Management Discussion & Analysis

ECONOMIC OVERVIEW

WORLD

Economic activity worldwide slowed down in 2019 for both advanced and emerging economies owing to trade and tariff-related uncertainties between the global powers, along with tepid consumer and investor sentiments.

The US economy is estimated to have grown by 2.3% in 2019, driven by improved consumer spending, employment generation and manufacturing activity.

Global Growth Trends (%)

	Actual	Projections	
Particulars	2019	2020	2021
World Output	2.9	-4.9	5.4
Advanced Economies	1.7	-8.0	4.8
US	2.3	-8.0	4.5
Eurozone	1.3	-10.2	6.0
Japan	0.7	-5.8	2.4
UK	1.4	-10.2	6.3
Other Advanced Economies	1.7	-4.8	4.2
Emerging Markets and Developing Economies	3.7	-3.0	5.9
China	6.1	1.0	8.2

Source: International Monetary Fund (IMF)

Outlook

The International Monetary Fund (IMF) projects that global economic activity will grapple with unprecedented contraction in 2020, owing to the COVID-19-led lockdown and the consequent suspension of economic activity. As per the IMF's April World Economic Outlook, global growth will contract by 4.9% in 2020, vis-à-vis 2.9% growth in 2019, and subsequently, mark a V-shape normalisation to 5.4% growth in 2021, although half of it will come on a lower base. Further, the global trade volume in goods and services will slip into a degrowth of 11% in 2020 from an already sluggish growth of 0.9% in 2019, before growing by 8.4% in 2021.

INDIA

India continued to be one of the most robust and resilient economies of the world in 2019. During FY20, the economy grew by 4.2%, suffering primarily from inadequate credit availability owing to challenges in the financial sector. The combined impact of muted domestic demand and export markets dragged down capacity utilisation of industries.

The Government of India undertook proactive initiatives such as reducing corporate tax rates and offering credit guarantee for financially sound Non-Banking Financial Corporations (NBFCs). The year also witnessed easing of monetary policy by the Reserve Bank of India (RBI) with significant reduction in the repo rate. Driven by fiscal and monetary policy initiatives, the economy began to show early signs of recovery. However, the COVID-19 outbreak in the fourth quarter of the year made recovery an uphill task.

India's growth pattern (%)

FY16	FY17	FY18	FY19	FY20
8.0	8.2	7.2	6.1	4.2

Source: Economic Survey of India 2019-20; Central Statistics Office

Outlook

The Government of India has already announced a significant relief package of ₹20 trillion, aimed at providing a safety net to the most vulnerable sections of society. Targeted relief measures have also been designed for sectors that are hardest hit by the pandemic such as financial services and micro, small & medium enterprises (MSMEs).

The positive indicators are moderate inflation and low crude prices resulting in declining trade deficit. These factors allow the Government of India adequate room for providing additional fiscal and liquidity support to the economy.

