capacity of 445W. To maximize space and minimize dedicated area, these panels are installed on the warehouse rooftop and carport area covering 2,434 square meters. The solar plant also supplies power to a 10KW solar-powered streetlight system and a 270W solar-powered electrical fencing system contributing to the campus's overall energy requirements.

#### Performance and savings

The solar facility meets the warehouse energy consumption demands of 120KW and covers 20-30% of the utility consumption during daylight hours. This performance results in a performance ratio of 73% leading to annual savings of Rs 1.4 million (USD 16867.87). The solar power generation plant supplies up to 8% of the total plant power consumption, resulting in a reduction of 500 metric tons of CO<sub>2</sub> emissions annually.

#### Recognition

In FY23, Mangalore campus was recognized by the Confederation of Indian Industry (CII) at the National Energy Efficiency Circle competition, where it received two prestigious awards:

- a. Best Energy Efficiency Case Study
- b. Best Application and Uses of Renewable Energy



Recycle water pumping station at Biocon Park, Bangalore

## Water conservation

### Highlights

**38%**

freshwater savings over the previous year

**68,205 KL**

of total water recycled during the financial year

**14.3%**

decrease in water intensity per rupee of turnover from FY22

Water is important for all company operations; so access to stable water resources is important. We manage freshwater consumption through continuously monitoring, reviewing and optimizing processes and adoption of new technologies. The Company follows a two-pronged approach to conserve water and reduce freshwater consumption: recycling and reuse of water; and supplementing fresh water through rainwater harvesting.<sup>39</sup>

### Water conservation initiatives

#### Freshwater consumption reduction

Mindful of rising water consumption at our Bangalore campus due to business growth, recycled water from the effluent treatment plant was redirected for use in the washrooms. This initiative generated freshwater savings of over 1,000 kiloliters per annum

Improved filtration of rainwater in Mangalore campus, making it suitable for utilities, generating a saving of 195 kiloliters of fresh water during the year

#### Water recycling

Freshwater wastage was reduced by 3,000 liters per day on the Mangalore campus by tapping reused water using reverse osmosis and recycling it

Consistent with our commitment to zero liquid discharge, an advanced effluent treatment method was adopted at the Bangalore campus, resulting in 17% of the effluent being reclaimed and recycled

#### Water harvesting

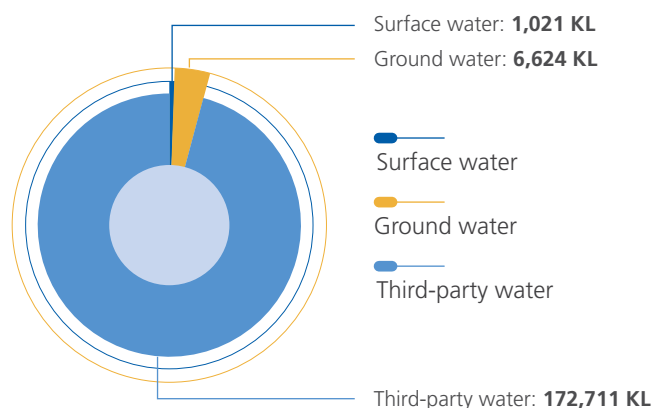
A Six Sigma Green Belt project at the Mangalore campus helped to reduce dependency on water procurement through rainwater harvesting

<sup>39</sup> GRI 303-1, 303-2 and RT-CH-140a.3



All water management practices are in compliance with the laws and regulations of the State and Central Pollution Control Board of India. As a result of proactive water conservation activities, Syngene has achieved a significant reduction in freshwater usage. We have set a target to achieve 70% reduction in freshwater consumption by 2028, against a 2023 baseline, through sustained and enhanced implementation of existing water conservation measures and other planned initiatives.

### Water consumption pattern for FY23<sup>40</sup>



### Case study

#### Managing wastewater

##### Introduction

A team comprising Environment Health Safety and Sustainability (EHSS) and Engineering and Maintenance (E&M) initiated a project to improve freshwater management within the Mangalore manufacturing campus.

##### The challenge

The team identified a significant problem concerning 3,000 liters of fresh water per day which were being utilized for cleaning the Multiple Effective Evaporator (MEE) area and the Agitated Thin Film Dryer (ATFD), both integral components of the Effluent Treatment Plant (ETP).

##### Solution

The team’s analysis revealed that layout of the system had no provision to use the process condensate water at the tank outlet, nor could the Reverse Osmosis (RO) rejected water at the tank outlet be used. The team developed a

process to tap into the RO reject line and redirect it to the ATFD flushing line thus recycling water that would otherwise go to waste. The team also designed another outlet in the condensate line, redirecting it to the evaporator skid cleaning area. This additional step not only saved fresh water but also ensured that the used water was re-used again within the campus.

##### Benefits

Within three months of implementing the modifications the campus noted significant changes: the monthly savings were over Rs 1 Lakh (USD 1204.84) every month. In addition, the conservation of approximately 3,000 liters of fresh water daily has made a considerable contribution to preserving a precious resource. The diversion also improved capacity in the MEE for effluent generated from other operations and ensured that effluents were not mixed.

<sup>40</sup> RT-CH-140a.1



Waste segregation system at Biocon Park, Bangalore

## Waste management

### Highlights

**90.75%**

of the total waste generated is being recycled

In addition to compliance with all environmental regulations, we maintain ISO 14001:2015 certification for our Environment Management System and as part of this, we enforce safe and efficient segregation, storage and disposal of hazardous and non-hazardous waste across all the campuses. As of December 2022, we have achieved Zero Waste to Landfill and are committed to maintaining this in the future. Further, we have also set a target to achieve 95% recycling of our waste by 2028.<sup>41</sup>

<sup>41</sup> GRI 306-1 and 306-2

### Waste management initiatives

Co-processed chemical sludge at the Mangalore campus in a cement kiln, eliminating waste to landfill, achieving cost-savings and limiting the release of toxic gases

Replacement of plastic bags with biodegradable starch-based bags

Introduction of integrated inventory management system to minimize waste generation

Eliminated single-use paper cups and PET Bottles

The waste management strategy focuses in two areas:

- 1) Reduction of waste generation
- 2) Increase of waste recycling and reuse (using the principles of the circular economy)

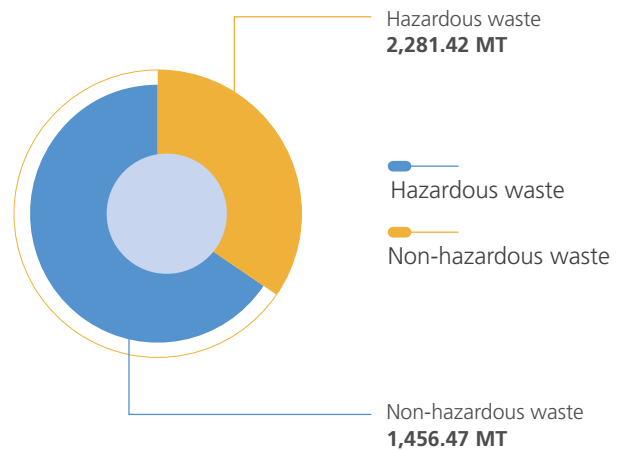
### The waste management process

The Company has a dedicated 4,000 square feet waste storage space for non-hazardous, hazardous, and biological waste generated by the operations, at the Bangalore campus. Hazardous waste, including liquids and solids, is collected in leak-proof containers, and processed according to hazardous waste classification and compatibility. To prevent contamination, hazardous waste that cannot be recycled is incinerated. Hazardous waste that can be recycled is separated and stored in a specially designed waste storage facility.

The Company has a zero liquid discharge policy. Waste water generated by the laboratories and manufacturing facilities is transferred to an effluent treatment plant, where it is processed and recycled for use in utilities and landscaping.

Details of our waste generated and disposed for the financial year have been given below:<sup>42</sup>

### Waste generation in FY23



Note: This diagram is representative of only the hazardous and non-hazardous waste, other categories are not included.

<sup>42</sup> RT-CH-150a.1

## Green chemistry

Green chemistry principles help the industry significantly reduce its carbon footprint and waste output while reducing the environmental impact associated with drug and chemical manufacturing. To design a sustainable synthetic method, we consider several critical elements such as the use of greener solvents, reagents, and catalysts, as well as maximizing atom economy, and reducing waste generation without compromising safety.

Our green chemistry initiatives have delivered significant benefits. We have reduced solvent usage and curtailed waste generation during chemical processes, while enhancing process efficiency, and reducing operational costs. We also ensure that our strategies not only minimize environmental impact but also correspond with practical industrial needs, and comply with regulatory norms.<sup>43</sup>



### Case study

#### Reducing consumption of solvents and waste generated

In a world with a continuing need for innovative pharma solutions as well as serious environmental concerns, the pharmaceutical sector is at a crossroads where it can combine scientific development with sustainable practices.

The concept of green chemistry at Syngene includes:

Designing a green synthetic route for an API (active pharmaceutical ingredient)

Use of greener chemical solvents, reagents, and catalysts

Maximizing atom economy\* to reduce waste generation

Implementation of energy-efficient reactions, elimination of redundant stages, and reduction of harmful by-products

#### The project

The Chemical Development team received a request from a client to develop a robust, scalable and safe process for an oncology drug compound, which was initially developed by the client's medicinal chemistry team. The intended use of the compound was for clients in Phase IIB and III clinical studies. The project comprised four chemical reaction steps, (Boc-deprotection, Buchwald-Hartwig Cross-Coupling Reaction without catalyst, acid amine coupling, ester hydrolysis,) with significant volumes of solvents and reactants being used at every stage.

The objectives of the project were:

- To develop a quick, robust and scalable process which would be suitable for large scale synthesis
- Delivery of 100 grams as proof of concept along with a technology package

- Delivery of 259 kilograms under a cGMP environment
- Delivery of a kilogram of the product for toxicological studies

#### Syngene's approach

- A cross-functional team of process chemists, analytical chemists, process safety engineers, quality, production, and project management developed a holistic approach to the process
- The original process was analyzed in detail and all the challenges regarding safety, environment, yield, impurity profiles, reproducibility, scalability, process economics, were documented based on SELECT (Safety, Environment, Legal, Economics, Control, Throughput) criteria\*\*

<sup>43</sup> RT-CH-410b.2

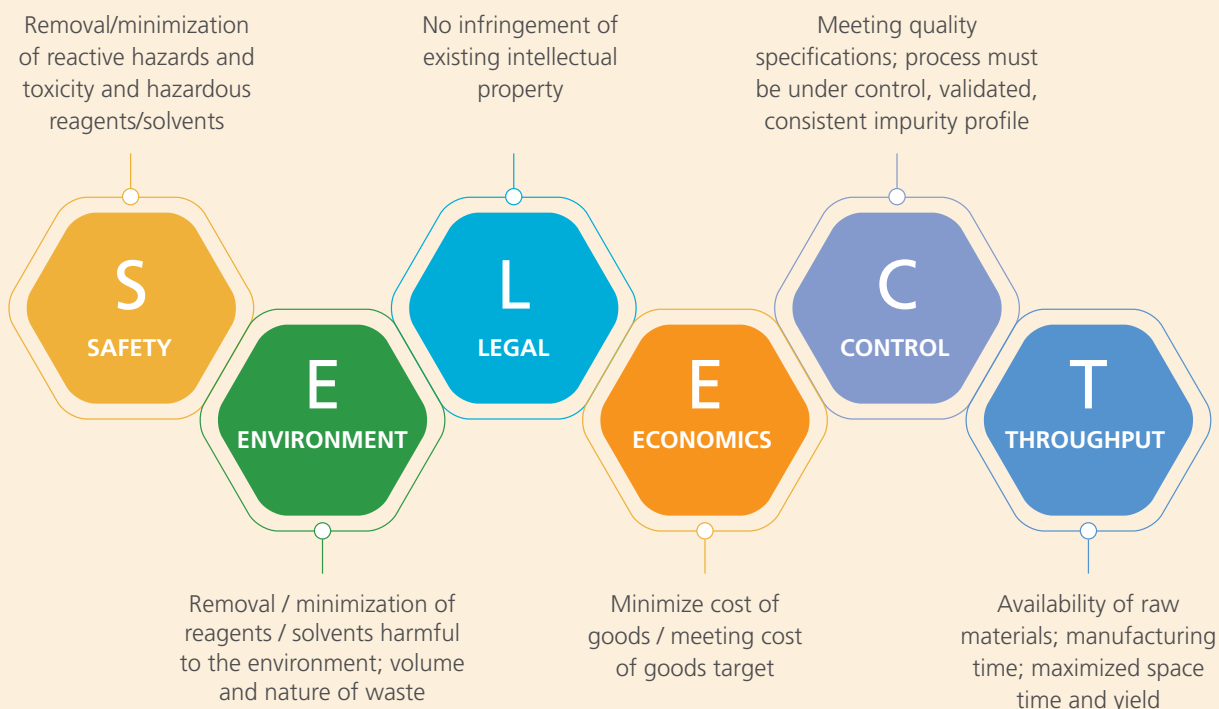
\* Atom economy is the conversion efficiency of a chemical process in terms of all atoms involved and the desired products produced

\*\* Butters, M., Catterick, D., Craig, A., Curzons, A., Dale, D., Gillmore, A., & White, W. (2006). Critical assessment of pharmaceutical processes: a rationale for changing the synthetic route. *Chemical Reviews*, 106(7), 3002-3027.

- The detailed experimental plan was developed with alternate routes based on the latest scientific literature and implementing solutions recommended by the team
- The plan was divided into five sections: process development; process optimization; analytical method development and validation; safety assessment; scaleup and progress monitoring

### SELECT criteria

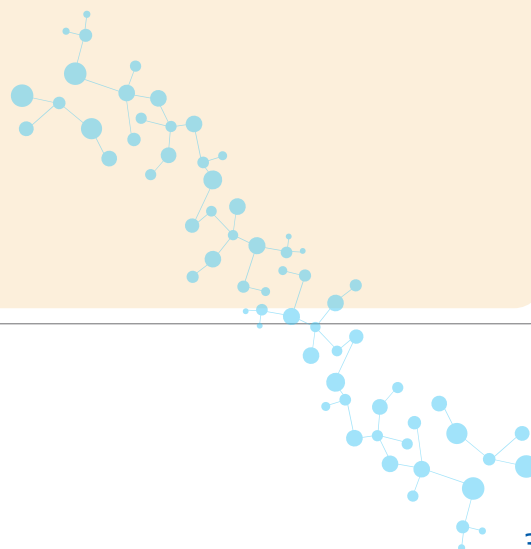
The SELECT criteria is utilized to develop the process plan below.



### Outcome

As a result of Syngene's green chemistry approach:

- Consumption of solvents such as methanol was reduced by 20%
- Consumption of acetonitrile was reduced by 53%
- Waste was reduced by almost 87%
- Syngene was able to develop a new synthetic route with a strong, safer, scalable and environmentally friendly process with improved resource utilization
- The improved process reduced solvent consumption and made the process simpler for product isolation, reproducibility and turn-around time
- The reduction of waste benefits the environment and aligns with regulatory standards, ensuring compliance underpinned by a responsible approach



**Biodiversity**

Biodiversity is a critical component of our planet’s ecological balance. As a responsible company, we retain green spaces on all campuses which contribute to the wellbeing of our employees as well as respecting the natural environment. In addition, we seek opportunities through our community support programs to contribute to the local environment.

**Case study**

**Yarandahalli lake rejuvenation**

**Introduction**

As a corporate social responsibility initiative, the Company undertook to contribute to the revival of the Yarandahalli Lake in Bangalore. The lake had become polluted by a combination of domestic waste and industrial effluent causing the water to turn into sludge.

**Community engagement**

Recognizing the importance of preserving a natural water body, 70 volunteers planted 2,500 saplings around the lake on the occasion of World Earth Day in April 2023. The plantation of the saplings was a step towards enhancing the city’s green cover while mitigating the urban land heat. The trees will also contribute to reducing air pollution and serve as a habitat for various species of birds and other animals.

**Case study**

**Miyawaki afforestation technique in Mangalore**

**Introduction**

In collaboration with the Biocon Foundation, the Company initiated the Miyawaki Urban Forest Project in Mangalore, India, as part of our commitment to enhance biodiversity, improve air quality, and create a cleaner, greener environment for the local community. The Miyawaki Urban Forest Project directly benefits 25,000 people in Mangalore by providing clean air and offering a refreshing natural space in the city.

**Phase I : A thriving microhabitat (2020)**

In 2020, in association with the Biocon Foundation and Ramakrishna Mission, Syngene initiated Phase-I of the Miyawaki Urban Forest Project in Mangalore. 500 saplings were identified from more than 40 native varieties, primarily sourced from the Western Ghats. These saplings were strategically planted in an area exceeding 8,700 square feet in Mangalore. The result was a thriving microhabitat hosting a rich array of indigenous flora and fauna.

**Miyawaki afforestation technique**

The Japanese Miyawaki technique involves planting a select range of native saplings in densely packed clusters mimicking the natural development of a forest. This approach ensures faster growth as the saplings compete for light and water. The forest becomes a self-sustaining urban micro-forest within 3 years.

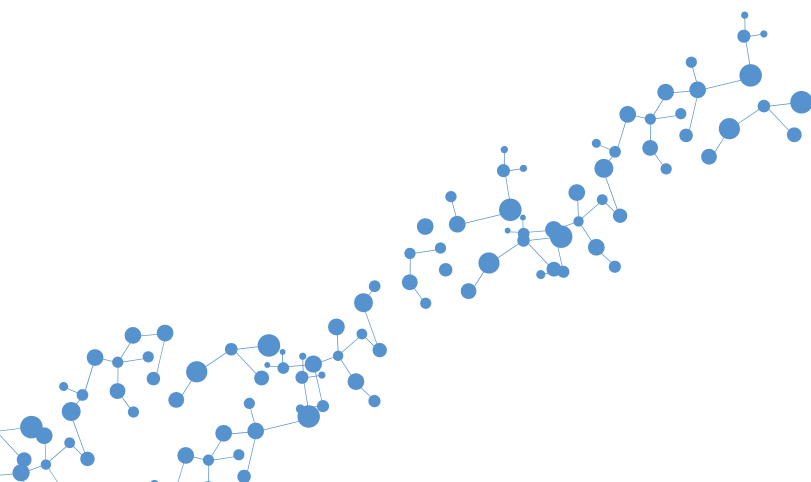
**Phase II : An urban micro-Forest (2022)**

On World Environment Day, phase-II of the project was initiated in collaboration with the Mangalore City Corporation and Vana Charitable Trust. This phase encompassed a total area of 27,000 square feet, with 23,000 square feet allocated for the plantation. Over 2,000 saplings were planted, creating further biodiversity and fostering an ecological balance.





Miyawaki urban forest plantation drive

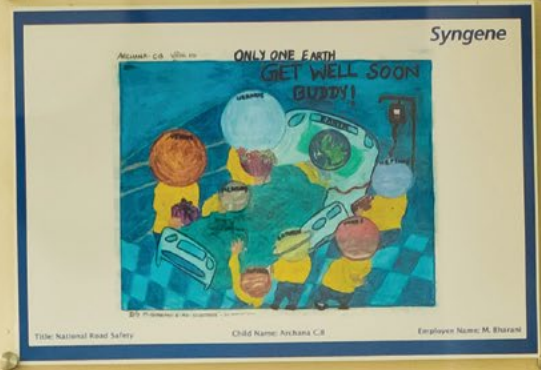


# Safety at work

Section  
10



**SAFETY POSTER**







The health, safety, and well-being of everyone who works on company premises is our top priority including employees, contractors, casual workers, vendors and visitors. To achieve this, a structured risk management and incident prevention system is used to minimize workplace hazards. Extensive training – both specialized and general training – is carried out on all campuses. In addition, employees are actively encouraged to report near misses to enable the Company to take preventive measures. In the case of an incident, every campus is equipped with occupational health facilities to offer initial diagnosis and treatment.

The organization upholds a ‘safety-first’ principle across its operations as part of our Environment, Health, Safety and Sustainability (EHSS) policy. This policy applies to all employees, both permanent and non-permanent, and aligns with the Suppliers Code of Conduct. During the year, 138 routine risk assessments were conducted to ensure the safe handling of hazardous chemicals, complex machinery and laboratory equipment, as well as responsible management of natural resources and waste. A structured review of company-wide warehouse safety was undertaken resulting in a program of improvements affecting all campuses and identified 759 actions for improving safety standards of our warehouses. This program also included improvement in hazardous substance management processes.<sup>44</sup>

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

Poster campaigns around safety and sustainability for our employees and their children

### Occupational health and safety management system

Syngene maintains a well-embedded occupational health and safety management system across all its facilities, underpinned by the Environment, Health, Safety and Sustainability (EHSS) Policy. We maintain ISO 45001:2018 certification which provides the framework for occupational health and safety activity on each campus.<sup>45</sup>

The Company has implemented a risk management and prevention system based on Aspect Impact Management (AIM) and Hazard Identification and Risk Assessment (HIRA) principles<sup>46</sup>. We also maintain a strong process safety management (PSM) and fire safety system and regularly provide safety training to employees. Safety measures, such as the Earth Rite system, a distributed control system, powder transfer system, local exhaust ventilation, rupture disc, safety relief valves, dump tanks, water sprinklers, lower explosive limit (LEL) detectors and multi-gas detectors are installed as needed. Solvents are stored under hazardous area classification with appropriate safety features including breather valves and flame arrestors, in addition to dyke walls and sprinkler systems.

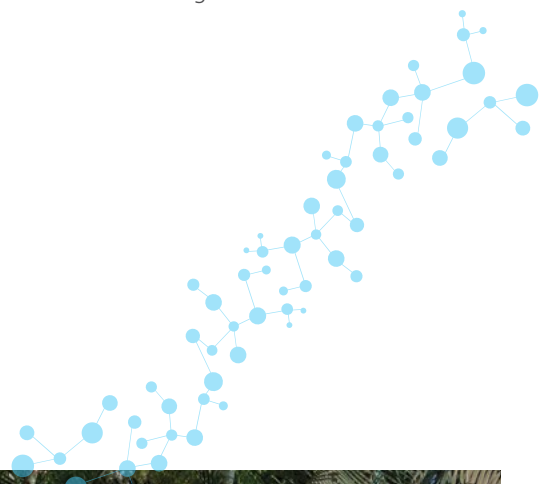
A safety committee was formed comprising representatives from each operating unit and essential function as well as an occupational health practitioner. This committee, along with the Toxic and Narcotics Safety Committee, is tasked with driving safety innovation and ensuring compliance.

<https://cdn.syngeneintl.com/2022/08/24154649/Code-of-Ethics-and-Business-Conduct.pdf>

### Nurturing our safety culture

Safety is a core value within the Company. It is the responsibility of every manager and employee to remain vigilant about maintaining a safe and secure working environment. Executive oversight of safety performance sits with the Executive Safety Committee which convenes quarterly and includes all members of the Executive Team and leaders of every operating unit and essential function. Additionally, safety risk and mitigation is a recurring agenda item at the Board’s quarterly Risk Committee meetings.<sup>47</sup>

During the quarterly reviews conducted by the Executive Safety Committee, each operating unit and essential function presents a self-assessment of preparedness on four dimensions including 21 parameters of health and safety using the framework established by the Centre for Chemical Process Safety. In cases where a unit or function does not meet the expected operating standards in any dimension, they are required to act immediately to develop a remediation plan to address these shortcomings.



Employee safety assembly point

<sup>45</sup> GRI 403-1

<sup>46</sup> GRI 403-2

<sup>47</sup> GRI 403-3

**Our commitment to prioritizing the safety and well-being of our employees is underpinned by the measures and systems that have been put in place:<sup>48</sup>**

**Risk management and incident prevention**

A robust risk management and incident prevention system helps to anticipate and remediate potential hazards in order to minimize work-related hazards.

**Training**

In addition to completion of the required training programs, an hour is set aside each week across the Company for teams to discuss a designated safety topic. Additionally, weekly safety information sheets are circulated to all employees including best practices, hints, and tips.<sup>49</sup>

**Occupational health services**

On-site occupational health facilities offer day-to-day support to maintain employee well-being.<sup>50</sup>

**Emergency response training**

Each campus has a dedicated emergency response plan and Emergency Response Teams covering all operations. During the year, mock drills were conducted fortnightly on each campus focusing on relevant incident scenarios to enhance preparedness. Firefighting training and workshops on process safety and emergency prevention also contributed to our readiness for on-site emergency response.

**Safety kiosk**

These facilities, installed at each campus, ensure that all vendors and contractors receive relevant safety training before undertaking any activities on campus.

**Incident tracking and reporting**

The use of digital tools like 'SynZero' for safety incident reporting and an online portal for recording biosafety key performance indicators helped us to track and address safety incidents.

**Audits**

The audit process is an integral part of our safety management system. The audit program, including both internal and external audits by client teams and regulators, helps identify areas for improvement, strengthens compliance and fosters a culture of safety. In FY23, 8 (6 external, 2 internal) health and safety audits were carried out on our campuses.<sup>51</sup>

**1 Internal audits**

Syngene's occupational health and safety management system covers the entire workforce. We conduct first-party audits (half-yearly) and second-party audits (annually) for all operating units. This systematic approach ensures that safety standards and compliance are regularly assessed and reviewed.

**2 External audits**

TUV Nord conducted a recertification audit on ISO 45001:2018 standards for our Bangalore and Mangalore facilities and both the facilities are now certified.

**3 Audit observations and recommendations**

It's important to note that the observations and recommendations from these audits are tracked, addressed and verified to ensure that we use the audit outcomes to learn and improve. Corrective actions and preventive actions (CAPA) are monitored by the relevant EHSS representative to ensure compliance and a systematic approach to addressing audit findings.

<sup>48</sup> GRI 403-6 and RT-CH-320a.2

<sup>49</sup> GRI 403-5

<sup>50</sup> GRI 403-3

<sup>51</sup> GRI 403-7



**Workers covered under an occupational health and safety management system for FY23<sup>52</sup>**

Covered by occupational health and safety management system	<b>8,614 workers</b>
Covered by occupational health and safety management system that is internally audited	<b>8,614 workers</b>
Covered by occupational health and safety management system that has been audited or certified by an external party	<b>862 workers</b>

<sup>52</sup> GRI 403-8

## Work-related injuries for FY23<sup>53</sup>

Number of hours worked (employees & workers)	16,204,011
Fatalities (employees & workers)	0
Rate of fatalities (employees & workers)	0
High-consequence work-related injuries (excluding fatalities) (employees & workers)	1
Rate of high-consequence work-related injuries (excluding fatalities)	0.01
Recordable work-related injuries	6
Rate of recordable work-related injuries	0.07
Lost days (employees & workers)	168

## Work-related ill health for FY23<sup>54</sup>

Fatalities as a result of work-related ill healths (employees & workers)	0
Cases of recordable work-related ill healths (employees & workers)	0

## Hazardous material safety

The Company adopts a proactive safety stance, rooted in the belief that every incident can be prevented. Over the past year, there has been a significant increase in the number of laboratory hazard assessments conducted, along with an uptick in project safety reviews. The issuance of work permits has also steadily risen from about 6,000 permits in FY22 to 6,400 in FY23, with the primary objective of offering our employees clear and precise directions regarding hazard identification and safety protocols.

To effectively track safety incidents and implement corrective measures, the Company has harnessed digital tools such as 'SynZero', a safety incident and near-miss reporting portal. Additionally, an online portal was introduced for the recording of biosafety key performance indicators, and 'Chemwatch', a digital safety data sheet, was implemented to ensure the safe use of chemicals. In order to mitigate the high risk associated with solvent usage, a zero-contact solvent dispensing system was introduced at our Bangalore campus. This innovation not only enhances the safety of the dispensing process but also minimizes the risk of fire in the warehouse. Furthermore, a centralized and fully automatic solvent system has been implemented in our Hyderabad campus.

Throughout the year, safety protocols have been diligently enforced through 'Gemba' safety walks, active employee participation in weekly safety hours, and thorough safety and incident management reviews. The Company has also actively observed events such as road safety week, chemical disaster prevention day, world environment day, and the 52<sup>nd</sup> national safety week.<sup>55</sup>

<sup>53</sup> GRI 403-9

<sup>54</sup> GRI 403-10

<sup>55</sup> GRI 403-3, 403-4, 403-6 and RT-CH-320a.1.

# Empowering our employees

Section

11





**Employees are central to our success. As a service provider, our employees are a critical asset, and we are committed to fostering an inclusive environment that allows every employee to deliver their best work. The Company aims to create a positive work environment that empowers employees to pursue their career aspirations, collaborate with global leaders in research, development and manufacturing and proactively shape their own future. Prioritizing a positive employee experience is a core element of Syngene's Human Resources strategy including effective management of the employer-employee relationship and monitoring of key metrics to track progress of this essential goal.<sup>56</sup>**

### **Workforce overview**

In the reporting year, the Company had a total of 7,160 full-time equivalent employees (FTE), comprising 6,847 permanent employees and 313 non-permanent employees. Further, a total of 1,454 workers were employed by the Company through third-party suppliers for the reporting year.