INDUSTRY INSIGHT

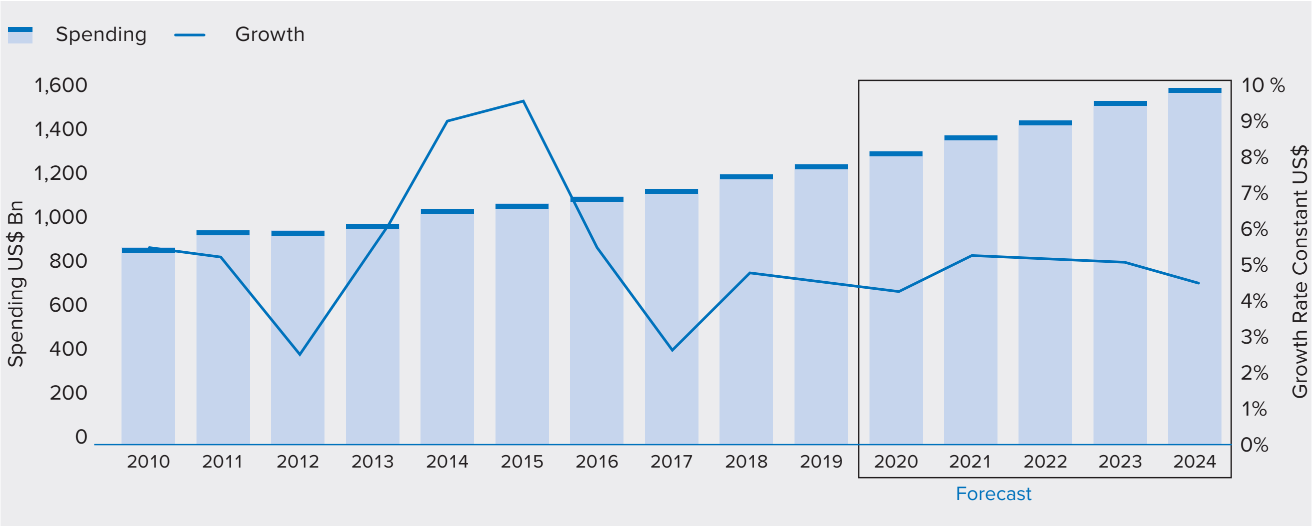
GLOBAL PHARMACEUTICAL INDUSTRY

Globally, the use of medicines has grown considerably in the past decade, particularly in chronic and high-priority segments. The spending for pharmaceuticals registered an invoice value of US$1.25 trillion in 2019, and is expected to grow at 3-6% CAGR through 2024, reaching US$1.5-1.6 trillion. The rise in spending is partly due to increased usage and partly driven by changes in the speciality and innovative product composition of new brands.

Developed markets are expected to see enhanced spending from US$821.6 billion in 2019 to US$985-1,015 billion in 2024, at 2-5% CAGR. On the other hand, pharmerging markets are likely to grow from US$357.7 billion in 2019 to US$475-505 billion in 2024, at 5-8% CAGR.

The front-ranking nations in pharma spending in 2024 are likely to be the US, China, Japan, Germany, Brazil, Italy, France, the UK, India and Spain. (Source: IQVIA)

Global medicine spending and growth 2010-2024



Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

Global pharmaceutical spending and growth

US

	2019 (US$ Billion)	2014-2019 CAGR	2024 (US$ Billion)	2020-2024 CAGR
Developed	821.6	3.8%	985-1,015	2-5%
Pharmerging	357.7	7.0%	475-505	5-8%
Rest of the world	71	4.8%	85-95	2-5%
Global	**1,250.4**	**4.7%**	**1,570-1,600**	**3-6%**

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

KEY INDUSTRY TRENDS

Specialty medicines: Specialty drugs are used to treat complex or rare chronic conditions. In developed markets, around 44% of spending in 2019 was focused on specialty products; and is likely to touch 52% in 2024. In pharmerging markets, specialty medicines accounted for 14% of spending in 2019, and are expected to reach 15% in 2024. Of the US$354 billion spent by developed markets on speciality products in 2019, 30% was on oncology products. Oncology spending is likely to be the largest contributor to speciality spending, with a projected increase of 51% through 2024, indicating faster innovation and rapid launch of new pipeline of drugs. Autoimmune therapy spending comprised 17% of total spending in 2019, while HIV accounted for 8% of speciality products; going forward both the segments are likely to witness faster growth.

Biosimilars: Biosimilars are similar versions of biologics, which are made from microorganisms found in plant or animal cells. There has been an ever-increasing demand for pharmaceuticals and for cost effective and more accessible drugs. This makes the biosimilar market an attractive growth proposition in the foreseeable future. The USFDA expects to review more biosimilar applications in 2020, as 66 biologic US patents are expiring within the next five years. This will eventually bolster the growth of the biosimilar segment.

Big data and Artificial Intelligence (AI): Big data and Artificial Intelligence now have a presence in almost every industry. The International Society for Pharmacoepidemiology (ISPE) and its members are working on the roadmap to implement Pharma 4.0 model for the future. Through enhanced digitalisation, Pharma

4.0 will connect the medical fraternity much more cohesively, creating new levels of transparency and speed for a digitalised plant floor. This will not only enable faster decision-making, but also provide in-line and in-time control over business, operations and quality. Robotic technology and Artificial Intelligence (AI) would soon be used to reduce manufacturing floor downtime and product waste. Besides, single-use disposable solutions are gaining momentum, replacing open transfer manufacturing techniques for safer drug storage and transport.

Precision medicine: Precision medicine, also known as personalised medicine, is a process of diagnosing and providing customised medicines and treatment based on an individual's predicted response. Considered niche, these medicines are slowly gaining traction with more and more of such medicines passing the clinical stage and getting ready for the new-age market. In the last five years, investment in personalised medicine has doubled in size and its production is expected to increase by approximately 33% by 2025.