We place a strong emphasis on diversity, equity and inclusion and aim to foster a diverse workforce with a wide array of perspectives, skills and experiences to increase innovation and improve decision-making. Among the permanent employees, there was one differently-abled individual, and females accounted for 27% of the entire workforce. Over the course of the year, core processes were evaluated to ensure gender neutrality and plans to enhance accessibility for differently-abled employees were initiated, starting with an accessibility assessment of all Company facilities by a specialist third party.

<sup>56</sup> GRI 3-3

**Workforce by age and gender for FY23.<sup>57</sup>**

Gender Diversity	Male	Female
Board of Directors	50%	50%
Permanent Employees	73%	27%
Senior Management	89%	11%
Middle Management	85%	15%
General Staff	71%	29%
Non-permanent Employees	67%	33%

**Age diversity of Syngene<sup>58</sup>**

Age Diversity	<30 years	30-50 years	>50 years
Board of Directors	–	–	100%
Permanent Employees	42%	56%	2%
Senior Management	–	11%	89%
Middle Management	1%	85%	14%
General Staff	46.8%	52.8%	0.4%
Non-permanent Employees	51.44%	37.38%	11.18%

Annual individual objective-setting, regular development feedback, appraisals, promotions, and rewards are managed through well-established processes to ensure equitable outcomes. Both permanent and non-permanent employees must adhere to the Code of Conduct. They are entitled to equal access to training and location-specific benefits. Workers employed by third-party employers follow the Suppliers Code of Conduct in their work for Syngene, with their benefits managed by their respective employers.

**Highlights**

**8,500+**

Total workforce

**6,000+**

Scientists

**500+**

PhD scientists

**2,557**

New joinees

**820,259**

Hours of mandatory and technical learning

**26%**

Total employee turnover rate<sup>59</sup>



New joinees induction in progress

<sup>57</sup> GRI 405-1

<sup>58</sup> GRI GRI 405-1 and SV-PS-330a.1.

<sup>59</sup> GRI 401-1 and SV-PS-330a.2.





Employee cafeteria, S20 building Biocon Park, Bangalore

### Talent acquisition and retention

Syngene is an equal opportunity employer, and its hiring processes consider talent across all demographics. It prioritizes the provision of competitive remuneration and benefits to its employees. The talent acquisition process is rooted in skills and values-based interviews, allowing the Company to select candidates that are a good cultural fit. Recruitment efforts are diversified across various channels, including career sites, campus placements, employee referrals, and social media. In the current financial year, there were a total of 2,557 hires of which 44% are women. Overall, our hiring rate for the year was 37%, a 2% increase from FY22. Further, in FY23, there were a total of 402 new graduates hired and 54% were women.<sup>60</sup>

### Performance and career development review

We recognize the importance of providing competitive remuneration and benefits to employees. We also invest in Learning and Development to ensure that employees are fully trained to use the equipment they need to do their work and familiar with the Standard Operating Procedure applicable to their activity.

For every individual, the Company prioritizes the setting of well-defined objectives and sharing of regular feedback throughout the year. In addition to valuing technical competence, Syngene evaluates individuals against a framework of leadership competencies that support the concept of leadership at all levels, ranging from the most senior leaders to entry-level employees. Managers are expected to conduct mid-year reviews and annual individual appraisals. They also schedule regular meetings with their team members to discuss their work and track progress within their personal development plans. For FY23, 82% of our permanent employees completed an annual performance and career development review<sup>61</sup>. The majority of those who did not complete an annual review were new joiners or people working through their notice period.

**82%**

**Number of permanent employees who completed an annual performance and career development review**



<sup>60</sup> GRI 401-1

<sup>61</sup> GRI 404-3



## Learning and development

Syngene prioritizes career-long training, recognizing that continuous learning and development are essential for both employee and company growth. The Company provides a diverse array of learning and development opportunities, encompassing technical training, life skills, and leadership development.<sup>62</sup> In the current financial year, a total of 820,259 training hours were delivered, with each employee undergoing an average of 120 hours of training<sup>63</sup>.

### Induction training

A well-structured induction program is provided for all new joiners, which includes both pre-employment orientation and on-the-job training sessions. As part of the induction, the EHSS team discusses the safety culture at Syngene and outlines the safety measures that must be followed. New joiners are also briefed about the Company, provided with an overview of HR processes and onboarding formalities. This orientation program ensures that new employees are well-informed about the Company's values, policies,

and benefits and aims to provide a smooth transition into their roles.

### Post-induction training

During the post induction period, new joiners are trained on mandatory online modules related to Data Integrity, Code of Conduct, Prevention of Sexual Harassment, and Information Security Awareness.

The Company also offers other training such as Anti-Bribery and Anti-Corruption (ABAC), Data Privacy, Lean Six Sigma White Belt Certification, Syngene Operational Excellence and Phishing and Social Engineering Awareness.

### Leadership competence framework

Our leadership competence framework empowers the workforce to develop the necessary leadership behaviors to excel in their respective roles. By aligning training programs with this competence framework, the Company equips employees to handle complex situations and navigate a dynamic business landscape with confidence.

<sup>62</sup> GRI 404-2

<sup>63</sup> GRI 404-1

## Training includes

### Competency-based training programs

Competency-based training programs are strategically aligned with the Company's Leadership Competence Framework to ensure that employees are equipped with the skills they need to excel in their roles.

### English proficiency (English Pro+ now on Voxy platform)

Strong language skills are a priority within the Company due to the nature of the engaged, customer-centric nature of the Company. Syngene prioritizes the development of English language proficiency among its employees to enhance their ability to manage stakeholders, create clear documentation, and foster effective team and client collaboration. The Company's AI-driven English language training program offers tailored tracks based on individual roles, current English proficiency levels as defined by the Common European Framework of Reference (CEFR), and specific job requirements, including Documentation and Customer Facing tracks.

### Managerial Development Program (MDP)

To strengthening managerial capabilities, the Company has established a training program aimed to enhance the capabilities of its people managers and ensure a steady supply of qualified individuals to fulfill future organizational needs. The two-phase program focuses on developing coaching skills to effectively engage, develop, and retain employees in the first phase. The second phase builds managerial effectiveness by aligning with the Company's leadership competence framework to develop behavioral competencies at the individual and team level.

### First Time Managers - FTM Accelerate

The First Time Managers training program equips new managers with the knowledge and skills necessary to succeed in their roles. The program covers essential functional areas such as HR, Safety, Compliance, Project Management, Quality and Finance. Participants engage in online assessments, self-assessment tools, classroom sessions, and knowledge assessment checks to improve their understanding.

### Audit facing SME capability building program

The Subject Matter Expert (SME) Development Program fosters a pool of internal experts equipped to handle audits with confidence and expertise. The participants gain in-depth technical knowledge and refine communication skills, enabling them to effectively navigate audit engagements.

### Synpro Academy

Synpro Academy offers a three-tier training program designed to develop leaders progressively in professional project management. Level 1 introduces participants to the fundamentals of project management, Level 2 equips them with the skills to excel in their current roles, and Level 3 empowers them to address specific business needs.

### Science certification

This program helps in developing and upskilling the expertise of scientists allowing them to strengthen their individual credentials and acquire new areas of expertise with a view to building a long-term career in the organization. The topics cover a range of operational areas such as Discovery Chemistry, Discovery Biology, Safety Assessment and Research Informatics. The scientific training program includes OU-specific requirements, demonstrating its commitment to delivering tangible results for both new and ongoing projects. The program incorporates measurable impact metrics to evaluate its effectiveness and features a diverse faculty comprising internal experts and academics from Indian and international universities.



**Programs to upgrade employee skills<sup>64</sup>**

- 1 Effective Communication & Presentation Skills
- 2 British Council - English Select
- 3 Train the Trainer on facilitation skills
- 4 MS Offerings

**Employee benefits<sup>65</sup>**

The well-being of employees is a priority, recognizing that their physical and mental health, as well as their overall satisfaction, directly impact their productivity and engagement with the Company. Employees have access to benefits, tailored to match the standards set by top employers in the industry which also adhere to the legal requirements and regulations of the country in which each employee is employed.

<sup>64</sup> GRI 404-2

<sup>65</sup> GRI 401-2

<sup>66</sup> GRI 401-3

The Company provides health insurance, accident insurance and parental benefits to all permanent employees. The Company also offers parental leave to all employees. For FY23, a 100% return to work rate was reported for both male and female employees. Further, the retention rate for male employees stood at 83% and at 86% for female employees 12 months after the date of return to work. In India, the Company has established partnerships with day care facility providers, offering employees and workers the convenience of utilizing these services as required. The workers benefit from private health and accident insurance benefits.

**Parental leave FY23<sup>66</sup>**

Return to work rate (male)	100%
Retention rate (male)	83%
Return to work rate (female)	100%
Retention rate (female)	86%

## Workforce engagement

Employee engagement initiatives foster essential bonds between employees and the organization. The Company conducts frequent engagement events and activities that serve as platforms for sharing information and encouraging employees to ask questions, thereby enhancing their understanding of company policies and activities.

To encourage open communication and engagement, Syngene conducts townhall meetings at all its campuses, providing direct access to senior leaders who address questions and engage on relevant topics. These sessions contribute to building a shared sense of purpose within the organization.

The Extended Leadership Group, composed of the top 100 leaders in the Company, meets monthly to discuss critical business and leadership matters. During the year, the group met in person for two days to discuss future business performance and delivery.

## Human rights

The Company is committed to upholding human rights principles throughout its value chain. We maintain a zero-tolerance stance against child labor, forced labor, and any form of discrimination or human rights violation and we ensure that human rights, including labor rights, are upheld in all of its activities, business relationships, and supplier agreements, as mandated by Indian employment law.<sup>67</sup>

The organization has a policy in place, covering areas such as working hours, leave entitlement, fair treatment and anti-discrimination measures. These policies are reinforced by the organization's commitment to creating a safe work environment that is free from harassment based on factors such as race, religion, color, age, sex, nationality, disability, or any other classification. Additionally, the organization has established a comprehensive policy framework to address and rectify all human rights-related issues.

Link to policy: <https://cdn.syngeneintl.com/2022/11/23165312/Syngene-Human-Rights-Policy.pdf>

## Complaints during FY23<sup>69</sup>

	FY23	
	Filed during the year	Pending resolution at the end of the year
Sexual harassment	2	Nil
Discrimination at workplace	Nil	Nil
Child labor	Nil	Nil
Forced labor/Involuntary labor	Nil	Nil
Wages	Nil	Nil
Other human rights related issues	Nil	Nil

For more details, please refer [Pg 162](#) of the Annual Report: [Syngene\\_Annual-Report-2023.pdf](https://cdn.syngeneintl.com/Syngene_Annual-Report-2023.pdf) ([syngeneintl.com](https://syngeneintl.com))

<sup>67</sup> GRI 408-1 and 409-1

<sup>68</sup> GRI 2-26

<sup>69</sup> GRI 406-1, 408-1 and 409-1

## Grievance redressal

The Company is committed to managing grievances seriously and has implemented a range of measures to underpin this commitment. These measures include well-defined procedures, a dedicated team of personnel, and transparent communication channels.<sup>68</sup>

## Grievance Committee

The committee provides employees with a channel to report both real and perceived concerns related to their work, general administration, payroll, reimbursements, or any other issues pertaining to existing company policies.

## Prevention of sexual harassment (POSH) Committee

The committee enables the employees to report matters related to sexual harassment in the workplace. This applies to all employees, including contractual employees of the Company. To address and resolve complaints related to sexual harassment, the Company has established an Internal Committee (IC) comprising eight internal members and an external advisor.

During FY23, the Company conducted employee sensitization programs focused on the POSH policy. In the year, a total of two complaints were received, and these were successfully addressed and closed within the stipulated timeline.

## Integrity Committee

The committee provides employees with a secure platform to make protected disclosures concerning any actual or suspected incidents of unethical practices, as well as violations of applicable laws and regulations, including adherence to the Code of Conduct. The committee's composition reflects its commitment to transparency and fairness, comprising key members such as the Chief Human Resources Officer (CHRO) and Head of Legal, with a mandatory inclusion of at least one female member.

# Community engagement

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Community engagement drive for our employees and their children on road safety week at Syngene Velankani Tech Park, Bangalore

**Through our corporate social responsibility programs, we aim to support communities to enhance their quality of life and promote social and economic prosperity. We actively support community-based environmental and social programs through the Biocon Foundation, our Corporate Social Responsibility (CSR) arm and work alongside local and state authorities and Non-Governmental Organizations (NGOs) to provide access to amenities such as healthcare and education.**

**Strategy**

Under the oversight of the CSR Committee of the Board, the CSR strategy has been built in collaboration with community stakeholders, in alignment with the Company strategy, to create shared value for all stakeholders. As part of the strategy, the Company aims to leverage the knowledge and expertise of our workforce to benefit community stakeholders through volunteering, mentoring and other forms of support.<sup>70</sup>

<sup>70</sup> GRI 413-1 and 413-2



**Community engagement focus areas<sup>71</sup>**

Community healthcare	Science education	Community development	Environmental sustainability
eLAJ Smart Clinics	Science education (STEM) in schools	Rural development	Mass Rail Transit
Specialist Clinics	Scholarships and mentoring for women	Women and child welfare	Miyawaki Forest
Community Outreach	Indian Institute of Science (IISc)		
Antimicrobial Resistance Tracker			

**Community healthcare**

**eLAJ smart clinics**

eLAJ smart clinics in Karnataka, funded by the Company, are improving primary healthcare by using technology to improve patient care. The clinics use electronic systems to capture critical patient data and communicate it in real-time for clinical consultations, advanced diagnostics and non-communicable diseases screening. The clinics play a crucial role in delivering preventive healthcare and improving the quality of life for patients.

An exit survey with over 2,000 outpatients in 2022 showed the clinics scored 4 or higher (on a scale of 1 – 5 where 5 is the highest score) on key performance indicators.

In the current financial year, the CSR committee has decided to direct future investments into establishing eLAJ clinics in rural areas to provide primary care to remote communities.

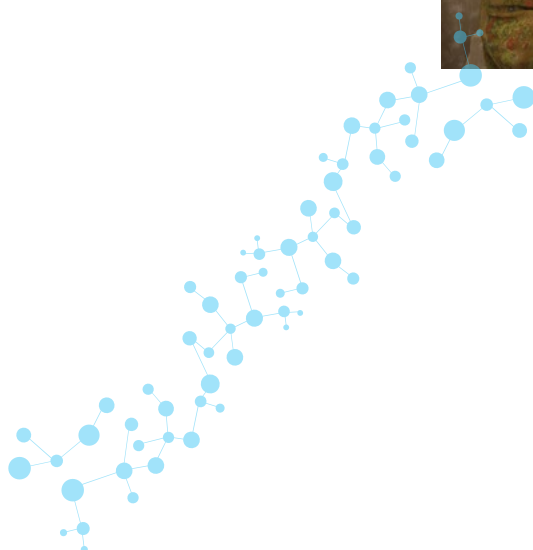
**Specialist clinics**

The Company funds community-based healthcare clinics for maternal and child health, the elderly, oral health, and chronic diseases. The clinics provide counseling assistance to patients. In FY23, around 3,700 patient visits were recorded across specialist clinics, resulting in improved cardiovascular and other health parameters among patients.