Mergers and acquisitions (M&A): Despite a global slowdown in most other sectors, M&A in the pharma industry remained vibrant throughout 2019. The total value of deals during 2019 stood at US$1.2 trillion. Some of the biggest companies in the industry are consolidating to elevate their position in a highly competitive environment. Increased regulatory pressure from the governments to reduce drug prices and remove potential monopolies is likely to impact margins.

(Source:netscribes.com)

REVIEW OF KEY GLOBAL MARKETS

USA

USA continues to rank at the apex of the world's pharmaceutical spending, contributing about 41% of the total market. The spending is likely to grow from US$510 billion in 2019 to US$ 605-645 billion by 2024, at a CAGR of 3-6%. However, the US market was ranked fourth in overall growth potential, trailing behind high-growth emerging markets such as China, India and Germany. Encouragingly noteworthy is the fact that the country has the highest biological processing quality and is perceived to have the largest growth potential for biologics manufacturing.

With the raging COVID-19 pandemic disrupting supply chains and the government's increased attention on drug pricing, the market is likely to be volatile and margins will be under constant pressure. The US Department of Health and Human Services (HHS) and the USFDA are making concerted efforts to drive speciality product development and expedite regulatory pathways that recognise unmet clinical needs. Besides, support for the generics market will be considerably higher in the forecast period (2020-2024), with the patent expiry of existing drugs.

(Source: IQVIA)

US pharmaceutical spending and growth (US$ billion)

2019	2014-2019 CAGR	2024	2020-2024 CAGR
510	4.3%	605-635	3-6%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

Europe

In 2019, the total pharma spending in the top five European countries stood at US$174 billion, registering a 4% CAGR over the previous five years. In 2019, the launch of new products in Germany and measures by France to improve biosimilar uptake with an aim to achieve 80% penetration by 2022, have played an important role.

Europe has adopted globally acknowledged standards and the authorities' efforts to seek out new interest to create a more competitive and therefore more accessible market. During the year, the European Union adopted manufacturing waivers to supplementary protection certificates (SPCs), a move supported by generics and biosimilars producers and Active Pharmaceutical Ingredient (API) manufacturers. The manufacturing waiver for SPCs had been a subject of great debate between the generics/biosimilars industry and innovator drug companies. The companies would now be able to start manufacturing under the waiver from July 2022, which provides a positive outlook for the years to come.

EU5 pharmaceutical spending and growth (US$ billion)

2019	2014-2019 CAGR	2024	2020-2024 CAGR
174	4.0%	210-240	3-6%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute,

Going forward, with a 3-6% CAGR, pharmaceutical spending in the top five European Union (EU5) markets is projected to grow to US$210-240 billion by 2024. The main driver behind this growth would be the launch of latest generation innovative specialty products. However, government led price control initiatives to improve patient access to these specialty products is expected to act as a counter-balancing force to this growth. (Source: IQVIA)

Pharmerging markets

During 2014-19, spending on pharmaceuticals has increased at a CAGR of 7%, reaching US$358 billion by the end of 2019. Pharmerging markets comprised 28% of global pharmaceutical spending in 2019. A significant proportion of this spending and market growth has been driven by enhanced access to chronic and specialty medications, leading to the ramp-up of volumes and adoption of more novel therapies.

Pharmerging markets – Pharmaceutical spending and growth

(US$ billion)

Region/ Country	2019	2014-2019 CAGR	2024	2020-2024 CAGR
Phar-merging markets	358	7.0%	475-505	5-8%
China	142	6.7%	165-195	5-8%
Tier 2*	71	9.4%	90-120	7-10%
Brazil	32	9.9%	45-49	6-9%
India	22	9.5%	31-35	8-11%
Russia	16	8.4%	23-27	8-11%
Tier 3	145	6.2%	195-225	5-8%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019; *Tier 2 includes Brazil, India and Russia

Going forward, pharmaceutical spending in pharmerging markets is expected to account for 30-31% of global pharmaceutical spending in 2024. These markets are expected to continue to grow with a 5-8% CAGR through 2024, as against historical 7% CAGR during the period 2014-19.