Community development women welfare

<sup>71</sup> GRI 203-1







Mobile science lab which visits underserved schools in Bangalore

## Community outreach

The community outreach program encompasses:

- **Cancer surveillance**

Screening camps were organized for three prevalent types of cancer within small and medium enterprises. During the screening, more than 350 women were offered cervical cancer screening resulting in 6% of them being referred for further evaluation after visual examination and over 1,100 women underwent breast cancer screening with 8% of the screened participants being recommended for regular follow-up.

- **Information education sessions**

Awareness sessions were conducted on personal hygiene including personal, hand and menstrual hygiene. These sessions reached a total of 1,400 students. In addition, more than 800 women attended awareness sessions focused on the techniques and significance of breast self-examination.

- **School health**

Health camps provided check-ups for around 2,400 students in 21 government schools. As a result, 30% of the students received treatment for anemia, an important health concern.

The Child Health Activists Mentoring and Promoting Health in Society (CHAMPS) program aims to instill healthy behavior by providing training and resources to high school children, enabling them to screen for high blood pressure among local communities. This program plays a pivotal role in preventing the early onset of hypertension and cardiovascular diseases.

- **Antimicrobial resistance tracker**

Company funding was used under the auspices of the Biocon Foundation, in partnership with the Indraprastha Institute of Information Technology Delhi (IIIT-Delhi), to develop an mHealth application aligned with the Ayushman Bharat Digital Mission (ABDM). The application's primary goal is to provide statistics on Antimicrobial Resistance (AMR), facilitating the monitoring of AMR trends in clinical and population settings. It aims to boost awareness of AMR among healthcare professionals, and the public, using AI-based models identify and predict trends.

**Science education**

**Science in schools**

Our mobile science laboratories, equipped with over 200 scientific models, provide an experiential learning platform for students in government schools. Science fairs and summer camps allow students to explore scientific concepts and apply them to real-world problems. In November 2022, a more agile format known as Lab-on-a-Bike was launched,

providing science lessons for 1,700 students from seven government schools in Shamirpet, Hyderabad.

To further cultivate curiosity and analytical thinking, an inter-school science quiz competition was organized for 5,000 students across 50 government schools in Karnataka.



Understanding Human Anatomy as part of STEM (Science, Technology, Education and Maths) Education

## Scholarships and mentoring for women

A scholarship and mentoring program was launched in partnership with the Research & Innovation Circle of Hyderabad (RICH) to empower women from tier-2 and tier-3 cities studying STEM subjects. The program aims to build skills to enhance employability in addition to addressing the under-representation of women STEM graduates in India's STEM workforce. Syngene employees provide mentorship to students, with orientation sessions, virtual and physical mentor-mentee connections, and a student gap assessment process to improve learning and career opportunities.

## Indian Institute of Science (IISc)

The Company has committed to a funding of Rs 90 million towards the construction of the IISc postgraduate medical school and non-profit hospital in Bangalore, India, aiming to enhance scientific knowledge and innovation. The 147-bed Biocon-Syngene general medicine block will provide affordable, high-quality care with specialists and advanced diagnostic capabilities, expected to be operational by early 2025.

## Community development: women and child welfare

Parihar is a program managed by Bangalore City Police to protect women and children in distress. It provides dedicated helplines, trained professionals, and skill development to survivors. In FY23, an expert roundtable was organized to discuss domestic violence and women's rights, with over 1,500 participants. Parihar also conducted capacity building for civil society organizations, sensitization in colleges, and awareness-raising sessions in communities.

St. John's Research Institute initiated a program to monitor malnutrition and take remedial action for Anganwadi children under five years old. Over 350 Anganwadi workers were trained on the POSHAN nutrition tracker app to enable better assessment accuracy and faster action.

## Environmental sustainability

### Mass rail transit

The Company has made a financial contribution towards the construction of the Biocon Hebbagodi Metro Station in Bangalore, India, which is nearing completion and is expected to start operations in 2024. The project aims to reduce traffic congestion, pollution, and economic loss by developing a green mobility solution.



Scholarship & mentorship program for women in STEM education & careers

# Operating responsibly

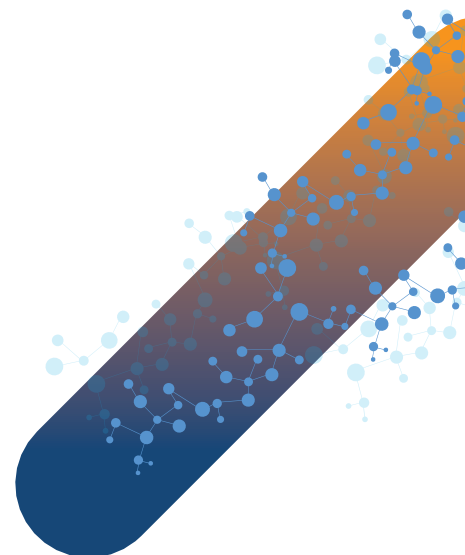
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From the way we manage our suppliers, to the protection of our IT systems and data, the global quality standards that we apply to client projects and our in-house operational excellence processes, we are clear about our expectations of ourselves and others.

Excellence in these functional areas is fundamental to our license to operate because the responsibility associated with carrying out research, development and manufacturing which impacts human and animal health means that compromise is never acceptable. Our operating standards are crucial and must be met by every individual who plays a role in our activities whether inside the Company, or in a partner or supplier role.





### Responsible supply chain

Suppliers hold a critical role in the organization’s ability to fulfill its commitment to maintain environmental, social and governance standards. When procuring goods and services, the Company actively seeks suppliers who share its values and performance expectations as well as meeting product and service specifications. We aim to build strong partnerships with crucial suppliers and develop individualized supply plans with each of them.

The Company has collaborated with a network of more than 2,900 suppliers based in 30 countries, catering to a wide spectrum of needs ranging from chemicals to electronic equipment and capital items<sup>72</sup> During FY23, Syngene collaborated with 1,387 suppliers categorized as MSME (Micro, Small and Medium Enterprises) in India, collectively contributing around 47% of the total domestic

expenditure. 1,362 suppliers were located close to our campuses, representing 62% of the domestic spending.<sup>73</sup> The establishment of a resilient supplier ecosystem with multiple sources of essential materials is a strategic measure to mitigate supply risks. A dedicated team of skilled sourcing and procurement experts supervises the procurement process, maintaining close relationships with the global supplier network to ensure on time delivery of materials while complying with requirements related to safety, the environment, human rights and labor standards and business ethics.

Syngene utilizes technology to ensure end-to-end supply chain integration. This improves visibility, agility, cost efficiency, fosters network collaboration, and enhances risk management in the supply chain.

<sup>72</sup> GRI 2-6

<sup>73</sup> GRI 204-1

### Measuring and monitoring supplier performance

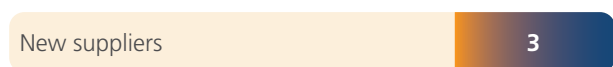
100% of Syngene’s suppliers are covered under our Supplier Code of Conduct. Before achieving supplier status with Syngene, all suppliers undergo rigorous assessments. The Sustainable Procurement Policy outlines specific expectations regarding suppliers’ environmental, social, and governance performance, aligning closely with the standards set out in the Supplier Code of Conduct. In FY23, Syngene screened 76 suppliers using the EcoVadis Supplier ESG Assessment Framework to conduct a risk analysis of its supplier base.

Syngene conducts internal quality and safety audits for its suppliers annually, emphasizing criticality in risk and

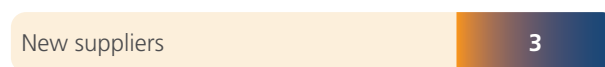
compliance with regulatory standards. Additionally, critical suppliers selected based on our expenditure and risk factors associated with their goods and services, undergo external ESG audits. This approach helps to maintain high standards and adherence to regulatory requirements in our supplier network. In FY23, there were no occurrences of forced or compulsory labor in our supply chain.<sup>74</sup>

For FY24, Syngene is developing a new supplier diversity policy. This policy will underscore the Company’s commitment to equitable and transparent procurement processes, ensuring that diverse suppliers are provided with equal opportunities to compete for business.

#### New suppliers that were screened using environmental criteria<sup>75</sup>



#### New suppliers that were screened using social criteria<sup>78</sup>



#### Negative environmental impacts in the supply chain and actions taken<sup>76</sup>

Number of existing suppliers that were assessed using environmental criteria	76
Number of suppliers identified as having significant actual and potential negative environmental impacts within their supply chain	5 (Score < 30) <sup>77</sup>
Number of suppliers with whom mutually agreed on corrective actions/improvements were agreed upon due to their significant actual and potential negative environmental impacts	9
Number of suppliers whose contracts were terminated due to significant actual and potential negative environmental impacts	0

#### Negative social impacts in the supply chain and actions taken<sup>79</sup>

Number of existing suppliers that were assessed using social criteria	76
Number of suppliers identified as having significant actual and potential negative social impacts within their supply chain	2 (Score < 30) <sup>77</sup>
Number of suppliers with whom mutually agreed on corrective actions/improvements were agreed upon due to their significant actual and potential negative social impacts	7
Number of suppliers whose contracts were terminated due to significant actual and potential negative social impacts	0

Link to supplier code of conduct:

<https://cdn.syngeneintl.com/2022/01/27163931/Supplier-code-of-Conduct-2022.pdf>

<sup>74</sup> GRI 408-1 and 409-1

<sup>75</sup> GRI 308-1

<sup>76</sup> GRI 308-2

<sup>77</sup> Syngene uses the EcoVadis Supplier ESG Assessment Framework to identify high risk suppliers. All suppliers who scored less than the threshold score defined in our Sustainable Procurement policy have been identified as high risk suppliers. In FY 2021-22, we considered EcoVadis score of less than or equal to 23 as threshold for identifying high risk suppliers. In FY 2022-23, we revised this threshold to less than 30 in alignment with our Sustainable Procurement policy

<sup>78</sup> GRI 414-1

<sup>79</sup> GRI 414-2

**Supplier details<sup>80</sup>**

Total suppliers	2,921
Total tier-1 suppliers	2,921
Critical tier-1 suppliers	856
Critical non-tier-1 suppliers	0
MSMEs/small producers	1,387
Within the district and neighboring districts	1,032 (within Bangalore) and 135 (rest of Karnataka)
Marginalized/vulnerable groups	7

**Local procurement**

In response to supply chain disruptions, the Company has broadened its dual-sourcing practices and increased local procurement. This approach facilitates faster raw material supply turnaround while supporting sustainability objectives through a reduced carbon footprint. Additionally, local procurement helps minimize the risk of supply chain disruptions. In India, the procurement and locally sourced materials expenditure amounted to Rs 1,265 Crores, with Rs 691 Crores allocated within Bangalore and Karnataka region.<sup>81</sup>

**Supplier quality assurance**

During the year, the Strategic Sourcing function introduced a supplier quality assurance team, with a focus on promoting GMP compliance across the supplier network and ensuring complete traceability of procured materials. This team’s primary objectives include reducing supply risks through process and documentation improvements and enhancing supplier performance through safety and quality evaluations. Furthermore, the usage of the supplier onboarding portal has expedited documentation validation by providing simultaneous access for essential internal teams, such as Legal, Strategic Sourcing, and Finance.

**Innovation and technology in supply chain management**

The Company has implemented several innovative strategies to enhance its supply chain performance management. These include the introduction of an automated Management Information System (MIS) to track both lagging and leading indicators, a dedicated tool for vendor onboarding and document transfer, an E-Procurement tool to streamline the processes of bidding, quotation evaluation and supplier selection; a shipment tracking tool to optimize deliveries; and an online bill of entry system. Finally, in alignment with our sustainability goals, we are committed to consignment consolidation in situations where it has the potential to make a positive impact.

**Some of the new initiatives that were started in the year under review include:**

- Automated MIS for tracking lagging and leading indicators for supply chain performance management.
- Introduction of a tool for vendor onboarding and document transfer to minimize email communications with vendors.
- Introduction of an E-Procurement tool to manage bidding, quotation evaluation and supplier selection.
- Use of technology to manage logistics such as shipment tracking to ensure timely delivery and an online bill of entry.
- Consignment consolidation wherever possible.
- Supplier ecosystem development for small molecules:
  - a. Discovery chemistry – working with global suppliers to increase stocks of catalog chemicals in their existing and new warehouses in India to reduce the lead time for inbound delivery to Syngene.
  - b. Chemical Development – building a supplier partner network in India for key starting materials to reduce its dependence on China for complex chemistry.
- Assessment of critical suppliers on ESG aspects through an external advisor.
- Development of a supplier relationship and performance management framework for implementation in FY24. This will help to define and execute focused initiatives.
- Increasing the usage of electric operated forklifts replacing diesel operated ones in its premises.

<sup>80</sup> GRI 2-6

<sup>81</sup> GRI 204-1







## Quality

Global quality standards are applied to all client projects. The Company has invested extensively in digital processes to improve accuracy and minimize human error. The shift to fully digital quality systems brings improved efficiency, speed and accessibility to audit trails, with plans to make quality control laboratories entirely paperless.

Syngene facilities hold accreditations from regulatory authorities including the US FDA (United States Food and Drug Administration), EMA (European Medicines Agency), PMDA (Pharmaceutical Medical and Devices Agency) and Indian national authorities. We recognize the importance of regulatory inspections and client audits in maintaining quality standards and we conduct internal audits and self-inspections to proactively identify and address any shortcomings.

In FY23, regulatory bodies and clients conducted a total of 78 successful audits including the US, European, and UK regulatory agencies auditing our biologics facilities in Bangalore.

## Regulatory inspection

Approvals gained during the year:

### GMP approvals

- Biologics facilities cleared US FDA onsite inspection with no 483 observations (no action indicated)
- Biologic facilities cleared the onsite inspection jointly conducted by the Veterinary Medicines Directorate (VMD), UK and the Federal Agency for Medicines and Health Products (FAMHP), Belgium, on behalf of EMA

### GCP approvals

- Clinical Development cleared a US FDA onsite inspection with no 483 observations (no action indicated) and a US FDA remote record review with no observations
- Clinical Development cleared the audit by CAP (College of American Pathologists) and received the renewal of accreditation

**GLP approvals**

- The animal facility cleared the inspection of the National GLP Compliance Monitoring Authority (NGCMA) and received the extension of validity for the current NGCMA certificate.

**College of American Pathologists (CAP)**

- Re-certification audit in the central laboratory.