The growth in pharmerging markets is likely to be driven by a higher volume growth for branded generics and pure generic medicines. The volume growth would be led by increasing access to the newly introduced medicines by the consumers in these markets. Also, some of the latest generation innovative drugs are likely to be launched in these markets, but expecting that the prices of such products would be high, the rise in their purchases is likely to be limited. (Source: IQVIA)

India

India is now looked upon as the pharmacy of the world. Besides being the largest provider of generic drugs globally, India's pharmaceutical industry meets 50% of the global vaccines demand, 40% of the generic medicine demand in the US and 25% of the entire demand for medicines in the UK.

During 2014-19, the domestic market grew at a CAGR of 9.5% to reach US$22 billion. Presently, over 80% of the antiretroviral drugs being used globally to combat acquired Immunodeficiency syndrome (AIDS), are supplied by Indian pharmaceutical firms. Pharmaceuticals exports from India stood at US$20.6 billion in FY20 up from US$19.1 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

India's pharmaceutical spending and growth (US$ billion)

2019 (US$ billion)	2014-2019 CAGR	2024 (US$ billion)	2020-2024 CAGR
22	9.5%	31-35	8-11%

Source: IQVIA Market Prognosis, September 2019; IQVIA Institute, December 2019

Government focus on India's healthcare

The Government of India has been taking several steps to reduce costs of medicines and bring down healthcare expenses. Accelerated introduction of generic drugs into the market has remained in focus, which is expected to benefit both the consumers as well as the Indian pharmaceutical companies.

In November 2019, the Union Cabinet approved the extension/renewal of the existent Pharmaceuticals Purchase Policy (PPP), with the same terms and conditions, while adding one additional product namely, Alcoholic Hand Disinfectant (AHD) to the existing list of 103 medicines, till the final closure/strategic disinvestment of the Pharma CPSUs.

In the Union Budget 2020-21, the government allocated US$ 9.30 billion (₹650.1 billion) to the Ministry of Health and Family Welfare and US$4.88 billion (₹341.2 billion) towards the National Health Mission to benefit all sections of the society, especially the economically disadvantaged.

Going forward, India's pharmaceutical industry is expected to grow at 8-11% CAGR to US$31-35 billion by 2024. The country has a good mixture of high-end chemistry skills, cost effective labour and the ability to manufacture quality drugs as per the requirements of international regulatory agencies. In addition, there has been a constant focus on rural health programmes, lifesaving drugs and preventive vaccines by the Government of India. India will continue to be an important player in the global generics market. (Source: IQVIA and IBEF)

ABOUT AUROBINDO PHARMA

Aurobindo Pharma Limited (Aurobindo Pharma) is a leading global pharmaceutical company, producing generic formulations and Active Pharmaceutical Ingredients (APIs). The Company is a vertically integrated generic pharmaceutical company focussed on developing a broad spectrum of products including a complex and differentiated product portfolio. The Company's growth is aided by cost-effective product development and substantial execution capabilities. It leverages India's globally competitive cost base and talented team of scientists to successfully launch affordable products and make them accessible worldwide.

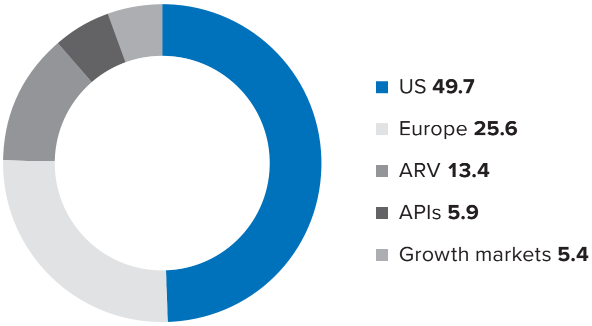
The Company offers a wide range of products and is globally the seventh largest generic company (by revenues) and the second largest listed Indian pharma company (by revenues). It has carved a niche for itself in developing high-quality APIs and finished dosage forms, especially in regulated markets.

With 33 years of experience, eight research facilities and 29 global manufacturing and packaging facilities, Aurobindo enjoys a presence in 155+ markets. Headquartered in Hyderabad, India, it is an Indian MNC that derives 92% of its revenues from international markets.

An empowered workforce of approximately 23,000 people across offices and facilities drives our operations across the globe.

Revenue distribution mix

(%)



Key 2019-20 highlights

- Recorded total growth in revenues by 18.1% y-o-y to ₹230,985 million
- Logged EBITDA of ₹48,643 million, up by 23.1%
- Spent ₹9,580 million (4.1% of revenues) on R&D
- Filed 55 ANDAs with USFDA, of which 19 are injectables and the remaining orals
- Received final approval for 22 ANDAs (including eight injectables) and tentative approval for six ANDAs from the USFDA
- Launched 34 products in the US, including seven injectables
- Filed 12 DMFs with the USFDA, taking cumulative filings to 254 as on 31 March 2020
- Commissioned Eugia Pharma facility for oncology, hormones, injectables and orals
- Started clinical trials for the lead molecule in biosimilar division Bevacizumab and completed clinical trials for the first metered-dose inhaler
- Acquired R&D assets from Profectus BioSicences Inc., USA; the acquisition will provide access to proprietary and innovative technology platforms for prophylactic and therapeutic use, enhancing the Company's research capabilities and expertise in developing newer vaccines from basic discovery research that would culminate in USFDA-approved products.

Formulations business: Integrated manufacturing leverages cost-effective product development

Formulations business contributed 87% to the Company's consolidated revenues in FY20. During the year under review, revenues from this segment clocked in at ₹200,119 million, growing by 23.9% y-o-y.

The Company commands a large portfolio in formulations with 1,200+ products and has 17 formulations manufacturing facilities in India (11), the Netherlands (1), Portugal (1), Brazil (1) and the US (3).

The Company also participates in Antiretroviral (ARV) tenders floated by various independent and government agencies by multi-lateral organisations like United States Agency for International Development (USAID), The President's Emergency Plan for AIDS Relief (PEPFAR) and other health ministries of various countries.

US formulations: Expanding portfolio mix towards differentiated products

As on 31 March 2020, Aurobindo is the second largest generics company in the US in terms of prescriptions (Rx) dispensed as per IQVIA data. The company has significantly strengthened its position over the last five years. The Company's Rx market share increased to 8.5% for 12 months ending April 2020, as against 7% for the 12 months ending April 2019 and 3.8% for the 12 months ending April 2016 as per IQVIA data. The Company has a presence across various segments such as generics (oral, injectable and OTC), branded (injectables) and dietary supplements. During the year, the Company registered a growth of 27.2% at ₹114,835 million.

Filings and approvals in the US

Filings

FY16	FY17	FY18	FY19	FY20
21	30	46	63	**55**

Approvals

FY16	FY17	FY18	FY19	FY20
50	61	50	48	**22**

Oral solids: During FY20, Aurobindo's oral solids segment in the US, reflected a significant growth of 18% that was largely driven by improvement in the volumes of existing products. The oral solid prescription sales increased by 30% (Source:IQVIA data), and the market share of prescription dispensed improved to 9% (Source:IQVIA data), during the financial year. Aurobindo actively markets 190 products, of which 83% rank among the top 4 in the US market. The Company is awaiting final approval for 120 ANDAs as on 31 March 2020, and is in the process of creating an incremental portfolio across the therapies, which will drive growth in the oral solids business.

Injectables: This segment witnessed a robust growth of 31% led by new product launches, pickup in volumes and gain in the market share of existing products. As per IQVIA's 12 months ending March data, the number of eaches have increased by 12% year-on-year. The Company actively markets 47 products, of which 74% rank among the top 4 in the US market. The Company is awaiting final approval for 58 ANDAs as on 31 March 2020. It is on the path of building a future pipeline of complex injectables including depot injections.

Over-the-counter drugs (OTC): The OTC segment recorded a strong growth of 15% and its contribution to the US revenues increased to 3% in 2019-20. Going forward, the switchover of certain medications from Rx to OTC would strengthen the portfolio of branded OTC products.

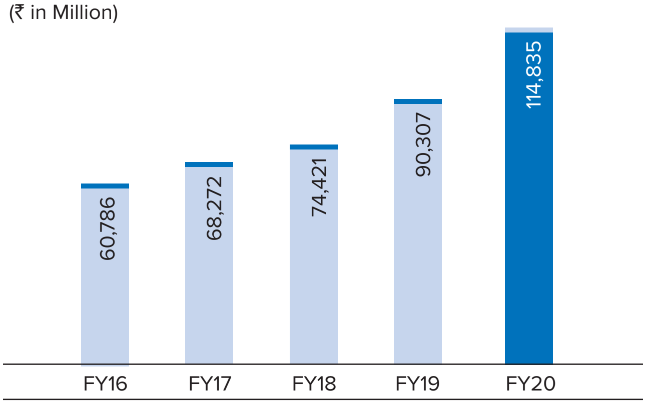
Branded oncology injectable: Aurobindo completed the acquisition of seven marketed branded oncology injectables in March 2019, which allows the Company to enter the branded space with a portfolio of well-known products. Acrotech Biopharma (Aurobindo Pharma's subsidiary) will continue building its commercial infrastructure to maximise the value of its current and future products.