**Accreditations from Regulatory agencies**

**1. US market**

Bedinvetmab (monoclonal antibody (mAb) for osteoarthritis of animals) – Inspected and approved by US-FDA.

**2. Europe market**

Bedinvetmab (monoclonal antibody (mAb) for osteoarthritis of animals) – Inspected and approved by FAMHP, Belgium (for EMA) and VMD, UK.

**3. Indian market**

Bedinvetmab (monoclonal antibody (mAb) for osteoarthritis of animals) – Inspected and approved by the Indian authority for export purposes.

**4. Japan market**

Elobixibat monohydrate (inhibitor of the ileal bile acid transporter) – Approval based on documents reviewed by the Pharmaceuticals and Medical Devices Agency, Japan.

**International accreditations**

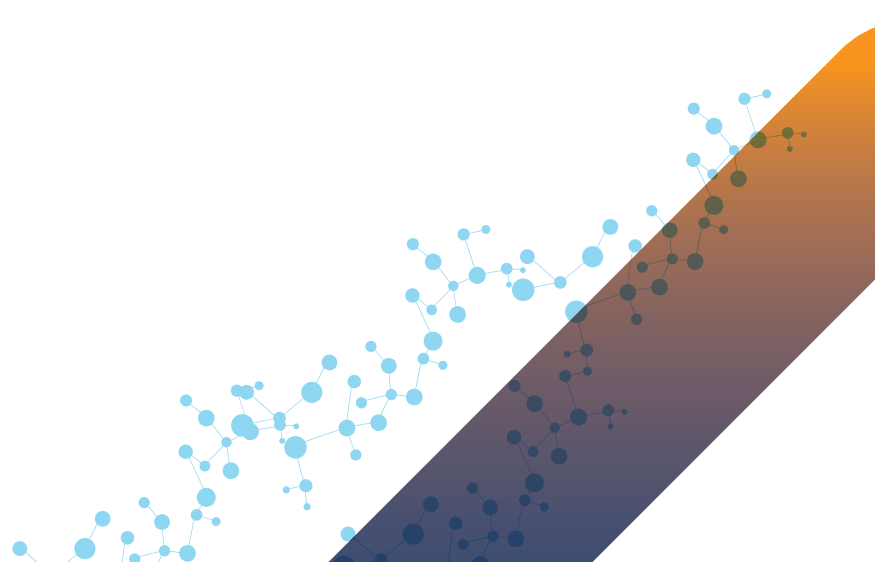
In addition to meeting regulatory requirements, the Company has completed industrial or activity-specific accreditations managed and audited by recognized third party assessors. These accreditations ensure that processes comply with the latest practices, are fully documented, and regularly inspected.

**Other Accreditations**

- ISO IEC 27001:2013 Certificate for Information Security Management System
- ISO 45001:2018 Certificate for Occupational Health and Safety Management System
- ISO14001:2015 Certificate for Environment Management System
- ISO 50001:2018 Certificate for Energy Management System

**Accreditations include**

- ISO 9001:2015 Certificate for Quality Management System
- ISO 13485:2016 Certificate of Registration for Medical Device Quality Management
- ISO IEC 17025:2017 National Accreditation Board for Testing and Calibration Laboratories (NABL)
- ISO 15189:2012 NABL and College of American Pathologists for Clinical and Molecular Diagnostics
- GxP standards for documentation
- ALCOA+
- USFDA Good Manufacturing Practices
- EU Good Manufacturing Practices
- Japan Good Manufacturing Practices
- India Good Manufacturing Practices (schedule M of Drugs and Cosmetics Act)
- Organization for Economic Co-operation and Development guidelines
- Accredited for bioequivalence/bioavailability and Phase I studies on healthy volunteers by US FDA



Case study

**Paperless business operations**

**Introduction**

Syngene’s initiative towards early adoption of digital platforms started in 2018 with the rollout of TrackWise (paperless Quality Management System), Radio Frequency Identification System (for document archival), Laboratory Information Management System (Quality Control sample life cycle management) and Learning Management System. These rollouts were instrumental in enhancing compliance and increasing productivity. In addition, the digitization program brought a significant reduction of paper across all operations. The next phase of this project will include the exploratory use of Artificial Intelligence technology for document reviews, advanced Quality Control scheduling and planning platforms and the use of e-lab notebooks to integrate non-network equipment and thereby eliminating the use of paper during batch testing and release.

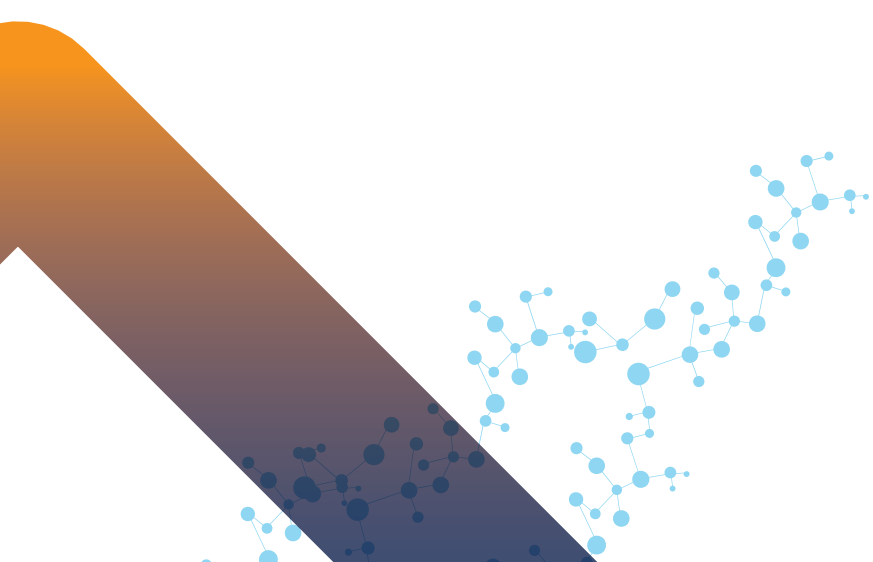
**Intent and impact of paperless implementation**

Since the rollout in 2018, the estimated cumulative savings of paper through various platforms are as captured below:

Digital platform	No. of pages saved	Total saving
TrackWise	1,850,000	4,526,900 pages
Paperless Validator	672,000	
EDMS (Electronic Document Management System)	640,300	
LIMS and eLN (Laboratory Information Management System and electronic Lab Notebook)	345,510	
LMS (Learning Management System)	320,000	
eBMR (electronic Batch Manufacturing Record)	219,700	
Electronic User Access Management System	170,000	

**Conclusion**

Syngene’s ongoing journey towards paperless operations not only enhanced data management and reduced human errors but also brought down the cumulative carbon footprint by approximately 30 metric tons (Calculated using the tool <https://www.carbonfootprint.com/calculator.aspx>) of CO<sub>2</sub> equivalent.





### Operational excellence

The principles of operational excellence and continuous improvement are embedded across all company operations and essential functions. A range of training programs in the tools and techniques that underpin operational excellence are available to empower the workforce, fostering process improvement and waste reduction including: Six Sigma; Lean daily management; Japanese techniques such as Gemba and Kaizen; and other methodologies.

Efficient operational delivery is a collective responsibility for all employees. The Company uses a proprietary approach with a focus on six key performance parameters: safety, quality, delivery, engagement, compliance, and cost (SQDECC). Visual SQDECC – Syngene Lean Daily Management dashboards are positioned across the organization in all laboratories, manufacturing areas and support functions. The dashboards facilitate daily tracking, monitoring, and reporting of laboratory performance, employing a simple color-coded system. This approach enables the swift identification and resolution of issues as they arise, ensuring the delivery of reliable, on target, service to clients.

In FY23, teams conducted more than 500 why-why analyses to resolve issues by identifying their root causes. The Company also deployed Japanese management techniques, including Gemba walks and Kaizens, to engage employees and implement multiple, low-cost, low-risk, high-impact improvements that yield long-term benefits. This year, Gemba training was provided to 300 new managers and nearly 2,000 Kaizen ideas were received, playing a significant role in continuous improvement and ensuring operational excellence across the Company.

Quality, On Time, In Full (QUOTIF) is a pivotal performance measure, across Syngene’s operations. It maintains a sharp focus on meeting client requirements within committed timelines. Meeting deadlines is vital for clients, whether the Company provides specialized functional services or fully integrated end-to-end solutions. Improved levels of QUOTIF performance were recorded in several areas of operations during the year contributing to the organization’s commitment to meeting client needs and delivering exceptional outcomes.

### Lean Six Sigma training

At Syngene, all employees receive training and the opportunity to become certified in Lean Six Sigma techniques. New staff members are required to complete the first level (white belt) certification within 30 days of joining the Company. Advanced training programs are available to attain green belt and black belt certifications, which encompass identifying improvement projects and acquainting themselves with the DMAIC (Define, Measure, Analyse, Improve, Control) process.

In FY23, the organization developed 2,500 white belt, 74 green belt, and 28 black belt professionals in Lean Six Sigma techniques. The green belt and black belt projects made important operational improvements related to cost, quality, safety and environment.

Syngene was honored at the 7th Confederation of Indian Industry national competition on low-cost automation held in New Delhi, India, securing two prestigious Gold National awards.

### Data privacy & security

The Company has invested heavily in technology to streamline core processes, reduce errors, and ensure efficient service delivery. Alongside its emphasis on efficiency, the Company focuses on information security to ensure that it safeguards its data and the data generated from client projects.

### Cybersecurity

All research and development conducted for clients yields data that forms the basis of essential insights and critical decisions. To safeguard this data, all IT systems are ISO 27001:2013 certified.

The Company has strengthened its cybersecurity defenses by implementing the best control operations available.

These operations are designed to identify and respond to known cyber threats while also adapting to emerging and evolving threats. A privileged access management system is in place to prevent any unintentional or intentional misuse of the Company’s systems. Additionally, the organization uses phishing simulation programs and conducts ongoing security awareness sessions to address and mitigate internal threats.

The organization prioritizes data security due to the valuable information often included in the products that are delivered to the clients. Each research experiment yields a dataset, providing an opportunity to generate essential insights and critical decisions.<sup>82</sup>



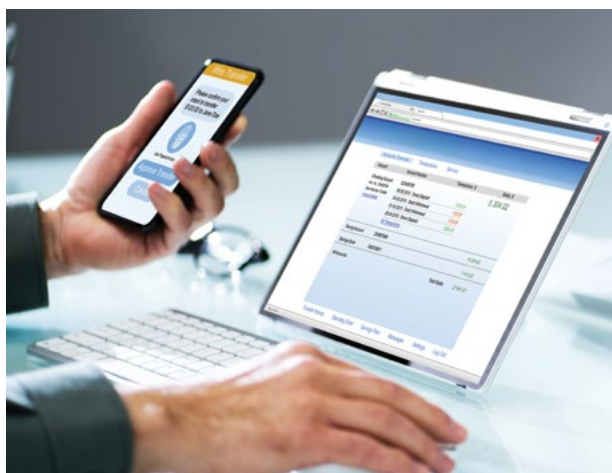
**In FY23, there were no cybersecurity incidents or data breaches.<sup>83</sup>**

<sup>82</sup> SV-PS-230a.1. and SV-PS-230a.2.

<sup>83</sup> GRI 418-1 and SV-PS-230a.3.

## Digitization

The Company has focused on digitization widely across the operations to reduce human error, increase speed and traceability of all kind of operations from data collection to inventory management and engineering & maintenance.



### 1 Centralized compound management and registration

The organization's centralized compound management and registration systems are on track for completion within the current fiscal year.

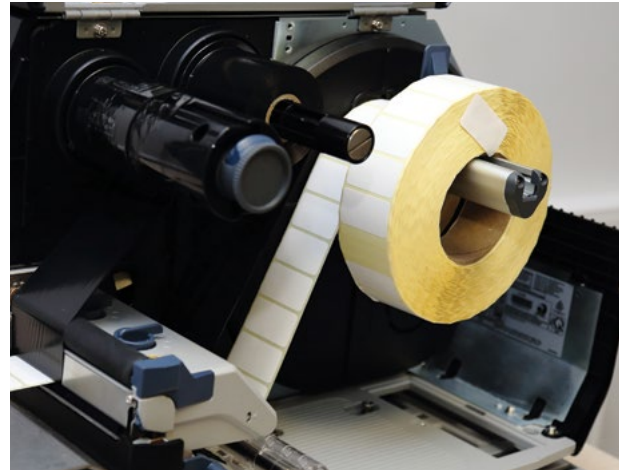
### 2 Digitization of chemical inventory

Digitization of all chemical inventory transactions in both storage and laboratory settings, was achieved through the adoption of QR codes and handheld devices. This innovative approach has proven instrumental in optimizing inventory storage and cost reduction. The technology was further extended to warehouses, allowing real-time tracking of inventory transactions.



### 3 Innovation in labeling

The implementation of a single label concept in warehouses has eliminated the necessity for multiple labels at various stages of inventory movement. This aligns with the overarching goals of achieving a compliant, safe, and secure infrastructure, leveraging analytics and business intelligence for informed decision-making. Furthermore, an organization-wide integrated workflow enhances the client experience, while digital platforms streamline control and scientific systems.



### 4 Paperless laboratories

The goal of achieving 100% paperless laboratories will ensure data integrity and operational efficiency. Through digitization, the Company has increased accuracy, strengthened data integrity and improved data entry compliance which enhances traceability. Electronic laboratory notebooks have been fully implemented in Discovery Services and the Development Services laboratories will be paperless by the end of 2023.

### 5 e-BMR system

An e-BMR system was introduced in Manufacturing Services, with the first phase completed for the Biologics and Chemical Development facilities. A shift to electronic logbooks for shop floor activity in manufacturing plants is underway, eliminating the need to archive over 1,000 logbooks annually. The organization is also advancing towards total paperless validation of electronic and computerized systems for its Quality function by March 2024.



# Public recognition – Awards and accolades

Section  
14

	Award category	Issuing body
<b>Mangalore Campus</b>	Silver medal in manufacturing competency	International Research Institute for Manufacturing (IRIM) in Mumbai, India
<b>Syngene</b>	Gold Award for low cost digitization / automation	7 <sup>th</sup> Confederation of Indian Industry (CII) National Competition
<b>Syngene</b>	Two Gold National awards for low cost automation	7 <sup>th</sup> Confederation of Indian Industry (CII) National Competition
<b>HR</b>	2022 Brandon Hall Group HCM Excellence Bronze Award in Leadership Development for the most unique leadership program	Brandon Hall Group award
<b>Energy (Mangalore)</b>	Winner in SME sector for 'Best Energy Efficient Case Study'	6 <sup>th</sup> edition of Confederation of Indian Industry (CII) National Energy Efficiency Circle Competition held on 14-16 July 2022
	2 <sup>nd</sup> runner-up in SME sector for 'Best Application & Uses of Renewable Energy'	6 <sup>th</sup> edition of Confederation of Indian Industry (CII) National Energy Efficiency Circle Competition held on 14-16 July 2022
<b>Operational Excellence</b>	Two National level awards in Gold category for: <ul style="list-style-type: none"> <li>• <b>Discovery Chemistry:</b> Low-Cost Automation to enhance Productivity &amp; Compliance for R&amp;D Lab Operations in CRO/Pharma industry – under low-cost Digitization category</li> <li>• <b>Discovery Biology:</b> Low-Cost, semi-automation tool for monotonous routine work – under the category Productivity Improvement-Services</li> </ul>	7 <sup>th</sup> Confederation of Indian Industry (CII) National Competition on Low-Cost Automation, New Delhi (20-22 July 2022)
<b>Quality</b>	Golden Peacock National Quality Award, 2023	Institute of Directors
	First runner-up in Quality in the Large-Scale model company category, 2023	Confederation of Indian Industry (CII)



	Award category	Issuing body
<b>Waste</b>	Best Overall Sustainable Performance in the Pharmaceutical industry for Syngene's commitment towards inculcating sustainable practices across the organization.	India Sustainability Conclave & Awards 2023
	Silver award for efficiency in 'Shut down for implementing Earth-rite system across MSEZ while handling the solvents.'	14 <sup>th</sup> Confederation of Indian Industry (CII) National POKA YOKE competition
	Gold award in Quality Concepts for Green initiative through effective waste management by co-processing.	Quality Circle Forum of India, Bengaluru Chapter
<b>CSR (Biocon Foundation)</b>	Sustainable Cities & Communities category in recognition of various CSR initiatives implemented by the Foundation to promote safe, affordable, and sustainable transport system, reduce the environmental impact of cities, and provide access to safe and inclusive public spaces for women and children.	Mahatma Award 2022
	Diseases screening initiative 2022 for Oral Cancer Screening Program	India Health and Wellness (IHW) Council [Mumbai, 19 January, 2023]
<b>Continuous improvement</b>	Platinum (Winner) for Experimentation reduction by 50 % in Chemical Development	Confederation of Indian Industry (CII)- National Six Sigma Competition 2023
	Platinum (First runner-up) for Robust Process development to ensure quality & consistency in R&D and manufacturing of ABC API	Confederation of Indian Industry (CII)- National Six Sigma Competition 2023
	Bronze for Reduction in experimentation through robust process design during the development stage by implementing Quality by Design (QbD) approach	ASQ - South Asia Team Excellence Award 2023
	First runner-up for Evaluation of Corrosion Risk in the Pharmaceutical Manufacturing Processes and Equipment using the Six Sigma Methodology.	Confederation of Indian Industry (CII)- 1st National Corrosion Management Practices Competition 2023
<b>Finance</b>	Golden Peacock award in 'Enterprise Risk Management'	Institute of Director's (IOD) award (17 October 2023 in London, UK)

# Annexure 1: SASB Index

SASB Code	Metric	Section/Subtitle Section	Page No.
RT-CH-110a.2.	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	Protecting the environment	26-28
RT-CH-120a.1.	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Protecting the environment	28
		GRI Data Sheet	79-80
RT-CH-130a.1.	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Protecting the environment	26
		GRI Data Sheet	78
RT-CH-140a.1.	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Protecting the environment	31
		GRI Data Sheet	79
RT-CH-140a.3.	Description of water management risks and discussion of strategies and practices to mitigate those risks	Protecting the environment	30
RT-CH-150a.1.	Amount of hazardous waste generated, percentage recycled	Protecting the environment	33
		GRI Data Sheet	80
RT-CH-320a.1.	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Safety at work	43
		GRI Data Sheet	
RT-CH-320a.2.	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	Safety at work	41
RT-CH-410b.2.	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	Protecting the environment	34
SV-PS-230a.1.	Description of approach to identifying and addressing data security risks	Operating responsibly	67
SV-PS-230a.2.	Description of policies and practices relating to collection, usage, and retention of customer information	Operating responsibly	67
SV-PS-230a.3.	(1) Number of data breaches, (2) percentage that (a) involve customers' confidential business information and (b) are personal data breaches, (3) number of (a) customers and (b) individuals affected	Operating responsibly	67
SV-PS-330a.1.	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, and (c) all other employees	Empowering our employees	46
		GRI Data Sheet	78
SV-PS-330a.2.	Voluntary and (2) involuntary turnover rate for employees	Empowering our employees	46
		GRI Data Sheet	81
SV-PS-510a.1.	Description of approach to ensuring professional integrity	Corporate Governance	19
SV-PS-510a.2.	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Annual Report FY 2022-23	157-158

## Annexure 2: GRI Index

GRI Standard number	Disclosure number	Description	Section/subsection title	Page no./ explanation
<b>GRI 2: General Disclosures</b>	2-1	Organizational details	About Syngene	06
			Annual Report FY 2022-23	88-89
	2-2	Entities included in the organization's sustainability reporting	About the report	01
	2-3	Reporting period, frequency and contact point	About the report	01
	2-4	Restatements of information	Across the report where applicable	01
	2-5	External assurance	Assurance Statement	87-90
	2-6	Activities, value chain and other business relationships	About Syngene	06-11
			Operating Responsibly	60
			Annual Report FY 2022-23	05-09
	2-7	Employees	GRI Data Sheet	78
	2-8	Workers who are not employees	Empowering our employees	46
			GRI Data Sheet	78
	2-9	Governance structure and composition	Corporate Governance	17
			Annual Report	123
	2-10	Nomination and selection of the highest governance body	Corporate Governance	17
			Annual Report FY 2022-23	116
	2-11	Chair of the highest governance body	Corporate Governance	17
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance	17-18
2-13	Delegation of responsibility for managing impacts	Corporate Governance	18	
		Annual Report FY 2022-23	116	
2-14	Role of the highest governance body in sustainability reporting	About the Report	01	
		Annual Report FY 2022-23	127	
2-15	Conflicts of interest	Annual Report FY 2022-23	159	
2-16	Communication of critical concerns	Annual Report FY 2022-23	162	
2-17	Collective knowledge of the highest governance body	Corporate Governance	17	
		Annual Report FY 2022-23	121-122	
2-18	Evaluation of the performance of the highest governance body	Annual Report FY 2022-23	122	

GRI Standard number	Disclosure number	Description	Section/ subsection title	Page no./ explanation
	2-19	Remuneration policies	Annual Report FY 2022-23	92
	2-20	Process to determine remuneration	Annual Report FY 2022-23	130-133
	2-21	Annual total compensation ratio	Annual Report	100
	2-22	Statement on Sustainable Development Strategy	Message from Kiran Mazumdar-Shaw	02
			Message from Jonathan Hunt	03
	2-23	Policy commitments	Corporate Governance	19
	2-24	Embedding policy commitments	Corporate Governance	19
	2-25	Processes to remediate negative impacts	Corporate Governance	19
			Annual Report FY 2022-23	127, 162
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance	19
			Empowering our Employees	53
			Annual Report FY 2022-23	152
	2-27	Compliance with laws and regulations	Annual Report FY 2022-23	157-158
	2-28	Membership associations	Annual Report FY 2022-23	179
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	21
			Annual Report FY 2022-23	167-168
	2-30	Collective bargaining agreements	The Company does not have any employees covered by collective bargaining agreements	
<b>Material topics</b>				
<b>GRI 3: Material topics</b>	3-1	Process to determine material topics	ESG strategy and material topics	14
	3-2	List of material topics	ESG strategy and material topics	14
	3-3	Management of material topics	Details have been provided across the report for each relevant material topic	
<b>Economic</b>				
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed	Annual Report FY 2022-23	200-217
	201-3	Defined benefit plan obligations and other retirement plans	Annual Report FY 2022-23	161, 227-228
<b>GRI 202: Market Presence</b>	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Annual Report FY 2022-23	169

GRI Standard number	Disclosure number	Description	Section/ subsection title	Page no./ explanation
<b>GRI 203: Indirect Economic Impacts</b>	203-1	Infrastructure investments and services supported	Community Engagement	54
	203-2	Significant indirect economic impacts	Annual Report FY 2022-23	04-81
<b>GRI 204: Procurement Practices</b>	204-1	Proportion of spending on local suppliers	Operating Responsibly	60
<b>GRI 205: Anti-Corruption</b>	205-1	Operations assessed for risks related to corruption	Annual Report FY 2022-23	196
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance	19
	205-3	Confirmed incidents of corruption and actions taken	Annual Report FY 2022-23	158
<b>GRI 206: Anti-competitive behavior</b>	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Annual Report FY 2022-23	177
<b>Environmental</b>				
<b>GRI 302: Energy</b>	302-1	Energy consumption within the organization	GRI Data Sheet	78
	302-3	Energy intensity	GRI Data Sheet	78
	302-4	Reduction of energy consumption	GRI Data Sheet	78
<b>GRI 303: Water and Effluents</b>	303-1	Interactions with water as a shared resource	Protecting the Environment	30
	303-2	Management of water discharge-related impacts	Protecting the Environment	30
	303-3	Total water withdrawal by source	GRI Data Sheet	79
	303-4	Water discharge	GRI Data Sheet	79
<b>GRI 305: Emissions</b>	305-1	Direct (Scope 1) GHG emissions	GRI Data Sheet	79
	305-2	Energy indirect (Scope 2) GHG emissions	GRI Data Sheet	79
	305-3	Other indirect (Scope 3) GHG emissions	GRI Data Sheet	79
	305-4	GHG emissions intensity	GRI Data Sheet	79
	305-5	Reduction of GHG emissions	GRI Data Sheet	79
	305-7	Nitrogen Oxides (NO <sub>x</sub> ), Sulphur Oxides (SO <sub>x</sub> ), and other significant air emissions	GRI Data Sheet	79-80

GRI Standard number	Disclosure number	Description	Section/ subsection title	Page no./ explanation
<b>GRI 306: Waste</b>	306-1	Waste generation and significant waste-related impacts	Protecting the Environment	32
	306-2	Management of significant waste-related impact	Protecting the Environment	32
	306-3	Waste generated	GRI Data Sheet	80
	306-4	Waste diverted from disposal	GRI Data Sheet	80
	306-5	Waste directed to disposal	GRI Data Sheet	80
<b>GRI 308: Supplier environmental assessment</b>	308-1	New suppliers that were screened using environmental criteria	GRI Data Sheet	78
	308-2	Negative environmental impacts in the supply chain and actions taken	GRI Data Sheet	78
<b>Social</b>				
<b>GRI 401: Employment</b>	401-1	New employee hires and employee turnover	GRI Data Sheet	81
	401-2	Benefits provided to full-time employees	Empowering our Employees	50
	401-3	Parental leave	GRI Data Sheet	81
<b>GRI 403: Occupational health and safety</b>	403-1	Occupational health and safety management system	Safety at Work	40
	403-2	Hazard identification, risk assessment, and incident investigation	Safety at Work	40
	403-3	Occupational health and services	Safety at Work	40-43
	403-4	Worker participation, consultation and communication on occupational health and safety	Safety at Work	43
	403-5	Worker training on occupational health and safety	Safety at Work	41
	403-6	Promotion of worker health	Safety at Work	41
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety at Work	41
	403-8	Workers covered by an occupational health and safety management system	GRI Data Sheet	82
	403-9	Work-related injuries	GRI Data Sheet	82
	403-10	Work-related health	GRI Data Sheet	82

GRI Standard number	Disclosure number	Description	Section/ subsection title	Page no./ explanation
<b>GRI 404: Training and education</b>	404-1	Average hours of training per year per employee	GRI Data Sheet	83
	404-2	Programs for upgrading employee skills and transition assistance programs	Empowering our Employees	48-49
	404-3	Percentage of employees receiving regular performance and career development reviews	GRI Data Sheet	83
<b>GRI 405: Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees	GRI Data Sheet	83-84
<b>GRI 406: Non-discrimination</b>	406-1	Incidents of discrimination and corrective actions taken	Empowering our Employees	51
<b>GRI 408: Child labor</b>	408-1	Operations and suppliers at significant risk for incidents of child labor	Empowering our Employees	51
			Operating Responsibly	61
<b>GRI 409: Forced or compulsory labor</b>	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Empowering our Employees	51
			Operating Responsibly	61
<b>GRI 413: Local communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement	53
	413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement	53
<b>GRI 414: Supplier social assessment</b>	414-1	New suppliers that were screened using social criteria	GRI Data Sheet	78
	414-2	Negative social impacts in the supply chain and actions taken	GRI Data Sheet	78
<b>GRI 418: Customer privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Operating Responsibly	67

# Annexure 3: GRI Data Sheet

## General Information

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22	FY 2020-21
<b>General disclosures</b>					
<b>GRI 2</b>	Total suppliers	Numbers	2,921	2,819	2,842
	Total tier-1 suppliers	Numbers	2,921	2,819	2,842
	Critical tier-1 suppliers	Numbers	856	899	783
	Critical non-tier-1 suppliers	Numbers	0	0	0
	MSMEs/small producers	Numbers	1,387	1,248	1,084
	Within the district and neighboring districts	Numbers	1,032 (within Bangalore) and 135 (rest of Karnataka)	953 (within Bangalore) and 129 (rest of Karnataka)	894 (within Bangalore) and 121 (rest of Karnataka)
	Marginalized/vulnerable groups	Numbers	7	12	10

<b>Employees</b>					
<b>GRI 2-7</b>	Permanent Employees (Total)	Numbers	6,847	5,975	5,670
	Permanent Employees (Male)	Numbers	4,965	4,348	4,253
	Permanent Employees (Female)	Numbers	1,882	1,627	1,418
	Non-permanent Employees (Total)	Numbers	313	336	Data not available
	Non-permanent Employees (Male)	Numbers	211	226	Data not available
	Non-permanent Employees (Female)	Numbers	102	110	Data not available

Restatement: The reported figure for female non-permanent employees is being restated for FY 2021-22 due to a reporting error in the ESG Data Book 2022.

<b>Workers who are not employees</b>					
<b>GRI 2-8</b>	Workers (Total)	Numbers	1,454	862	Data not available
	Total Workers (Male)	Numbers	1,243	692	Data not available
	Total Workers (Female)	Numbers	211	170	Data not available

We are employing only non-permanent workers.

<b>GRI 300: Environment</b>					
<b>GRI 302-1</b>	<b>Energy consumption within the Organization</b>				
	Renewable energy consumption	KwH	73,893,760	66,206,995	55,569,718
	Non-renewable energy consumption	KwH	41,735,859	39,002,406	27,185,876
	Total energy consumed	KwH	115,629,619	105,209,401	82,755,594

Restatement: Energy consumption data for all three years is being restated from prior public disclosure due to the inclusion of additional categories of sources of energy.