Dietary supplements: Natrol posted a growth of 22% and accounted for 10% of the US revenues. It maintained the growth momentum through new product introduction and geographical expansion.

US formulations revenue trend

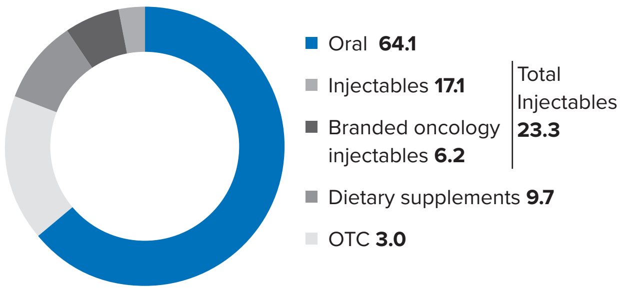
17.2% 5-year CAGR

(₹ in Million)



Revenue mix of the US formulations segment

(%)



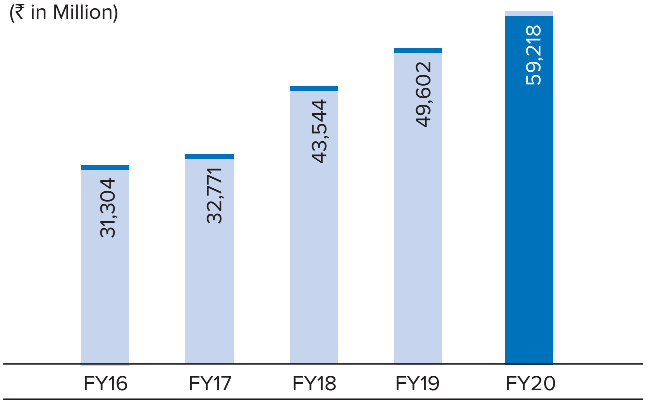
Europe formulations: Deepening the European footprint

Aurobindo is ranked among the top 10 generics companies in 7 out of 11 countries in which it operates. This business vertical delivered a robust performance during the year, with a growth rate of 19% year on year. Its contribution to the total revenues was 26%. The markets of France, the UK, and Italy primarily drove this growth. The Apotex business acquisition has helped the Company to leverage synergies in the European markets. The Company has completed the integration of acquired businesses and is in the process of restructuring the businesses to draw synergies.

Europe revenue trend

▲ 17.3% 5-year CAGR

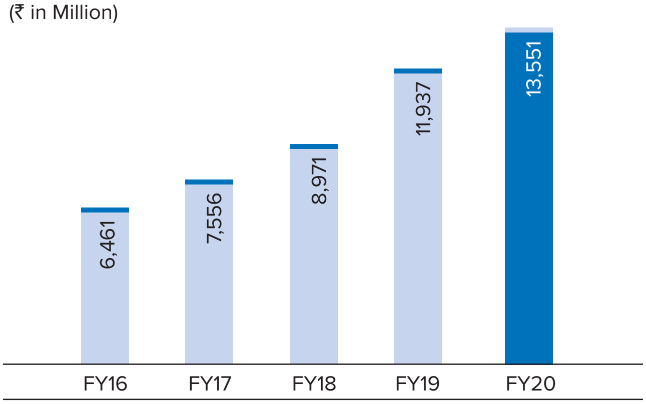
(₹ in Million)



Growth Markets formulations revenue trend

▲ 20.3% 5-year CAGR

(₹ in Million)



Growth Markets formulations

The growth markets formulation business expanded by 14% to reach ₹13,551 million, contributing 5.9% to the Company's total revenues. Key markets include Canada and Brazil. The segment aims to build its presence in branded generics in select growth markets and is deepening its footprint in specific countries, with the Canadian market being the key growth driver.

In Canada, the company has launched 13 products during the year taking total launches to 113. The market share of the Company in value terms increased from 1.7% to 2.4%[1]. During the year under review, the company has filed 13 dossiers and plans to file another 25 products in FY21. Over the next two to three years, the company is aiming to introduce products in Inhalers and Biosimilars.