<b>Energy intensity</b>					
<b>GRI 302-3</b>	Energy Intensity	Ratio*	0.0036	0.0040	0.0038

\*Total energy consumption / Annual turnover

<b>Reduction of energy consumption</b>					
<b>GRI 302-4</b>	Energy savings as a result of efficiency measures	KwH	3,752,500	1,990,000	550,190



GRI	Disclosure	Unit	FY 2022-23	FY 2021-22	FY 2020-21
<b>GRI 303 Water withdrawal</b>					
<b>GRI 303-3</b>	Surface water*	KL	1,021	152	384
	Ground water*	KL	6,624	5,242	5,332
	Third party water*	KL	172,711	165,792	141,415
	Seawater / desalinated water	KL	0	0	0
	Others	KL	0	0	0
	Total water withdrawal	KL	180,356	171,186	147,131
	Total water reused and recycled	KL	68,205	34,119	20,907
	% of water reused and recycled	KL	38%	20%	14%
<b>GRI 303-4</b>	Water discharge	KL	0	0	0

Surface water\* - Rainwater; Ground water\* - Borewell water; Third-party water\* - Municipal water/Developers

Restatement: The total water withdrawal and water recycled for all three Financial Years is being restated as harvested rainwater was previously being accounted for under recycled water. The reporting methodology has been aligned with GRI principles to report amount of rainwater harvested under the category of surface water.

The Company has zero liquid discharge policy.

### GRI 305 Emissions 2016

<b>GRI 305-1</b>	<b>Direct GHG emissions</b>				
	Scope 1	tCO <sub>2</sub> e	6,003	6,265	3,440

Restatement: The data reported for FY all three years is being restated herein due to inclusion of additional categories of emissions in our calculation.

<b>GRI 305-2</b>	<b>Energy indirect GHG emissions</b>				
	Scope 2 (Market-based)	tCO <sub>2</sub> e	18,765	15,776	11,263
	Scope 2 (Location-based)	tCO <sub>2</sub> e	71,170	63,007	50,328

Restatement: The data for Scope 2 (Market-based) is being restated for all three years due to inclusion of additional categories of emissions in our calculation.

<b>GRI 305-3</b>	<b>Other indirect GHG emissions</b>				
<b>Upstream Emissions</b>					
	Purchased Goods & Services	MTCO <sub>2</sub> e	64,238	65,924	45,464
	Capital Goods	MTCO <sub>2</sub> e	7,978	12,708	9,239
	Fuel & Energy Related	MTCO <sub>2</sub> e	4,323	3,786	2,541
	Transportation	MTCO <sub>2</sub> e	2,627	2,290	2,389
	Waste in Operations	MTCO <sub>2</sub> e	1,654	866	673
	Business Travel	MTCO <sub>2</sub> e	808	107	43
	Employee Commute	MTCO <sub>2</sub> e	5,356	3,612	1,734
<b>Downstream Emissions</b>					
	Transportation	MTCO <sub>2</sub> e	2,434	1,004	764
	Total Gross Scope 3	MTCO <sub>2</sub> e	89,418	90,297	62,847

<b>GRI 305-4</b>	<b>GHG emissions intensity</b>				
	GHG emissions intensity	Ratio*	0.0000036	0.0000043	0.0000036

\*Total GHG emissions / Annual Turnover

<b>GRI 305-5</b>	<b>Reduction of GHG emissions</b>				
	GHG savings as a result of efficiency measures	MTCO <sub>2</sub> e	52,834	47,338	39,066

Restatement: The GHG saving for FY22 & FY21 are being restated, due to streamlining of our calculations methodology for GHG emissions avoided.

<b>GRI 305-7</b>	<b>Nitrogen oxides (NO<sub>x</sub>), Sulphur oxides (SO<sub>x</sub>), and other significant air emissions</b>				
<b>Bangalore</b>					
	NO <sub>x</sub>	µg/m <sup>3</sup>	19.50	15.50	14.60
	SO <sub>x</sub>	µg/m <sup>3</sup>	8.30	8.00	7.40
	Particulate Matter (PM10)	µg/m <sup>3</sup>	72.60	69.10	54.90
	Particulate Matter (PM2.5)	µg/m <sup>3</sup>	28.10	23.00	15.40
	Ozone	µg/m <sup>3</sup>	3.00	3.00	5.50
	Ammonia	µg/m <sup>3</sup>	4.50	8.30	8.30
	Volatile Organic Compounds	µg/m <sup>3</sup>	Below Detection Limit	Below Detection Limit	Below Detection Limit

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22	FY 2020-21
<b>Mangalore</b>					
	NO <sub>x</sub>	µg/m <sup>3</sup>	18.20	13.20	14.10
	SO <sub>x</sub>	µg/m <sup>3</sup>	16.90	26.90	24.10
	Particulate Matter (PM10)	µg/m <sup>3</sup>	71.80	19.20	53.60
	Particulate Matter (PM2.5)	µg/m <sup>3</sup>	46.20	29.30	34.20
	Ozone	µg/m <sup>3</sup>	Below Detection Limit	Below Detection Limit	Below Detection Limit
	Ammonia	µg/m <sup>3</sup>	Below Detection Limit	Below Detection Limit	Below Detection Limit
	Volatile Organic Compounds	µg/m <sup>3</sup>	Below Detection Limit	Below Detection Limit	Below Detection Limit
<b>Hyderabad</b>					
	NO <sub>x</sub>	µg/m <sup>3</sup>	17.10	17.80	16.20
	SO <sub>x</sub>	µg/m <sup>3</sup>	13.90	14.70	12.90
	Particulate Matter (PM10)	µg/m <sup>3</sup>	55.90	56.20	54.60
	Particulate Matter (PM2.5)	µg/m <sup>3</sup>	22.80	22.00	22.50
	Ozone	µg/m <sup>3</sup>	13.20	15.10	11.20
	Ammonia	µg/m <sup>3</sup>	18.80	18.90	16.30
	Volatile Organic Compounds	µg/m <sup>3</sup>	Below Detection Limit	Below Detection Limit	Below Detection Limit

**GRI 306 Waste 2020**

GRI 306-3	Waste generated	Unit	FY 2022-23	FY 2021-22	FY 2020-21
	Plastic waste	MT	230	217.08	188
	E-waste	MT	3.82	0	0
	Bio-medical waste	MT	109.51	98.77	100.32
	Battery waste	MT	3.7	4.3	5.90
	Radioactive waste	MT	0.03	0.02	0.09
	Other hazardous waste	MT	2,310.74	2,116.48	1,134.13
	Other non-hazardous waste	MT	1,226.47	597.90	531.18
	Total waste generated	MT	3,884.27	3,034.55	1,959.55

Restatement: Total waste generated in FY 2021-22 is different from figures reported in the ESG Data Book FY 2021-22 due to inclusion of 4.3 MT of generated non-hazardous waste, previously not accounted for.

GRI 306-4	Waste diverted from disposal	Unit	FY 2022-23	FY 2021-22	FY 2020-21
	Total waste recycled	MT	3,524.97	2,805.38	1,563
	% of waste recycled	%	91%	92%	80%

Restatement: Total waste recycled in FY 2021-22 is different from figures reported in the ESG Data Book FY 2021-22 due to inclusion of 4.3 MT of non-hazardous waste and 8.97 MT of red biomedical waste that is recycled, previously not accounted for.

GRI 306-5	Waste diverted to disposal	Unit	FY 2022-23	FY 2021-22	FY 2020-21
	Total waste incinerated	MT	329.94	146.40	396
	Total waste landfilled	MT	29.33	82.38	0

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22
<b>GRI 308-1</b>	<b>New suppliers that were screened using environmental criteria</b>			
	New suppliers	Number	3	24
<b>GRI 308-2</b>	<b>Negative environmental impacts in the supply chain and actions taken</b>			
	Number of existing suppliers that were assessed using environmental criteria	Number	76	276
	Number of suppliers identified as having significant actual and potential negative environmental impacts within their supply chain	Number	5 (Score < 30)*	19 (Score < =23)*

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22
	Number of suppliers with who mutually agreed on corrective actions/improvements were agreed upon due to their significant actual and potential negative environmental impacts	Number	9	10
	Number of suppliers whose contracts were terminated due to significant actual and potential negative environmental impacts.	Number	0	0

\*Syngene uses the EcoVadis Supplier ESG Assessment Framework to identify high risk suppliers. All suppliers who scored less than the threshold score defined in our Sustainable Procurement policy have been identified as high risk suppliers. In FY 2021-22, we considered EcoVadis score of less than or equal to 23 as threshold for identifying high risk suppliers. In FY 2022-23, we revised this threshold to less than 30 in alignment with our Sustainable Procurement policy.

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22	FY 2020-21
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## GRI 400: Social

### GRI 401 Employment 2016

GRI 401-1	New employee hires				
	Total new hires	Numbers	2,557	2,097	1,550
	Rate of new hires	%	37%	35%	27%
	New hires (male)	Numbers	1,736	1,376	1,032
	Rate of new hires (male)	%	35%	32%	24%
	New hires (female)	Numbers	821	721	518
	Rate of new hires (female)	%	44%	44%	36%
	New hires (<30 years)	Numbers	1,588	1,280	Data not available
	Rate of new hires (<30 years)	%	55%	55%	Data not available
	New hires (30-50 years)	Numbers	953	800	Data not available
	Rate of new hires (30-50 years)	%	25%	23%	Data not available
	New hires (>50 years)	Numbers	16	17	Data not available
	Rate of new hires (>50 years)	%	12%	14%	Data not available
GRI 401-1	Employee turnover				
	Total employee turnover	Numbers	1,685	1,557	Data not available
	Total turnover rate	%	26%	27%	Data not available
	Employee turnover (male)	Numbers	1,119	1,119	Data not available
	Turnover rate (male)	%	24%	27%	Data not available
	Employee turnover (female)	Numbers	566	438	Data not available
	Turnover rate (female)	%	32%	29%	Data not available
	Employee turnover (<30 years)	Numbers	779	623	Data not available
	Turnover rate (<30 years)	%	32%	31%	Data not available
	Employee turnover (30-50 years)	Numbers	871	906	Data not available
	Turnover rate (30-50 years)	%	23%	25%	Data not available
	Employee turnover (>50 years)	Numbers	35	28	Data not available
	Turnover rate (>50 years)	%	24%	22%	Data not available
GRI 401-3	Parental leave				
	Male employees entitled for parental leave	Numbers	4,965	4,348	Data not available
	Male employees that took parental leave	Numbers	286	191	Data not available
	Male employees that returned to work in the reporting period after parental leave ended	Numbers	286	191	Data not available
	Male employees that returned to work after parental leave ended that were still employed 12 months after their return to work (who took parental leave last year and came back to the Company this year)	Numbers	238	173	Data not available

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22	FY 2020-21
	Return to work rate (male)	%	100%	100%	100%
	Retention rate (male)	%	83%	91%	68%
	Female employees entitled for parental leave	Numbers	1,882	1,627	Data not available
	Female employees that took parental leave	Numbers	58	93	Data not available
	Female employees that returned to work in the reporting period after parental leave ended	Numbers	49	73	Data not available
	Female employees that returned to work after parental leave ended that were still employed 12 months after their return to work (who took parental leave last year and came back to the Company this year)	Numbers	42	67	Data not available
	Return to work rate (female)	%	100%	78%	83%
	Retention rate (female)	%	86%	72%	64%

**GRI 403 Occupational Health and Safety 2018**

GRI 403-8	Workers covered by an occupational health and safety management system				
	Covered by occupational health and safety management system	Numbers	8,614	6,837	4,835
	Covered by occupational health and safety management system that is internally audited	Numbers	8,614	6,837	4,835
	Covered by occupational health and safety management system that has been audited or certified by an external party	Numbers	862	598	Data not available
GRI 403-9	Work-related injuries				
	Number of hours worked (Employees & workers)	Numbers	16,204,011	14,210,480	11,965,968
	Fatalities (Employees & workers)	Numbers	0	0	1
	Rate of fatalities (Employees & workers)	Ratio	0	0	0.02
	High-consequence work-related injuries (excluding fatalities) (Employees & workers)	Numbers	1	1	2
	Rate of high-consequence work-related injuries (excluding fatalities)	Ratio	0.01	0.01	0.03
	Recordable work-related injuries (Employees & workers)	Numbers	6	3	4
	Rate of recordable work-related injuries	Ratio	0.07	0.04	0.07
	Lost days (Employees & workers)	Numbers	168	1	3

Restatement: The number of recordable work-related injuries and corresponding rate reported for FY 2020-21 and FY 2021-22 is different as compared to the ESG Data Book 2022 due to a reporting error.

GRI 403-10	Work-related injuries				
	Fatalities as a result of work-related ill health	Numbers	0	0	1
	Cases of recordable work-related ill health	Numbers	0	0	0

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22	FY 2020-21
<b>GRI 404 Training and Education 2016</b>					
<b>GRI 404-1</b>	Total hours of training for permanent employees	Hours	820,259	716,129	512,080
	Average training hours for permanent employees	Hours	120	120	90
	Total training hours for non-permanent employees	Hours	26,483	33,192	Data not available
	Average training hours for non-permanent employees	Hours	85	99	Data not available
	Total training hours for male employees	Hours	657,706	546,807	Data not available
	Average training hours for male employees	Hours	127	120	Data not available
	Total training hours for female employees	Hours	189,036	169,322	Data not available
	Average training hours for female employees	Hours	95	97	Data not available

Restatement: Average hours of training for permanent employees in FY 2020-21 and FY 2021-22 is being restated due to a calculation error.

GRI 404-3	<b>Percentage of employees receiving regular performance and career development reviews</b>				
Permanent Employees	%	82%	81%	68%	
Senior Management	%	100%	100%	Data not available	
Middle Management	%	87%	86%	Data not available	
General Staff	%	82%	80%	Data not available	
Male	%	83%	82%	Data not available	
Female	%	81%	77%	Data not available	

GRI	Disclosure	Unit	FY 2022-23		FY 2021-22		FY 2020-21	
<b>GRI 405 Diversity and Equal Opportunity 2016</b>								
<b>Gender Diversity</b>			<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
<b>GRI 405-1</b>	<b>Diversity of governance bodies and employees</b>							
	Board of Directors	%	56%	44%	56%	44%	56%	44%
	Permanent Employees	%	73%	27%	73%	27%	75%	25%
	Senior Management	%	89%	11%	89%	11%	Data not available	Data not available
	Middle Management	%	85%	15%	86%	14%	Data not available	Data not available
	General Staff	%	71%	29%	71%	29%	Data not available	Data not available
Non-permanent Employees	%	67%	33%	68%	32%	Data not available	Data not available	

Restatement: Gender split of general staff for FY 2021-22 is being restated due to a reporting error.