China is the world's second largest pharmaceutical market with a market size of US$142 billion in 2019 and estimated to reach US$165-195 billion by 2024, indicating a growth of 5-8% (Source: IQVIA). The Company has identified a basket of products for this market and started filing from India. As on 31 March 2020, the Company has filed 15 products. It is also setting up an oral solids formulation facility. The Company has also entered into a joint venture for developing and marketing products.

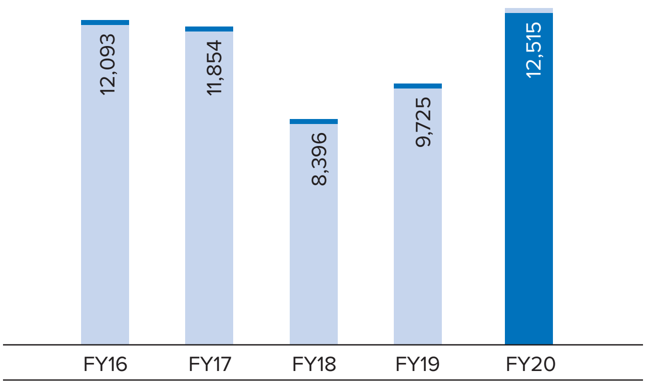
[1]Source: IQVIA

ARV formulations

The Company focuses on global tenders floated by multi-lateral organisations like Global Fund, USAID, PEPFAR and country-specific Ministry of Health tenders. Aurobindo's ARV division delivered a y-o-y growth of 28% in FY20. The segment recorded ₹12,515 million in revenues during the year on the back of its early mover advantage in TLD (Tenofovir + Lamivudine + Dolutegravir) tablets. A growing single-pill regimen, along with rapid conversion of TLE (Tenofovir + Lamivudine + Efavirenz) to TLD in the institution segment, has contributed towards this growth.

ARV revenue trend

(₹ in Million)

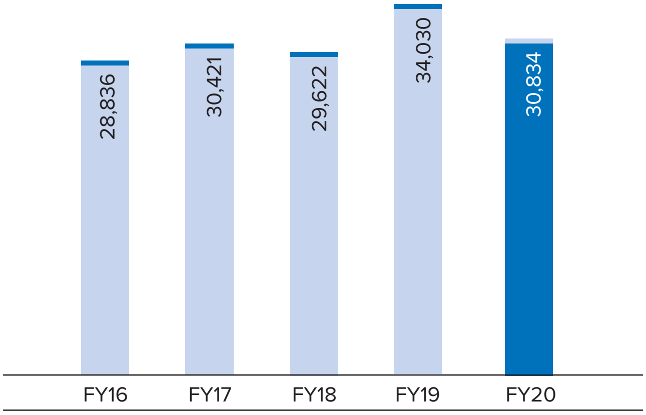


API business: Sustained growth in advanced regulated markets

Aurobindo's API business is a strategic segment in terms of vertical integration and supply reliability. The Company has been investing in this division for capacity creation and capability building. Key customers for this business unit include innovator and large generic companies. The business unit continues to focus on complex products with varying volumes, while continuously improving its manufacturing processes to meet market needs. The Company manufactures and markets Betalactum and non-Betalactum at its 11 API and intermediate facilities. The revenue from the API division was ₹30,834 million and it contributed 13.4% to the consolidated revenues of the Company.

API revenue trend

(₹ in Million)



FINANCIAL REVIEW – CONSOLIDATED

During 2019-20, Aurobindo's consolidated revenues increased by 18% to ₹230,985 million from ₹195,636 million in the previous year. Its EBITDA grew by 23.1% to ₹48,643 million, whereas the EBITDA margin stood at 21.1%. The Company's research and development expenses stood at ₹9,580 million, i.e. 4.1% of its total revenues. Aurobindo reported Profit after Tax (PAT) of ₹28,310 million, an increase of 19.7% year-on-year and Earnings per Share (EPS) of ₹48.32.