GRI	Disclosure	Unit	FY 2022-23			FY 2021-22			FY 2020-21		
			<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
<b>Age Diversity</b>											
	Board of Directors	%	0%	0%	100%	0%	0%	100%	0%	0%	100%
	Permanent Employees	%	42%	56%	2%	39%	59%	2%	37%	61%	2%
	Senior Management	%	0%	11%	89%	0%	28%	72%	Data not available	Data not available	Data not available
	Middle Management	%	1%	85%	14%	1%	85%	14%	Data not available	Data not available	Data not available
	General Staff	%	46.8%	52.8%	0.4%	44.1%	55.6%	0.3%	Data not available	Data not available	Data not available
	Non-permanent Employees	%	51%	37%	11%	59%	33%	8%	Data not available	Data not available	Data not available

GRI	Disclosure	Unit	FY 2022-23	FY 2021-22
<b>GRI 408 Child labor 2016</b>				
<b>GRI 408-1</b>	<b>Operations and suppliers at significant risks for incidents of child labor</b>			
	Number of operations / suppliers at risk	%	0	0
<b>GRI 409 Forced or compulsory labor 2016</b>				
<b>GRI 409-1</b>	<b>Operations and suppliers at significant risks for incidents of forced or compulsory labor</b>			
	Number of operations / suppliers at risk	%	0	0
<b>GRI 414 Supplier social assessment 2016</b>				
<b>GRI 414-1</b>	<b>New suppliers that were screened using social criteria</b>			
	New suppliers	Number	3	24
<b>GRI 414-2</b>	<b>Negative social impacts in the supply chain and actions taken</b>			
	Number of existing suppliers that were assessed using social criteria	Number	76	276
	Number of suppliers identified as having significant actual and potential negative social impacts within their supply chain	Number	2 (Score < 30)*	6 (Score <=23)*
	Number of suppliers with whom mutually agreed on corrective actions/improvements were agreed upon due to their significant actual and potential negative social impacts	Number	7	10
	Number of suppliers whose contracts were terminated due to significant actual and potential negative social impacts	Number	0	0

\*Syngene uses the EcoVadis Supplier ESG Assessment Framework to identify high risk suppliers. All suppliers who scored less than the threshold score defined in our Sustainable Procurement policy have been identified as high risk suppliers. In FY 2021-22, we considered EcoVadis score of less than or equal to 23 as threshold for identifying high risk suppliers. In FY 2022-23, we revised this threshold to less than 30 in alignment with our Sustainable Procurement policy.

# Annexure 4: United Nations Sustainable Development Goals

Sustainable Development Goals (SDGs) provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

SDG	Name of Goal	ESG Report chapter reference	Page no.
	No Poverty	Community engagement	54-57
	Good Health & Well Being 3.2 3.3 3.4	Community engagement About Syngene	54-55 06-11
	Quality Education 4.3 4.4 4.5 4.6	Community engagement	56-57
	Gender Equality 5.1 5.2 5.5	Corporate governance Empowering our employees	18 45-46
	Clean Water 6.3 6.4	Protecting the environment: Water	30-31
	Affordable & Clean Energy 7.1 7.2	Protecting the environment: Energy & Emission	26-29
	Decent Work & Economic Growth 8.2 8.4 8.5 8.7 8.8	Empowering our employees	45-51
	Industry Innovation and Infrastructure 9.2 9.4 9.5	Community engagement	54-57
	Responsible Production & Consumption 12.4 12.5 12.6	Operating responsibly Protecting the environment: Waste management	60-62 32-33
	Peace, Justice & Strong Institution 16.2 16.5 16.6 16.9	Corporate governance	17-19

# Glossary

## Definitions

- **ALCOA** – attributable, legible, contemporaneous, original and accurate.
- **ALCOA+ has four additions:** complete, consistent, enduring and available.
- **Antibody:** An antibody is a large, Y-shaped protein used by the immune system to identify and neutralize foreign objects such as pathogenic bacteria and viruses known as antigen.
- **Antigens:** An antigen is any substance from the environment such as chemicals, bacteria, viruses or pollen that causes the immune system to produce antibodies against it.
- **Monoclonal Antibodies (mAb):** These are produced in labs and engineered to bind specific targets such as antigens located on cancer cells.
- **Small molecule:** Small-molecule drugs are chemical compounds with low molecular weight, < 900 Dalton. They make up 90% of pharmaceutical drugs (such as insulin, aspirin, and antihistamines).
- **Large molecule:** Large molecules are therapeutic proteins and are also known as biologics.
- **Active pharmaceutical ingredient (API):** Any substance or combination of substances used in a finished pharmaceutical product (FPP), intended to furnish pharmacological activity or to otherwise have direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings.
- **Current Good Manufacturing Practices (cGMP):** The regulations enforced by the FDA to assure the quality of pharmaceuticals.
- **SQDECC** – An acronym representing the six elements of operational excellence: safety, quality, delivery, engagement, compliance and cost.
- **GEMBA walks:** Gemba walks denote the action of managers going to see the actual process, understand the work, ask questions, and learn.
- **Kaizen:** A Japanese business philosophy of continuous improvement of working practices.
- **Green Chemistry:** Green chemistry, similar to sustainable chemistry, is an area of chemistry and chemical engineering focused on the design of products and processes that minimize or eliminate the use and generation of hazardous substances.
- **Sustainable Development Goals (SDGs):** The United Nations created 17 interlinked objectives designed to serve as a shared blueprint for peace and prosperity for people and the planet, now and into the future.
- **Synpliance:** A proprietary compliance tool used to monitor and track compliance with all applicable standards and regulations governing our activity.
- **SynZero:** A safety incident and near-miss reporting portal.
- **Chemwatch:** A digital safety data sheet, to ensure the safe use of chemicals.
- **Environmental Management System (EMS):** Ensures coordination across the company's plans for overall resource conservation and waste reduction.
- **Lean mode operation:** Operational frequency of lab supply and exhaust air optimized for efficiency by adjusting airflow based on occupancy to maintain required face velocity as per standard.
- **Variable flow control:** Electronic device controlling speed and torque (rotational force applied to an object) of an electric motor by varying supplied frequency and voltage.
- **Aspect Impact Management (AIM):** An option for promoting a company's environmental sustainability. The AIM aims to define a mechanism and assign responsibilities for identifying environmental aspects and their impacts associated with manufacturing division operations, processes, and activities and control significant environmental impacts.
- **Hazard identification and risk assessment (HIRA):** The process necessary for maintaining a high level of safety and efficiency in the workplace.
- **Process safety management (PSM):** A practice to manage business operations critical to process safety.
- **Particulate Matter (PM):** Refers to particles that can be harmful to health. PM 10 refers to particles that are 10 micrometers or less in diameter, while PM 2.5 refers to particles that are 2.5 micrometers or less in diameter.

## Units of measurement

- **tCO<sub>2</sub>** – Total carbon dioxide
- **tCO<sub>2</sub>e** – Total carbon dioxide equivalent
- **NO<sub>x</sub>** – Nitrogen Oxides
- **SO<sub>x</sub>** – Sulphur Oxides
- **W** – Watt
- **KW** – Kilo Watt
- **KWH** – Kilo Watt Hour
- **KW (DC)** – Kilo Watt (Direct Current)
- **KL** – Kilo Liter (1 KL = 1,000 liters)
- **KLD** – Kilo liters per day
- **MT** – Metric Ton
- **MTCO<sub>2</sub>e** - Metric tons of carbon dioxide equivalent
- **MW** – Mega Watt
- **MW (DC)** – Megawatt (Direct Current)



# Independent Assurance Statement

**DNV**

## Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Syngene International Limited ('Syngene' or 'the Company', Corporate Identity Number (CIN) L85110KA1993PLC014937), hereafter referred to as "Syngene" or "the company" to undertake an independent assurance of the Company's ESG Report 2022-23 in its printed format ('the Report') for the financial year ending 31st March 2023. The sustainability disclosures in this Report have been prepared by Syngene based on the material topics identified by them in reference with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021 ('GRI Standards'). The intended user of this assurance statement is the Management of Syngene ('the Management'). Our assurance engagement was planned and carried out during the period October 2023 – January 2024.

## Responsibilities of the Management of Syngene and of the Assurance Provider

The Management of the Company has the sole responsibility for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analyzing and reporting the information presented in the Report. Syngene is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on sustainability performance. 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 Syngene.

We provide a range of other services to the Company, none of which in our opinion, constitute a conflict of interest with this assurance work. Our 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 and are free from misstatements.

## Scope, Boundary and Limitations

The reporting scope and boundary encompasses environmental, social and governance performance of Syngene operations as brought out in the section 'About the Report' of the report for the activities undertaken by the Company during the financial year 1st April 2022 – 31st March 2023.

We performed a limited level of assurance based on our assurance methodology VeriSustain<sup>TM1</sup>. The assurance engagement considers an uncertainty of  $\pm 5\%$  based on materiality threshold for estimation/measurement errors and omissions. We did not engage with any external stakeholders as part of this assurance engagement.

During the assurance process, we did not come across limitations to the scope of the agreed assurance engagement. The reported data on economic performance, expenditure towards Corporate Social Responsibility (CSR) activities, and other financial data are based on audited financial statements issued by the Company's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial information within the Report.

## Basis of our Opinion

As part of the assurance process, a multi-disciplinary team of sustainability specialists performed assurance work for selected sample sites of Syngene. 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:

- Reviewed the approach to stakeholder engagement and materiality determination process and its outcomes as brought out in the Report.
- Interviews with selected senior managers responsible for management of sustainability issues and review of selected evidence to support topics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Company's sustainability objectives.

<sup>1</sup> The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from [www.dnv.com](http://www.dnv.com)

## DNV

- Sample based assessment of site-level sustainability performance data through on-site audits of its operations at Biocon Park and Velankani Tech Park, both located at Bengaluru to review processes and systems for preparing the data and implementation of sustainability strategy. We were free to choose sites for conducting our assessment.
- Reviewed the process of reporting on Organizational Profile, Strategy, Ethics and Integrity, Governance, Stakeholder Engagement and Reporting Practices based on GRI 2: General Disclosures 2021.
- Reviewed the performance disclosure of identified material topics and related GRI Standards; that is, carried out an assessment of the processes for gathering and consolidating performance data related to identified material topics and, for a sample, checked the processes of data consolidation to assess the Reliability and Accuracy of performance disclosures reported based on GRI's topic-specific Standards.
- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness as per VeriSustain for a limited level of verification.

### Opinion

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly adherence to the GRI Standards 2021, including GRI 2: General Disclosures 2021, GRI 3-3: Management of Material topics and disclosures related to the following GRI Standards which have been chosen by Syngene to bring out its performance against a set of identified material topics:

- GRI 201 Economic Performance: 201-1
- GRI 203 Indirect Economic Impacts 2016: 203-1
- GRI 204 Procurement Practices 2016: 204-1
- GRI 205 Anti-corruption 2016: 205-1
- GRI 206 Anti-competitive Behavior 2016: 206-1
- GRI 302 Energy 2016: 302-1, 302-3, 302-4
- GRI 303 Water and Effluents 2018: 303-1, 303-2, 303-3, 303-5
- GRI 305 Emissions 2016: 305-1, 305-2, 305-3, 305-4, 305-5, 305-7
- GRI 306 Waste 2020: 306-1, 306-2, 306-3 (Partial disclosure)<sup>2</sup>, 306-4, 306-5
- GRI 308 Supplier Environmental Assessment: 308-1, 308-2
- GRI 401 Employment 2016: 401-1, 401-2, 401-3
- GRI 403 Occupational Health and Safety: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
- GRI 404 Training and Education 2016: 404-1, 404-2, 404-3
- GRI 405 Diversity and Equal Opportunity: 405-1
- GRI 406 Non-discrimination 2016: 406-1
- GRI 408 Child Labor 2016: 408-1
- GRI 409 Forced or compulsory labor 2016: 409-1
- GRI 413 Local Communities 2016: 413-1
- GRI 414 Supplier Social Assessment 2016: 414-1, 414-2

<sup>2</sup> Syngene has disclosed Scope 3 emissions under 8 categories out of 15 categories (as listed in the GHG protocol).

### Observations

Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain:

#### Materiality

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

The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for Syngene's business. The list of topics have been prioritized, reviewed and validated, and The Company has indicated that there is no significant change in material topics from the previous reporting period.

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

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### **Stakeholder Inclusiveness**

*The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.*

The Report brings out the stakeholders who have been identified as significant to Syngene, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.

**Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.**

### **Responsiveness**

*The extent to which an organization responds to stakeholder issues.*

The Report articulates the Company's responses to the stakeholder engagement processes carried out by the Company, as well as the approaches and performance related to identified material topics through GRI topic-specific Standards. The Company has further linked its material topics to its overall strategies, management approach and goal setting processes, as well as future challenges of the healthcare business.

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

### **Reliability**

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

The Report brings out Syngene's sustainability performance related to its identified material matters using selected GRI topic-specific Standards. The majority of the data and information verified through our assessments at sampled operational sites and aggregated at the corporate level were found to be fairly accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and these errors have been identified, communicated and corrected.

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

### **Completeness**

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

The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of the GRI's Principle of Completeness.

**Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.**

### **Neutrality**

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

The Report presents Syngene's performance during the reporting period in a neutral manner so as to not unduly influence stakeholder opinions made on reported data and information, which includes descriptions of significant challenges and concerns related to stakeholders and business sectors, and overall macroeconomic environment and business outlook.

**Nothing has come to our attention to suggest that the Report 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 Conduct<sup>2</sup> during the assurance engagement and maintain independence as required by relevant ethical requirements including the ISAE 3000 (Revised) Code of Ethics. 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 Report except for this Assurance Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

For DNV Business Assurance India Private Limited

<p><b>Karthik Ramaswamy</b></p> <p>Digitally signed by Karthik Ramaswamy Date: 2024.01.30 14:17:33 +05'30'</p> <p>Karthik Ramaswamy Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India</p>	<p><b>Sharma, Anjana</b></p> <p>Digitally signed by Sharma, Anjana Date: 2024.01.30 14:27:11 +05'30'</p> <p>Anjana Sharma Head – Regional Sustainability Operations, DNV Business Assurance India Private Limited, India</p>	<p><b>Kakaraparthi, Venkata Raman</b></p> <p>Digitally signed by Kakaraparthi, Venkata Raman Date: 2024.01.31 09:55:29 +05'30'</p> <p>Venkata Raman Kakaraparthi Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India</p>
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30 January 2024, Mumbai, India.

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 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](http://www.dnv.com)

<sup>2</sup> The DNV Code of Conduct is available on request from [www.dnv.com](http://www.dnv.com) (<https://www.dnv.com/about/in-brief/corporate-governance.html>)

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# *Syngene*

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