Key ratios

	As on 31 March 2020	As on 31 March 2019
Debtors turnover	5.1	4.5
Inventory turnover	3.1	3.0
Interest coverage ratio	24.9	20.9
Current ratio	1.4	1.2
Debt equity ratio	0.16	0.36
Operating profit margin (EBITDA Margin %)	21.1%	20.2%
Net profit margin (%)	12.3%	12.1%
Return on net worth (%)	18.4%	18.4%

Manufacturing review

Aurobindo continues to strengthen its manufacturing operations. Aurobindo has 29 manufacturing and packaging units spread across USA (4), India (22), Portugal (1), the Netherlands (1) and Brazil (1). Its well-equipped production facilities have approvals from international regulatory agencies such as the US Food and Drug Administration (USFDA), UK Medicines and Healthcare products Regulatory Agency (MHRA), World Health Organisation (WHO), Health Canada, EU's European Medicines Agency (EMA), Portugal's INFARMED and Brazil's ANVISA for both APIs and formulations. The Company largely backward integrated and ensures seamless production schedules with on-time availability of raw materials. Going forward, the Company will enhance capacities of its existing units and set up new facilities.

During the year under review, Eugia Pharma's facility has been commissioned. The facility was inspected and approved by various regulatory authorities, including the USFDA, EMA and INFARMED. This unit has a total installed capacity of 6 billion units and can manufacture various dosage forms such as capsules, tablets and injectables. The Company also added capacity at Unit VII and Unit X; and expanded its API capacity in Unit XI and Unit XIV. Aurobindo also invested in expanding its solar power plant capacity in one of the API units.

SCORE ANALYSIS

Strengths	Challenges	Options	Responses	Effectiveness
• Vertically integrated manufacturing • Presence in multiple therapeutic areas • Global footprint • Strong R&D • Skilled workforce • Capability of delivering high-quality, cost effective generics	• Competitors with similar offerings and business structures • High mobility of workforce within the industry • Pricing pressures	• Vaccines for new diseases • Rise in demand for lifestyle products and geriatric care • Global response to pandemic/s	• Capacity creation and capability building measures • Expanding into new areas like biologics, dermatology, transdermal patches and respiratory medicines	• Audited by regulatory agencies • Earned shelf space on a global scale • Control over raw material sourcing • Dominant API player • In-house R&D capabilities; strong technological implementation in manufacturing and robust marketing infrastructure

PEOPLE AT AUROBINDO

Aurobindo is cognisant of the fact that its success is dependent on the experience, expertise and executional capabilities of its people; and this is why the Company considers them strategic business partners.

The Company's ideology is 'committed to healthier life', and it reiterates the idea in terms of its people policies by promoting work-life balance. Aurobindo offers an empowering and enabling work environment for its people, with various learning and development programmes across almost all functions of the business.

THE COMPANY AIMS TO:

- Attract, build and retain talent
- Create and nurture a performance culture through capability building, performance measurement and leveraging IT
- Foster leadership at all levels through trust, empowerment, inclusion and openness
- Promote a collaborative approach for business excellence
- Encourage a vibrant work culture based on innovation and incentivise people based on their productivity/outstanding performance

Aurobindo's focus on the wellbeing of its people remains steadfast. The Company is ensuring utmost care through the newly developed 'human touch lifecycle' process, to enhance work environment in a post-COVID world.

SUSTAINABLE AT THE CORE

Aurobindo never loses sight of health, safety and the environment while executing its operations. It follows international guidelines, and continuously works towards improving safety across all its facilities and processes. The Company enjoys cordial industrial relations, and is incessantly evolving its systems and processes to enable better work-life for its people.

The Company upgrades its plants and treatment systems every year to remain a frontrunner in promoting sustainability. It continues to work with the Access to Medicine Foundation and is participating in the 2020 AMR Benchmark. Aurobindo has also joined the AMR Industry Alliance.

Aurobindo strives to minimise waste generation, optimise the use of available resources, reduce its carbon footprint and ensure minimal impact of its activities on the environment.

A RESPONSIBLE ORGANISATION

Aurobindo's philanthropic arm Aurobindo Pharma Foundation builds on the organisation's commitment towards sustained excellence. It includes the Company's citizenship efforts that benefits communities.

The Foundation invests a large part of its resources into building social assets like schools, hospitals and toilets that help in improving the quality of life in the society. It works towards providing basic amenities such as potable water and nutritious food to the underprivileged. The Foundation has a team of over 11 people, who monitor the implementation and impact of each project.

The Foundation's key areas of activity for 2019-20 were:

- Promoting quality education
- Supporting preventive healthcare and sanitation
- Sustaining ecological balance and conserving natural resources
- Promoting road safety
- Providing safe drinking water
- Elevating hunger and malnutrition
- Supporting rural sportspersons